| 19 July 2012 | ITEM 11 |
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**Audit Committee**

## REVIEW OF THE STRATEGIC/CORPORATE RISK AND OPPORTUNITY REGISTER - QUARTER 1, JUNE 2012.

**Report of:** Andy Owen, Performance and Risk Officer.

| Wards and communities affected: | Key Decision: |
|---|---|
| All. | Non-key. |

**Accountable Head of Service:** Chris Stephenson, Corporate Performance Manager

**Accountable Director:** Graham Farrant, Chief Executive.

**This report is** a public report.

**Purpose of Report:** To provide Audit Committee with the Quarter 1, June 2012 progress report on changes to the Strategic/Corporate Risk & Opportunity Register.

EXECUTIVE SUMMARY

Performance Board, with some consultancy from the Corporate Performance Team has work with Services during May and June to review and update the Strategic/ Corporate Risk and Opportunity Register.

This report provides Audit Committee with the Quarter 1, June 2012 progress report on changes to the Strategic/Corporate Risk and Opportunity Register.

1. **RECOMMENDATIONS:**

1.1 **That Audit Committee consider the changes to items contained in the Quarter 1, June 2012 Dashboard (Appendix 1).**

1.2 **That Audit Committee consider the 'In Focus' items identified by the Performance Board and the management actions taken in response to the issues arising (Appendix 2).**

2. **INTRODUCTION AND BACKGROUND:**

2.1 Risk and Opportunity Management (ROM) describes the planned and systematic approach used to identify, evaluate and manage the risks to and the opportunities for the achievement of the Council's objectives.

2.2 ROM is an important part of the Council's overall Performance Management Framework and makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations.

2.3 Performance Board, with some consultancy from the Corporate Performance Team has worked with services during May and June to review and update the Strategic/Corporate Risk and Opportunity Register.

## 3. ISSUES AND/OR OPTIONS:

3.1 The outcome of the review is shown in Appendix 1, 2 and 3.

3.2 Appendix 1 - Quarter 1, June 2012 Dashboard:
The dashboard provides a visual summary of the items contained in the register and the progress to manage the issues.

3.3 Appendix 2 - Risks and Opportunities In Focus report:
This document includes the issues identified by Performance Board that Audit Committee should focus on this quarter.

The rationale for items being in focus is based on the numeric value of the rating. Any risks/opportunities which are currently rated 100 or 90 automatically become in focus, and any which are currently rated 80 would be considered on a case by case basis for the in focus report.

A summary of the position for each in focus item is included below:

**Risks** - In priority (rating) and then reference number order.

| | |
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| **Business Continuity - Risk 16** | (Rating:100 Critical/Very High, DOT: Static) |
| All heads of service reminded at the beginning of the year to review and update BC Plans. Following departure of the Business Continuity Officer a redesign of the service has been undertaken and an officer identified to take forward business continuity work. | |
| **ICT Infrastructure - Risk 9** | (Rating:90 Critical/High, DOT: Static) |
| ICT Strategy in place. Phase 1 (Finance & Procurement) of ERP not fully delivered. Action to resolve the position to be undertaken by mid July. Impact of Phase 1 overrun is having an effect on the delivery of Phase 2 (HR & Payroll). Implementation plan (including resources) to be reviewed for the remainder of the project. Plan for the delivery of the wider ICT Strategy developed and to be presented to Corporate Information & Systems Development Board. Delivery plan for ICT Strategy to be integrated into the Transformation Programme | |
| **Emergency Planning & Response - Risk 17a** | (Rating: 90 Critical/High, DOT: Static) |
| Agency staff used to increase capacity temporarily. Call out arrangement and plans developed for the Council's response to emergencies. Training programme ongoing for officers on the call out rota. Review of service undertaken and pending a decision on recruitment two staff to be seconded into the service to increase capacity. | |
| **Community Engagement - Risk 22** | (Rating: 90 Critical/High, DOT: Static) |
| Community Engagement Strategy and implementation plan developed. Strategy and plan monitored by Community Engagement Group and Joint Strategic Forum. Devolved budgets pilot completed. Governance arrangements for Community Councils developed and to be presented to Overview & Scrutiny June 2012 and Cabinet July 2012. Resource identified to develop data for Neighbourhood Plans. Communications that encourage participation & pride in Thurrock improved through Celebrate Thurrock 2012. | |
| **Delivery of the Transformation Programme - Risk 25** | (Rating: 90 Critical/High, DOT: Deteriorated) |
| Initial delivery completed (e.g. Stationery, MFDs, Cashiers, MSTAIR, centralisation of Communications and Complaints services). Additional capacity introduced to support the development of the Transformation Programme. Programme presented to Directors Board and O&S Committee. Phase 1 of the programme in progress (e.g. Customer Contact Phase 1, Business Support, ERP). Preparations for Phase 2 in progress (e.g. EDRMS, Supply Chain, Community Hubs and Customer contact Phase 2). A profile and apportionment of year one of the Programme's savings (£2.7m) has been produced and reported to June DB. The Chief Executive is currently considering the options for the future delivery of the programme following the resignation of the Director of Transformation. The integration of service transformation with the Transformation Programme was discussed at Strategy Week 2012. | |

