



AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 27 September 2021

REPORT TITLE:	CORPORATE RISK MANAGEMENT UPDATE
REPORT OF:	DIRECTOR OF RESOURCES (S151 OFFICER)

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 With the approval of the Wirral Plan 2021-26 by Council on the 6th September work is progressing on developing the detailed Delivery Plans and Directorate Business Plans. This includes further engagement and discussion with relevant Committees taking place to shape the underpinning delivery plans and work programmes required to implement the Wirral Plan.
- 3.2 This includes the refreshing of the Directorate Risk Registers and Corporate Risks to ensure that the Council is aware of and understands the risks that have the potential to impact on the delivery of the priorities laid out in the respective plans.
- 3.3 The overarching aim of good risk management is to help the organisation understand the risks it is subjected to, as well as seeking to optimise a balanced approach to risk and controls.
- 3.4 This year this has been against the backdrop of the continuing pandemic. As services have returned to more business-as-usual work, since the relaxation of the pandemic restrictions, it is anticipated that progress will be made on planned actions which may have been paused. However, it is acknowledged that some services may not fully be at pre-pandemic operating or capacity levels and even where they are some activities may need to be restricted again as part of autumn/winter planning arrangements.

Risk Appetite

- 3.5 As detailed in the report to the Committee on 5th July work is underway with Zurich Municipal to develop a detailed statement of the Council's risk appetite for inclusion in the Council's Risk Policy and Strategy Framework.
- 3.6 Defining the Council's risk appetite can help in several ways by:
- Ensuring the Council is only taking a level of risk, and the type of risks, it is comfortable with to achieve its goals
 - Ensuring the risks are commensurate to the opportunity or reward to be gained

- Providing a framework for decision making; significant decisions can be taken with consideration to how it will affect the level or risk the Council is exposed to, and if this is acceptable or not
- Enabling staff to make judgements about which risks are acceptable in pursuing goals and which are not
- Ensure the response to specific risks is proportionate

3.7 An anonymous survey has been issued to 50-60 officers, across the top levels of management and directorates, to understand their personal opinions of:

1. The level of risk the Council should be willing to accept in the pursuit of its objectives
2. The level of exposure to different risks the Council is currently carrying
3. The level of risk exposure the Council will need to have going forward

3.8 Our attitude to risk differs depending on knowledge, expertise, and experiences both professional and personal. In addition, risk appetite naturally differs in different areas and levels across the Council. This will need to be reflected in the risk appetite

3.9 Results of the survey are to be used in a workshop with the Senior Leadership Team in mid-September to set the initial baseline which can then be developed and reviewed on a regular basis.

3.10 An update on progress and next steps will be included in a report to the next Committee in November and include the role of Members in the developing risk appetite statement.

Corporate Risk Register

3.11 A copy of the latest Corporate Risk Register is available in Appendix 1. It is subject to continued refinement as the detailed Delivery Plans and Directorate Business Plans are finalised.

3.12 All the risks have been given an initial score, out of a maximum of 25, although this may change following the ratification of the plans already mentioned and the risk appetite work.

3.13 It is acknowledged that several of the risks will also be impacted by the pending reports and recommendations from the recent MHCLG reviews.

3.14 A new risk is being considered for inclusion. All Directorates have reported risks related to their ability to recruit and/or retain staff particularly in some technical or specialist areas. This is impacting on the capacity of services to deliver and in some areas to support other areas of the Council. In addition, some providers who are relied on to deliver services on behalf of the Council are also experiencing difficulties. Work is underway to understand the scale of the risk and the mitigating actions already in place or in development such as workforce planning, service reviews, training and workplace wellbeing initiatives including mental health support.

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 18 – 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.

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

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are none arising directly from this report.

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APPENDICES

Appendix 1 – Corporate Risk Register Summary – September 2021

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	18th November 2019
Arrangements 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
Corporate Risk Management Update	5 th July 2021