Report of: **Head of Finance, Procurement & Commercial Services**

Relevant Portfolio Holder: Councillor A Yates

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SUBJECT: RISK MANAGEMENT FRAMEWORK & CORPORATE RISK REPORT

Borough Wide Interest

1.0   PURPOSE OF THE REPORT

1.1   To provide an update on the Council's Risk Management Framework.

1.2   To set out details on the Corporate Risks facing the Council and how they are being managed.

2.0   RECOMMENDATION

2.1   That the progress made in relation to the management of the risks shown in the Corporate Risk Register (Appendix B) be noted and endorsed.

3.0   BACKGROUND

3.1   As a component of the Council's Corporate Governance Framework, risk management provides a positive contribution towards the achievement of the Council's vision, priorities, and objectives by identifying risks and providing assurances that those risks are actively managed. Risk management is the culture, processes and structures that enable effective identification and management of adverse events and opportunities. Risk Management also provides the tools and techniques to manage the threats to the Council achieving its objectives. Overall, the Council seeks to minimise threats and maximise opportunities to deliver its strategic outcomes and objectives.

3.2   It is our standard practice to report the Corporate Risk Register to Executive Overview & Scrutiny Committee and Cabinet every 6 months.

4.0   DEVELOPMENTS TO THE RISK MANAGEMENT FRAMEWORK

4.1   Over the last 6 months Council staff have been offered training on both Risk Management and Pentana, the Council's risk management information system, with webinar sessions being made available for those who could not attend a live training event. Confirmation that staff are both familiar with the Council's Risk Management Policy and have attended training is sought as part of the Council's annual appraisal process.

4.2   It has been agreed that Risk Management training must form part of an employee's mandatory induction process.

4.3   In order to operate effective risk management the Council must scan the horizon to look at what may or may not be likely and how that would have an impact on its day-to-day running, its financials, and its reputation. A risk horizon scanning exercise will therefore commence in October. The exercise will take the form of an initial survey, and a workshop will then discuss the findings, challenge some assumptions and see how the potential risks are being considered with a view to coming to a collective agreement over the key risks and their likely timescale of impact.

4.4   It has been made mandatory that risk management be a standard agenda item at quarterly DMT Meetings. Management teams must regularly review service risk registers to ensure that the risks on the register are current, that they are updated, and to challenge risk scoring and internal controls. Senior management teams should have a good knowledge of the risks on the Corporate Risk Register and understand how the corporate risks can impact their service risks, and how their service risks feed into the Corporate Risk Register

4.5   The Counsel's risk function has begun to produce a risk newsletter entitled "The Risk Roundup," with the aim of highlighting current risk issues to staff. The quarterly newsletter includes regular features such as the risk management lessons that can be learnt from external organisations and details training that may be of benefit to Council Staff. Appendix A contains the first edition. The newsletter can be circulated to Members if requested.

4.6   A staff risk management survey is being produced, the results of which will guide areas for further development.

5.0   CORPORATE RISK REGISTER

5.1   The Corporate Risk Register attached (Appendix B) shows the current Corporate Risks and the measures in place to manage those risks. The regular reporting of the Register provides Members with an opportunity to scrutinise Corporate Risks and provides assurance that these risks are being effectively controlled.

5.2   Corporate Risks are defined as the highest priority risks that may prevent the Council from achieving its objectives, or may result in the failure of a service, or
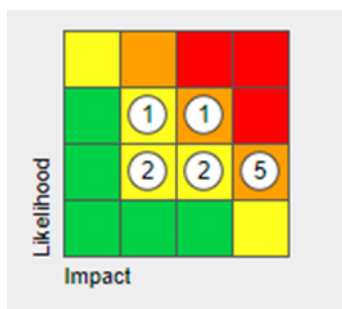
the failure to comply with legislation. The Corporate Risk Register gives a summary of these risks and the work that is being undertaken to mitigate them, although many of these risks will have already been the subject of separate committee reports. In addition, more detailed information regarding each of the Corporate risks, the scoring and internal controls that mitigate the risk are contained on the Council's Pentana system.

5.3   Since the Corporate Risk Register was last presented the following risks have been removed from the register

- *"Failure to comply with the Data Security & Protection (DSP) Toolkit"* – this risk has been incorporated into the risk "*Failure to comply with the GDPR"* for the purposes of reporting on the Corporate Risk Register, however it remains as a risk on the service risk register.
- *"Transition of Revenues & Benefits Services back to WLBC"*- the transition has taken place with no issues.
- *"Effective Management of Cyber Security"* – this risk has been incorporated into the risk "*Failure or Prolonged loss of ICT*" for the purposes of reporting on the Corporate Risk Register, however it remains as a risk on the service risk register.
- "Transition of ICT services to new provider" - the transition has taken place with no issues.
- *"Failure to provide suitable storage arrangements for the Council's electronic information"* - this risk has been incorporated into the risk "Failure to comply with the GDPR" for the purposes of reporting on the Corporate Risk Register, however it remains as a risk on the service risk register.
- "*Failure to deliver the 2021 Elections*" – election concluded with no issues.
- *"Failure to deliver Skelmersdale Town Centre Regeneration"* - updated with the risk " *Failure to Deliver Skelmersdale Town Centre Phase 1*".
- *"Delivery of the Housing Strategy"* - the consequences of not delivering this strategy falls under other corporate risks e.g. financial sustainability, balancing a budget. The risk remains of the service risk register.
- *"Business Continuity; Potential for disruption"* - over the COVID period we have demonstrated that we have robust and effective plans in place.
- "*EU Exit*" - Britain has now exited the EU with little disruption.
- "*Procurement of new leisure provision*" –incorporated into the risk of "*Not agreeing on and delivering a sustainable and affordable leisure provision*" for the purposes of reporting on the Corporate Risk Register, however it remains as a risk on the service risk register.
- "*Leisure Contract"* - incorporated into the risk of "*Not agreeing on and delivering a sustainable and affordable leisure provision*" for the purposes of reporting on the Corporate Risk Register, however it remains as a risk on the service risk register.

5.4   There have been three new risk added to the register, *Failure or Prolonged loss of ICT, Failure to Deliver Skelmersdale Town Centre Phase 1, and Not agreeing on and delivering a sustainable and affordable leisure provision.*

5.5   All risks have been rescored using the new Corporate 4 x 4 risk matrix, so the scoring of risks has changed. By assessing risk against 9 different categories the Council now has a much greater understanding of the consequences of the impact of a risk materialising.

5.6   There are currently no risks on the register that fall into the "critical" category. An overview of risk scoring is detailed below.

6.0   SUSTAINABILITY IMPLICATIONS

6.1   There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

7.0   FINANCIAL AND RESOURCE IMPLICATIONS

7.1   The successful management of the Corporate Risks facing the Council will ensure that resources are used effectively and efficiently.

8.0   RISK ASSESSMENT

8.1   The continued identification and review of Corporate Risks is essential to ensure the management and mitigation of those risks, the successful achievement of the Authority's objectives, and the maximisation of opportunities. By continually monitoring and reviewing the risks and the Risk Management Framework we will ensure that it continues to improve, develop and meet best practice requirements.

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Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Appendices

Appendix A – Risk Roundup: first edition
Appendix B – Corporate Risk Register
Appendix C – Minutes from Executive Overview & Scrutiny Committee 02.09.21

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, no Equality Impact Assessment is required.