



**EXECUTIVE OVERVIEW & SCRUTINY
COMMITTEE: 14th September 2023**

CABINET: 26th September 2023

Report of: Head of Finance, Procurement & Commercial Services

Relevant Portfolio Holder: Councillor R Molloy

**Contact for further information: Jacqui Pendleton
(E-mail: Jacqui.pendleton@westlancs.gov.uk)**

SUBJECT: RISK MANAGEMENT FRAMEWORK & KEY 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 Key Risks facing the council and how they are being managed.

2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

- 2.1 That the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix A) be considered and agreed comments be forwarded to Cabinet for consideration.

3.0 RECOMMENDATIONS TO CABINET

- 3.1 That subject to consideration of the agreed comments of the Executive Overview & Scrutiny Committee, the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix A) be endorsed.

4.0 BACKGROUND

- 4.1 The Council continues to recognise the importance of identifying, evaluating, and managing all key and service risks that could affect the achievement of its priorities, objectives, and activities. Risk management is fundamental to the

council's governance and contributes greatly to the successful delivery of services, and the key priorities.

- 4.2 Dealing with risk is very much a management activity but there is clear responsibility and accountability for Members in the operation of the council's business which directly involves issues of risk management. This report provides Members with an oversight of the effectiveness of the risk management framework and enables Members to seek assurance about the effectiveness of control arrangements.
- 4.3 Within this report is a summary of the management of the council's key risks so that Members may satisfy themselves that the risks are being adequately managed. The Key Risk Register is reported to Members on a biannual basis.

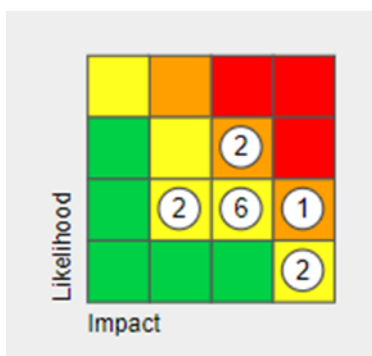
5.0 RISK MANAGEMENT FRAMEWORK

- 5.1 The framework has continued to operate effectively over the last 6 months and has operated in accordance with the Risk Management Cycle Work Plan.
- 5.2 Annual risk refresher training for all staff commenced in June 2023. Training takes the form of a webinar and for those without intranet access, a toolbox talk is available. Risk training for Members took place on 13th June 2023.
- 5.3 The risk recommendations from the Zurich health check continue to be implemented. Risk training for Champions took place in May 2023 and all Heads of Service attend one to one risk management sessions with Zurich and the Council's Risk and Insurance Officer. The aim of the sessions was to strengthen operational risk registers.
- 5.4 Lunch and Learn risk management sessions continue, as does the council's risk newsletter, the Risk Roundup.
- 5.5 The Risk Management Working Group were shortlisted at the ALARM Risk Awards 2023, for Team of the Year.
- 5.6 The Council's Risk and Insurance officer left the post to take a different position in the Council, in June 2023 and the post has not yet been recruited to.

6.0 KEY RISK REGISTER

- 6.1 It is considered good practice to update Members periodically on progress against key risks. This monitoring should summarise the general direction of travel to clearly demonstrate the progress being made on specific risk items (see section 6.7). If all is well then no discussion may be required; if all is not well then it is easy to identify the issues to pursue. As part of the council's risk management framework, key risks are reviewed quarterly by CMT and Members every 6 months.
- 6.2 Service risks are reviewed quarterly by Heads of Service. It is not necessary for Members to know about every risk but rather to know what the key risks are, whose job it is to deal with them, and that they are being actively managed.

- 6.3 Key risks are those risks which if they occur would have the greatest impact on the Council, the achievement of its priorities, objectives, and activities. They are strategic high-level Council risks. The Key Risk Register (Appendix A) gives a summary of the 13 risks assessed as being key risks. The register details the residual risk score 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 key risks, the scoring, and internal controls that mitigate the risk are contained on the council's Pentana risk management information system.
- 6.4 The assessment methodology used to score the risks is detailed in the council's Risk Management Policy.
- 6.5 A new risk has been added to the register since it was last presented, this is the risk entitled "Failure to comply with regulatory corporate compliance."
- 6.6 Three risks have been removed from the register since it was last presented.
- Tawd Valley Developments operating without an agreed business plan - A cross party Council committee has been established, and the new business plan was agreed at Council in February 2023. This risk has therefore been downgraded to a service risk.
 - Ability to transform into a digital Council and deliver technological changes in line with customer expectation due to the investment required to upgrade an ageing ICT estate – This will remain as a service risk.
 - Effective Management of Cyber Security - Downgraded from a key risk to a service risk as effective management of cyber security is a control in the prevention of the key risk, "Failure or prolonged loss of ICT."
- 6.7 The wording of the risk "Landlord Compliance & Regulatory Requirements (Health & Safety)" has been changed to "Failure to comply with Housing Regulatory Compliance Requirements" to describe the risk more specifically.
- 6.8 There are currently no key risks that fall into the "critical" category and no risk scores have changed. An overview of risk scoring is detailed in the diagram below.



7.0 SUSTAINABILITY IMPLICATIONS

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

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 The successful management of the key risks facing the council will ensure that resources are used effectively and efficiently.

9.0 RISK ASSESSMENT

9.1 The continued review of the risk management framework is essential to ensure the successful achievement of the council's objectives, demonstrate effective provision of its services and the maximisation of opportunities. If we are unable to maintain an effective framework, we could endanger the achievement of our vision and priorities. By continually monitoring and reviewing the risk management framework it should continue to improve, develop and meet best practice requirements.

10.0 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications arising from this report.

Background Documents

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

Equality Impact Assessment

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

Appendices

Appendix A – Key Risk Register

Appendix B – Minutes from Executive Overview & Scrutiny Committee 14.09.2023