



AUDIT AND RISK MANAGEMENT COMMITTEE

Wednesday 1st March 2023

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

REPORT SUMMARY

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

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 consists of a set of potentially high-level strategic risks, which by their very nature are often slow to change in score as mitigating controls can take time to have an effect. Regular review of all levels of risk register 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) and Directorate Risks

- 3.4 Corporate and Directorate Risk Registers contain risks which have the potential to impact on the operations and delivery of the priorities of the Council. The inclusion of risks in a risk register does not mean that they will occur.
- 3.5 The Corporate Risk Register is due to be discussed at the Strategic Leadership Team (SLT) meeting on 1st March 2023.
- 3.6 As reported at the last Committee discussions have been taking place to revise the Corporate Risks related to the Local Plan as it moves into examination and planning appeal stage. These are due to be discussed at SLT. A verbal update of any significant changes will be available at the Committee as both meetings are scheduled on the same day.
- 3.7 Several Corporate 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 Strategic planning is underway for 2023/24 setting out the development of Directorate Plans including the operational priorities for the year ahead against the budget agreed at Council on the 27th of February. These plans will consider and link

to key Council strategies and programmes including the Budget Strategy and Medium-Term Financial Strategy; Transformation and Change Programmes; the emerging People Strategy; as well as the Corporate Risk Register.

- 3.9 Directorate Plans including refreshed Directorate Risk Registers, made up of a mix of strategic and operational risks, are to be presented in draft to SLT in April, and finalised in May, connecting with the development of the four-year Wirral Plan 2023 – 27.
- 3.10 In order to help understand the linkages between the Corporate and Directorate Risks further a summary of the linked risks has been provided at **Appendix 1**. The aim is to show the spread of risks across the Council, the differing impacts and help to identify the areas where activity is being undertaken to mitigate and manage the risks.
- 3.11 It is important to note that there will be a difference in the scoring between the Corporate and Directorate Risks. This will mainly relate to the impact score as the impact on reputation may be considered greater and increase the scores. In addition the risks may not be a direct match but rather linked by cause or impact with common elements around the mitigating controls and planned additional actions.

Policy and Service Committee Risk Workshops

- 3.12 As reported to the last meeting of this Committee, risk workshops have been held by the policy and service committees. The table below details when each session has taken place and the risk registers considered.

Committee	Risk Workshop Date	Directorate Risk Registers Considered
Economic, Regeneration and Housing	2 nd December 2022	* Regeneration and Place
Adults Care and Health	7 th December 2022	* Adults' Care, Health, and Strategic Commissioning * Public Health
Children, Young People and Education	8 th December 2022 and 2 nd February 2023	* Children, Families and Education
Tourism, Communities, Culture and Leisure	7 th February 2023	* Neighbourhood Services
Environment, Climate Emergency and Transport	23 rd February 2023	* Neighbourhood Services

- 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.
- 3.14 Discussions highlighted the links between activity or decisions presented in committee reports and the directorate risks. This emphasises the need for committees to pay close attention to the risk section within reports and challenge the risk information provided.
- 3.15 The Children, Young People and Education Committee has held two sessions with the second requested following the initial discussions of a new risk related to changes to key IT systems used within Children's Services. The second meeting

was also attended by the Head of Digital and IT Services to answer technical questions.

- 3.16 Committees have committed to regular future sessions on either a quarterly or six-monthly basis. These will be scheduled, post elections, for the next municipal year.
- 3.17 The Risk Management Strategy and supporting framework is currently under revision. It will be updated to reflect this consolidation of the role of the committees and regular reporting requirements as well as changes to the strategic planning processes and performance monitoring and reporting.

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.

Appendix 1 – Linking Directorate and Corporate Risks January 2023

BACKGROUND PAPERS

Risk Management Policy
Corporate Risk Register – January 2023
Directorate Risk Registers

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

- 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.
- Consider the effectiveness of the system of risk management arrangements.
- 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 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
Corporate Risk Management Update	17 th January 2023