



## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Wednesday 26<sup>th</sup> October 2022**

<b>REPORT TITLE:</b>	<b>CORPORATE RISK MANAGEMENT UPDATE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES (S151 OFFICER)</b>

### **REPORT SUMMARY**

This report provides an update on the Council's risk management arrangements for the Corporate and Directorate Risk Registers.

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 Robust risk management practices across the Council help 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 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.
- 3.3 The 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.

#### **Corporate Risk Register (CRR)**

- 3.4 Following the detailed review of the Corporate Risk Register, a subsequent session with a selection of Directors in July and comments made at the Risk Sub-Group meeting on the 28<sup>th</sup> of July the latest version of the CRR is attached to this report as Appendix 1.
- 3.5 The Strategic Leadership Team (SLT) is due to undertake a review of the Corporate Risk Register on 26<sup>th</sup> October 2022. The output of this review will be made available for discussion at the next meeting of this Committee's Risk Sub-Group on the 1<sup>st</sup> of November.
- 3.6 Following the SLT review session the CRR will be shared at the monthly Organisational Performance Group and be available for directorates to consider as part of their regular reviews of the Directorate Risk Registers to allow the flow of risks up and down through the risk hierarchy described above.

#### **Directorate Risk Registers (DRRs) and Directorate Business Plans**

- 3.7 All directorates are required to produce and maintain a risk register. These are managed and monitored at the Directorate Management Team meetings, as a minimum on a quarterly basis. The DRR then forms part of the bi-monthly meetings each Director holds with the Chief Executive and the Director of Resources.
- 3.8 All directorates have undertaken a review over the last quarter following the production or refresh of their DRR in line with the production of the Directorate Business Plans for this current financial year.

- 3.9 Directorate Business Plans are developed annually. A standard Directorate Business Plan template and guidance, including a section on risk management is to be refreshed and made available to directorates in the New Year, during January/February 2023. This allows for links to the revised corporate plan, Wirral 2023-2027, and the Improvement Plan, both in terms of the vision, aims and priorities.
- 3.10 The business planning process for 2023/24 will commence in March 2023, in line with the budget approval process. The expectation will be that all plans are completed by the end of April 2023.
- 3.11 In August 2022 the Chair of this Committee wrote to the Chairs of the Policy and Service Committees to highlight the collective responsibility for the governance of the Council, which includes following and understanding the Council's risk management framework.
- 3.12 One of the suggestions made in the letter was for each committee to hold a dedicated risk session for a subgroup of each committee with the relevant Director to discuss in detail their Directorate Risks and associated Corporate Risks, similar to that undertaken for budget discussions and that of the ARMC Risk Sub-Group.

#### **ARMC Risk Sub-Group**

- 3.13 The next Risk Sub-Group is due to take place on Tuesday 1<sup>st</sup> November with subsequent meetings planned for late January and early March.

### **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**

Appendix 1 – Corporate Risk Register October 2022

## **BACKGROUND PAPERS**

Risk Management Policy

Letter from the Chair for the Audit and Risk Management Committee, addressed to Policy and Services Committee Chairs 04/08/2022

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management Committee	
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
Corporate Risk Management Update	5 <sup>th</sup> July 2021
Corporate Risk Management Update	27 <sup>th</sup> September 2021

Corporate Risk Management Update	30 <sup>th</sup> November 2021
Corporate Risk Management Update	24 <sup>th</sup> January 2022
Corporate Risk Management Update	15 <sup>th</sup> March 2022
Corporate Risk Management Update	27 <sup>th</sup> June 2022