



## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Tuesday, 24 October 2023**

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

### **REPORT SUMMARY**

This report provides an update on activity related to the Corporate Risk Register 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 Risk management forms part of many of the seven core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework'. A key component of this for the Council is the Corporate Risk Register.
- 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)**

- 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 A review and discussion of the CRR at the Strategic Leadership Team (SLT) meeting on 4<sup>th</sup> October 2023. The detailed risk register is available at Appendix 1.
- 3.6 The discussion concentrated on the changes in focus of some of the risks which warrants a review of the detailed risk descriptions. This included the two risks highlighted at the last meeting of this Committee; Safeguarding and Special Educational Needs and Disabilities (SEND). Both of these risks have been retained on the CRR following further discussion within Directorate Management Teams.
- 3.7 As part of the quarterly review of the Corporate and Directorate Risk Registers Directors and DMTs are asked to consider whether risks are:
- Strategic or large-scale operational risks which have the potential to impact on the service delivery of the whole Council – due to financial, reputation, other resource impacts and requirements.

- Requiring input or support from SLT to assist in the mitigating controls.
- Cross directorate impacts and treatments therefore need a “sponsor” to support and monitor.
- To be escalated from Directorate or Programme Risk Registers following discussion at DMTs or Boards.

3.8 The next quarterly review of the CRR will also consider the revised draft Council Plan and any associated risks.

3.9 Following discussions at the last meeting of this Committee, a sample of other organisations corporate or strategic risks has been carried out. Results for Liverpool City Region Authority, Liverpool City Council, St Helens Council, Cheshire East Council and Manchester City Council are attached at Appendix 2. In addition risks for Sefton and Knowsley Councils were looked at but due to their large numbers, over 25 risks each, have not been included in the table.

### **Dedicated Committee Risk Discussion Sessions**

3.10 Policy and Resources Committee will be undertaking a dedicated risk discussion session, on the 1<sup>st</sup> November, to consider the Corporate Risk Register. A session for the Chair and spokespersons of this committee will also take place in November.

3.11 A programme of risk register discussion sessions for the other Policy and Service committees will follow. This allows the committees to understand the risks being managed at the directorate level and how they link to their committee work programmes and reports.

### **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](mailto:HelenTurner@wirral.gov.uk) if you would like these documents in an accessible format.

Appendix 1 – Corporate Risk Register October 2023

Appendix 2 – Selection of Corporate and Strategic Risks of other Authorities

## **BACKGROUND PAPERS**

The Orange Book Management of Risk – Principles and Concepts 2023 UK Government  
Wirral Council Risk Management Policy

## 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)

<b>Council Meeting</b>	<b>Date</b>
Corporate Risk Management Update	Each meeting of Audit & Risk Management Committee over the last 3 years.