



## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Tuesday, 26<sup>th</sup> March 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 revised Risk Management Framework.

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 and endorse the Risk Management Framework.

## **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 The quarterly review of the CRR was undertaken at SLT on the 6<sup>th</sup> March. There have been minor updates to the mitigating controls and planned actions for the existing Corporate Risks, but no change in scores.
- 3.5 There was also a discussion around themes of risk highlighted from the Refuse Collection and Street Cleansing Programme, the issues raised are linked to the report to Policy and Resources Committee on the 20<sup>th</sup> March and the reset and resourcing of the Council's Change Programme. These risks and mitigations will be monitored at the Investment and Change Board and reported through oversight of the Change Programme at the Policy and Resources Committee Finance Sub-Committee.
- 3.6 The revised CRR can be found in Appendix 1.

## **Risk Management Framework**

- 3.7 The Council's Risk Management Policy Statement and Strategy have been updated to reflect the Council's committee structure and lines of reporting as well as the vision set out in the Council Plan 2023-27
- 3.8 The updated document now forms a Risk Management Framework which includes sections on:
- Council's Statement of Commitment / Policy
  - The Definition of Risk
  - Risk Appetite
  - Hierarchy of Risk within the Council
  - Key Roles and Expectations
  - The Risk Management Process
  - Programme and Project Management
  - Training
  - Governance
- 3.9 This is supported by a number of appendices containing:
- Guidance on Risk Appetite
  - Guidance and definitions used in the scoring matrix
  - Risk Register Template
  - Risk Categories
  - Guidance on risk identification and describing of risks
  - Guidance on the reviewing of risks and risk registers
- 3.10 Following its adoption the Framework will form the basis of revised risk management training for officers and members through 2024/25. This will include new content on the Council's Learning Experience Platform, Flo. Some content will be targeted to managers and some to all staff.
- 3.11 Work is already underway assessing the needs of the Programme and Project Managers to ensure the continued consistency of risk management practices and reporting across the Council's Programme Office and Programme Management network.
- 3.12 The Framework will be reviewed on a biennial basis to reflect any changes in best practice or reporting and governance changes within the Council.
- 3.13 The Framework and associated appendices are attached to this report as Appendix 2 and 3.

## **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** – Corporate Risk Register March 2024

**Appendix 2** – Risk Management Framework March 2024

**Appendix 3** – Risk Management Framework March 2024 – Appendices Only

**BACKGROUND PAPERS**

The Orange Book Management of Risk – Principles and Concepts 2023 UK Government  
Government Finance Function Risk Appetite Guidance Note v2 Aug 2021  
Institute of Risk Management  
Open University [Risk Management Training](#)

**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.