



AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday 17th January 2023

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

REPORT SUMMARY

This report provides an update on the Council's risk management arrangements including the latest version of the Corporate Risk Registers and the first Policy and Service Committee risk workshops.

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

RECOMMENDATION

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 Reviewing the Corporate Risk Register helps to demonstrate that robust risk management practices operate across the Council. Corporate Risks flow through the organisation to Directorate and Service Risk Registers helping to ensure that risks are identified, regularly discussed, and understood by all parties to allow for the management and, where possible, the mitigation of risks.
- 3.2 The Corporate Risk Register contains high level strategic risks which by their very nature are often slow to change in score, mitigating controls can take time to have an effect. However regular review of risk registers helps to demonstrate sound decision making and allows for them to be dynamic as well as reflect the changing situation the Council operates within.
- 3.3 It is often not possible to fully eliminate or transfer risk but instead the aim can be to reduce it to acceptable and tolerable levels as well as improving the awareness and visibility of risk levels being carried by the Council.

Corporate Risk Register (CRR)

- 3.4 A detailed review of the Corporate Risk Register took place with a selection of directors on the 1st of December 2022. Following further revisions an updated CRR was then discussed at the Strategic Leadership Team meeting on 4th January 2023. The latest version of the CRR is attached to this report as Appendix 1.
- 3.5 There are several key changes to highlight including the increase in several scores and the proposed demotion of risks to a Directorate Risk Register (DRR).
- 3.6 Four risks have had their current Residual/Net score increased mainly due to concerns about the impact of the economic climate on the public, partners and service providers. The risks are:
- CRR002. Key Partnerships
 - CRR004. Increasing and Unmanageable demand
 - CRR006, Challenging Market Conditions - Health & Care Sector
 - CRR011. Financial Stability in 2022/23
- 3.7 Several risks are considered to be holding their level rather than scores reducing, this is due to increasing external pressures which are difficult to mitigate. This has

led to existing controls simply maintaining the position, it is therefore important to keep these risks under regular review.

- 3.8 It is proposed that two risks; CRR018 Development and Implementation of the Local Plan and CRR019 Vision for Economic Development, are demoted to the Regeneration and Place Directorate Risk Register. This will be discussed further with the new Director alongside the regular review of the Regeneration and Plan DRR.
- 3.9 The CRR will be reviewed again by SLT in late February/March in line with budget setting, the development of Directorate Business Plans for the new year and to allow horizon scanning for the year ahead.

Policy and Service Committee Risk Workshops

- 3.10 Following the letters sent by the Chair of this Committee to the Chairs of the Policy and Service Committees, in August and November 2022, highlighting the collective responsibility for understanding the risks faced by the Council and the measures taken to mitigate them in support of Council's service delivery decisions and priorities.
- 3.11 As reported to the last meeting of this Committee it was suggested that a dedicated risk session be held for a subgroup of each committee, with the relevant Director to discuss in detail their Directorate Risks and associated Corporate Risks. See Appendix 2 for the recommended outline for the sessions and basics of risk management guidance provided.
- 3.12 To date three risk workshops have been undertaken by the Economic, Regeneration and Housing; Adults Care and Health; and the Children, Young People and Education committees. The workshops for the Environment, Climate Emergency and Transport Committee and the Tourism, Communities, Culture and Leisure Committee have been scheduled for early February 2023.
- 3.13 Each risk workshop reviewed the risks within the relevant Directorate Risk Register; the controls and planned additional actions to mitigate either the likelihood or impact of the risks as well as challenging the scoring of the risks. All three committees have agreed to hold regular future sessions on a quarterly or half yearly basis alongside the regular business of the committees and the reporting of risks within individual committee reports and decisions.
- 3.14 The workshops highlighted the need for additional risk management training for members, this will be arranged as part of the member development programme following the elections.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no immediate financial implications arising directly from this report however, failure to manage the Council's risks effectively could lead to further risk to the Council's financial resilience.

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.

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 The content and/or recommendations contained within this report have no direct implications for community wealth. However, the development of effective corporate risk management arrangements will assist in ensuring that the Council, its finances, and service provision are effectively managed and governed aiding the advancement of economic, social, and environmental justice for all residents.

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APPENDICES

The PDF files below may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact HelenTurner@wirral.gov.uk if you would like these documents in an accessible format.

BACKGROUND PAPERS

Risk Management Policy

Letters from the Chair for the Audit and Risk Management Committee, addressed to Policy and Services Committee Chairs 04/08/2022 and 10/11/2022.

TERMS OF REFERENCE

This report is being considered by the Audit and Risk Management Committee in accordance with Section C of its Terms of Reference;

(C) Risk Management & Control

- i. Provide proactive leadership and direction on risk management governance issues and champion risk management throughout the Council and ensure that the Full Council is kept sufficiently informed to enable it to approve the Council's Risk Management Policy and Framework and that proper insurance exists where appropriate.
- ii. Consider the effectiveness of the system of risk management arrangements.
- iii. Consider an annual report and quarterly reports with respect to risk management including, an opinion on the adequacy and effectiveness of the Council's risk management, any corporately significant issues arising, and receive assurance that action has been taken as necessary.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee 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
Corporate Risk Management Update	5 th July 2021
Corporate Risk Management Update	27 th September 2021
Corporate Risk Management Update	30 th November 2021
Corporate Risk Management Update	24 th January 2022
Corporate Risk Management Update	15 th March 2022
Corporate Risk Management Update	27 th June 2022
Corporate Risk Management Update	26 th October 2022