

Report to:	Audit and Governance Committee	Date of Meeting:	Wednesday 18 December 2019
Subject:	Corporate Risk Management		
Report of:	Head of Corporate Resources	Wards Affected:	(All Wards)
Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

The Corporate Risk Register is presented to each meeting of the Audit and Governance Committee. Since the last Committee, the Corporate Risk Register has been fully updated, with no new risks being identified or escalated from the service risk registers. In addition, no risks have been removed from the risk register and there have been no changes in the risk scores.

The Corporate Risk Management Handbook has been updated to include a revised scoring assessment and is also presented for annual approval.

Recommendation(s):

Members are requested to:

- (1) Consider the updated Corporate Risk Register, in particular noting the nature of the major risks facing the Council, and the controls and planned actions in place to mitigate these.
- (2) To approve the updated Corporate Risk Management Handbook.

Reasons for the Recommendation(s):

A robust system of risk management will assist the Council in meeting its identified objectives.

Alternative Options Considered and Rejected: (including any Risk Implications)

None

What will it cost and how will it be financed?

(A) Revenue Costs - There are no direct financial implications arising from this report. However, the Council benefits from the work of the section in reducing the impact

and likelihood (and so the cost) of risk.

(B) Capital Costs - There are no direct capital cost implications arising from this report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
There are no direct resource implications.
Legal Implications:
There are no legal implications.
Equality Implications:
There are no equality implications.

Contribution to the Council's Core Purpose:

The effective management of the Council's risks will assist the achievement of the Council's Core Purpose.

Protect the most vulnerable: positive impact
Facilitate confident and resilient communities: positive impact
Commission, broker and provide core services: positive impact
Place – leadership and influencer: positive impact
Drivers of change and reform: positive impact
Facilitate sustainable economic prosperity: positive impact
Greater income for social investment: positive impact
Cleaner Greener: positive impact

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5879/19) and the Chief Legal and Democratic Officer (LD4063/19) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision

Immediately following the Committee meeting.

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Appendices:

The following appendices are attached to this report:

- Corporate Risk Register
- Corporate Risk Management Handbook

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 Risk Management is defined as 'systematic application of principles, approach and processes to the task of identifying and assessing the risk and the planning and implementing of risk responses'.
- 1.2 Whilst the process of risk management is routinely undertaken within the Council in a number of areas, both at a strategic level and operationally, it is recognised that there is still scope, to develop a more integrated risk management approach. This report seeks to continue the process of formalising a system of robust Corporate Risk Management, and embedding this into the organisation. The Corporate Risk Management Handbook outlines that there should be three tiers of risk registers in place across the organisation which are identified through the scoring of the risks:
 - Corporate Risk Register – risks scored at 16 plus and these are the key risks affecting the Council
 - Service Risk Registers – risks scored between eight and 15 which are owned and managed by the Head of Service.
 - Operational Risk Registers – risks scored at seven and below which are owned and managed by Service Managers
- 1.3 An updated Corporate Risk Register is presented at each meeting of this Committee. The Corporate Risk Register has been shared with and reviewed by senior officers to ensure that the risk register reflects the most significant risks facing the Council. The completion of a risk register also demonstrates that the Council has set out an approach to mitigate the risks that have been identified. This should give members assurance that there is a robust corporate approach to the management of the most significant threats to the achievement of the Council's objectives. The updated Corporate Risk Register is set out at Appendix A, for noting by the Committee.
- 1.4 The Service Risk registers are owned and reviewed by the Heads of Service on a quarterly basis and are provided to the Risk and Audit team for information. The

completed Service Risk Registers are used by Audit as an agenda item in the formal quarterly meeting with the Heads of Service and are also used for the monthly budget meetings that are held by Finance with the Service Management teams. Due to the wider use of the risk registers there has been a noticeable improvement in the engagement on risk.

- 1.5 The Operational Risk Registers are owned and revised by Service Managers. Members may remember that the Risk and Resilience Team assisted by the Internal Audit Team completed an exercise in 2018/19 to fully implement this tier of risk registers across the organisation facilitating the completion of over 70 risk registers. This exercise was completed in March 2019. The Risk and Audit Team assisted by the Internal Audit Team work with the individual teams to facilitate regular reviews of the risk registers which will help to embed risk management at the centre of the Council's activities.
- 1.6 At the December 2017 meeting of this Committee, the Corporate Risk Management Handbook was approved, and it was agreed that the Handbook would be presented annually for approval, following a review. The Handbook, which is set out at Appendix B, has been expanded to provide a revised risk assessment scoring matrix to provide a greater spread of scores for risks.

2. Key Developments

- 2.1 Since the September 2019 meeting of the Committee, the Corporate Risk Register has been fully reviewed and updated.
- 2.2 No risk(s) has been removed from the register:
- 2.3 The scoring of the risks has been reviewed by the risk owners however due to there being no perceived changes in the risk environment for each risk the risk assessment scores have not been altered at this point.
- 2.4 No new risks have been identified since the last Committee meeting and no risks have been escalated from the Service Risk Registers.
- 2.5 The Corporate Risk Management Handbook has been expanded to provide a revised risk assessment scoring matrix to provide a greater spread of scores for risks. This will be particularly beneficial for the Corporate Risk Register as at present the risk impact and likelihood scores are multiplied which means from a practical perspective there are only three scores available of 16, 20 and 25. By putting a revised risk assessment scoring matrix in it is now possible to score risks individually between 16 and 25 which will provide a greater spread of risks and the ability to identify the individual top scoring risks.