



AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 5 July 2021

REPORT TITLE:	CORPORATE RISK MANAGEMENT UPDATE
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report provides an update on the Council's risk management arrangements and areas of risk management focus over the coming year.

This matter affects all Wards within the Borough. It is not a key decision.

RECOMMENDATION/S

The Audit and Risk Management Committee is recommended to note the report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the committee to understand the Authority's most significant risks, the associated mitigating controls, and the risk management framework to fulfil its role of providing independent assurance of the Council's Risk Management Framework.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered appropriate as failure to report this information would demonstrate ineffective governance and non-compliance with professional best practice.

3.0 BACKGROUND INFORMATION

- 3.1 Work has continued on refreshing the Wirral Plan and the development of Directorate and Service Plans and associated risk registers for the current year. The impacts of the pandemic and changes to the government roadmap are continuing to disrupt normal activities therefore flexible arrangements and plans are required.

Risk Appetite

- 3.2 The Government's Orange Book – Management of Risk, Principles and Concepts (2019) advises 'the Board should determine and continuously assess the nature and extent of the principal risks that the organisation is exposed to and is willing to take to achieve its objectives – its risk appetite – and ensure that planning and decision-making reflects this assessment. Effective risk management should support informed decision-making in line with this risk appetite, ensure confidence in the response to risks, transparency over the principal risks faced and how these are managed'.
- 3.3 A piece of work has been commissioned from Zurich Municipal to look at the risk appetite across the Council. This is designed to articulate the level of risk that the organisation is willing to accept whilst in pursuit of its objectives.
- 3.4 The intention is to produce a quantifiable assessment of the risk appetite beyond the simple statement or traditional headings of risk averse, minimal, cautious, open and eager.
- 3.5 Risk appetite is not uniform nor static across an organisation. The work by Zurich Municipal will look at different categories, for example, financial; reputation; regulatory; community; environment and compliance to help understand the different levels.
- 3.6 The aim is to help understand and articulate the areas where the Council:
- may seek to take more risk and be innovative;
 - should be conservative and compliant in their activities; and
 - the "lines" across which the Council and senior management do not wish to cross, and where senior management would need to be notified.

- 3.7 Risk appetite can also change over time as circumstances, policies and the general environment change therefore the work is designed to be repeatable and reviewed on a regular basis.
- 3.8 An initial briefing of the Senior Leadership Team is to take place on the 30th June. It is hoped that initial findings will be able to be presented at the next committee in September.

Member Sub-Group

- 3.9 The Group has been established to provide more time to review the Corporate Risk Register and associated risk mitigations. Consideration will also be given to the work around the risk appetite for the organisation.
- 3.10 Sessions have been arranged for 14th July and the 7th October with the Chair and Spokespersons of the Committee.
- 3.11 Further meetings will be arranged around the calendar of committee meetings for 2021/22.

Corporate and Directorate Plans and Risk Registers

- 3.12 The Wirral Plan is due to go to full Council in the autumn for approval. Work continues on the development of the associated performance management framework, including the linkages to the Corporate Risks.
- 3.13 Directorate Risk Registers have been developed and refreshed to align to the Wirral Plan. It is hoped that the work on the risk appetite will help to strengthen their robustness and relevance.
- 3.14 The Corporate Risks have been split to identify those linked to the corporate priorities within the draft Wirral Plan as a framework, and those that are key to the running of an effective and efficient organisation. A copy of the current Corporate Risk Register is attached at Appendix 1.
- 3.15 The scoring of the Corporate Risks is currently in progress, reflecting the latest information from the Directorate Risk Registers as they are updated at Quarter 1 reporting and in line with the draft framework of the Wirral Plan. It should be noted that not all scores had been finalised by the time of the writing of this report. More detail and discussion on the scores, as they are confirmed, can take place at the Sub-Group meeting on 14th July.
- 3.16 A number of the Corporate Risks are linked to key pieces of work recently carried out or underway by Internal Audit. The findings of these reports are used to provide confidence in the existing arrangements or highlight areas of control to be strengthened and the risks or associated controls and actions to be updated accordingly. For example, CRR 21 Cyber Security will be updated to reflect the findings of the report on the Treasury Building Data Centre and the pending report on Cyber Security.
- 3.17 This includes the production of the Annual Governance Statement and the Significant Governance Issues (SGIs) identified within it. Actions proposed during

2021/22 for each of the SGIs are cross-referenced to the actions in the Corporate and Directorate Risk Registers.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no immediate financial implications arising directly from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are no immediate legal implications arising directly from this report.

5.2 The Authority has a statutory responsibility under Part 2 – Internal Control of the Accounts and Audit Regulations (England) 2015 to have arrangements in place for the management of risk. It also forms part of the seven new core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no resource implications arising directly from this report.

7.0 RELEVANT RISKS

7.1 Without robust risk management procedures in place there is a danger that the Council will fail to identify, understand, and monitor key strategic and operational risks. An ineffective and poorly established risk management framework prevents the optimisation and balanced approach between risk taking and control, leading to ineffective assurance and missed opportunities. The consequence of both is that risks are not considered in decision-making which could have serious financial, reputation and resource implications.

7.2 Risk management arrangements for the Council form part of the key controls for the Corporate Risk 19 – Effective Governance.

8.0 ENGAGEMENT/CONSULTATION

8.1 No specific consultation has been undertaken with regards to this report.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity. No equality issues arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to:

- Have no impact on emissions of Greenhouse Gases

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APPENDICES

Appendix 1 - Corporate Risk Register Summary

BACKGROUND PAPERS

Risk Management Policy
[The Orange Book \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	
Development of the Revised Corporate Risk Register	24 September 2018
Development of the Revised Corporate Risk Register	19 November 2018
Development of the Revised Corporate Risk Register	28 January 2019
Development of the Revised Corporate Risk Register	11 March 2019
Update of the Corporate Risk Register	22 July 2019
Update of the Corporate Risk Register	23 September 2019
Update of the Corporate Risk Management Arrangements	18th November 2019
Corporate Risk Management Update	27th January 2020
Risk Management Update	10th March 2020
Corporate Risk Register Update	16th November 2020
Corporate Risk Management Update	25th January 2021
Corporate Risk Management Update	9th March 2021