



## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Monday, 15 January 2024**

<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.

The risk management activity detailed within the report supports the following priority or delivery theme from Wirral Council's Plan 2023-27:

- Working together to create a more efficient, effective and accessible council.

### **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, their management via any 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 hierarchy of risk registers including the Corporate Risk Register.
- 3.2 The Corporate Risk Register is subject to a regular review by the Senior Leadership Team (SLT) and consists of potentially high-level strategic risks which may impact on the delivery of the Council's priorities as laid out in the Council Plan. By their very nature these risks are often slow to change in score as mitigating controls can take time to have an effect. 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 all levels of risk register helps to support and demonstrate risk-based sound decision making as well as allowing for them to be dynamic and reflect the changing situation the Council operates within. As part of these reviews risks can be escalated or devolved up and down the risk hierarchy.

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

- 3.4 To facilitate the latest review of the CRR the Risk, Continuity and Compliance Manager met with all Directors in November to discuss and review the CRR with consideration of new risks, updates to the existing Corporate Risks and any risks for escalation from their individual Directorate Risk Registers.
- 3.5 The outcome of these individual discussions fed the review and discussion at SLT which has resulted in the revised CRR, as at Appendix 1.
- 3.6 The discussions and resulting changes include:

- **CRR002/23 Workforce Capacity & Skills to Deliver** – this risk is to be split into two for the short-term to reflect the changes at a senior leadership level, including the departure of several key post holders in 2024.
- **CRR005/22 Safeguarding** – a drop in the likelihood “Current” or Residual score from 3 to 2, this does not diminish the impact if an incident did occur but would change the score to “low or unlikely” to occur. The overall score rating would drop to an amber.
- **CRR009/23 Preparedness for Statutory Inspections.** A new risk is in development to reflect the challenges and potential impacts of preparing for inspections, for example those by Ofsted and the new assessment by the Care Quality Commission in both Adults and Children’s Services. A related risk does sit on the Adults Care and Health Directorate Risk Register.
- **CRR006/23 Cyber Security** – no change, risk remains high due to external environment threats. Investment in and recruitment of new Cyber Security Team are expected to lead to improvements in 2024.

3.7 Discussions at SLT also focussed on risks for escalation from Directorate Risk Registers, any risk that may require input or support from SLT to assist in the mitigating controls or have cross directorate impacts and treatments therefore need a “sponsor” to support and monitor. At this time no risks, aside for those mentioned above, were to be raised to the CRR.

3.8 Following the approval of the new Council Plan 2023-27 by full Council in early December the CRR is also undergoing a realignment against the new priorities and/or delivery themes.

### **Member Risk Sessions**

3.9 On the 1<sup>st</sup> November members of the Policy and Resources (P&R) Committee participated in a risk discussion session with the Director of Finance and the Risk, Continuity and Compliance Manager. The aim of the session was to improve the visibility and understanding by Committee members of the significant, strategic risks faced by the Council, building on sessions with Policy & Service committees in 2022/23, and following recommendations in past external reviews.

3.10 As a result of this session work is underway with the Wirral Intelligence Service to refine summary risks reports which can then be reported alongside regular budget and performance reports.

3.11 Additional sessions with P&R Committee to consider the directorate risks associated with the Finance and Law and Governance Directorates are being timetabled by the end of 2023/24.

3.12 A dedicated risk management session with the Chair and Spokespersons of this committee is due to be held on 9<sup>th</sup> January 2024. Examples of the draft reports mentioned above will be shared at this discussion.

#### **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 file 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** – Updated Corporate Risk Register December 2023

## 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)

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