**Risks** - Continued

| **Purfleet Regeneration Project - Risk 27b** (Rating: 90 Critical/High, DOT: Static) |
| --- |
| Approx 50% of the required land obtained to date and work ongoing to acquire the rest of the land. Re procurement process for development partner and governance structure developed and to be presented to Cabinet June 2012. Further invertebrate survey to be undertaken by Sept 2012. Planning application scheduled to be considered by Planning Committee Dec 2012. |

| **Children's Social Care - Risk 35** (Rating: 90 Critical/High, DOT: Static) |
| --- |
| Reductions to establishment implemented to achieve savings. Management review and/or reporting of services (e.g. resource & demand pressures) ongoing. Proposal for Early Offer of Help Strategy developed and presented to Cabinet June 2012. Business case/growth bid for resources to be developed for consideration by Star Chamber August 2012. |

| **Olympics Emergency Planning - Risk 17b** (Rating: 80 Critical/Significant, DOT: Static) |
| --- |
| Olympics working group established. Assessment of impact of the Olympics in Thurrock undertaken and actions plans to deal with issues developed. Event Management Plan for the Torch Relay developed by the Safety Advisory Group. |

| **Morrison Contract - Risk 18** (Rating: 80 Critical/Significant, DOT: Deteriorated) |
| --- |
| Core group meetings escalated to one per month. This will be designed to record performance and improve service delivery. Audit being undertaken of invoices submitted to test value for money of new schedule of rates. Payments to Morrison have been held pending the results of the audit. Interface developed and gone live to enable electronic billing. Processes for repairs being re-mapped with key staff to eliminate excessive variation processes and voids to facilitate quicker hand overs. The new processes are on target and to be discussed in training sessions with staff in June. Performance regime to be restructured and to be centred on customer service. Customer service/performance data to be collated through independent survey starting in July. This will show the clear direction of service delivery over its 6 month duration. The Council is building its management capacity to strengthen partnership management. Offer to be made to Morrison to settle on a cost for the period to March 2012. |

**Opportunity**

| **Enterprise Resource Planning - Opportunity 26a** (Rating: 100 Exceptional/Very High, DOT: Static) |
| --- |
| Project plans established and reviewed regularly by Project Team and Steering Group. Governance arrangements need to be strengthened following the departure of the Director of Transformation. Phase 1 Finance & Procurement project not fully delivered. Some defects with the system identified and action plan developed to resolve the position. Phase 1 overrun and the gap in governance arrangements is having an effect on the delivery of phase 2 HR/Payroll. Implementation plan (including resource) and governance framework to be reviewed for the remainder of the project. Delivery plan for the wider ICT strategy developed and to be integrated into the Transformation Programme plan. |

3.4 Appendix 3 - Strategic/Corporate Risk & Opportunity Register:
Register of all the key Strategic/Corporate Risk & Opportunities identified by Services and the Performance Board.

## 4. CONSULTATION (including Overview and Scrutiny, if applicable)

4.1 Performance Board, with some consultancy from the Corporate Performance Team has engaged with services to review and update the Strategic/Corporate Risk and Opportunity Register.

4.2 The outcome of the exercise was reported to Directors Board 26th June 2012.

**5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

5.1 Risk and Opportunity Management is recognised as a good management practice and how successful the Council is in managing the risks and opportunities it faces will have a major impact on the achievement of the Council's priorities and objectives.

**6. IMPLICATIONS**

6.1 **Financial**

Implications verified by:    Sean Clark, Head of Corporate Finance
Telephone and email:        01375 652010
                            sclark@thurrock.gov.uk

Effective risk and opportunity management provides robust means to identify and manage the financial risks and opportunities facing the Council.

Some of the detailed risks/opportunities pose significant financial challenges to the Council. In order to manage some of these issues consideration will need to be given to the appropriate funding, which will need to be considered as part of the appropriate budget process. The financial implications of the identified risks/opportunities are referred to in the risk, opportunity and management action plan documentation

6.2 **Legal**

Implications verified by:    Daniel Toohey, Principal Solicitor
Telephone and email:        01375 652049
                            dtoohey@thurrock.gov.uk

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduced the likelihood of legal claims or regulatory challenges against the Council

6.3 **Diversity and Equality**

Implications verified by:    Samson DeAlyn, Corporate Diversity Manager
Telephone and email:        01375 652472
                            sdealyn@thurrock.gov.uk

Risk and opportunity management describes the planned and systematic approach used to identify, evaluate and mange the risks and the opportunities for the achievement of objectives. Effective risk and opportunity management reduces the likelihood of breaching our statutory equality duties

6.4     **Other implications** (where significant) – i.e. Section 17, Risk
        Assessment, Health Impact Assessment, Sustainability, IT,
        Environmental

        Risk and opportunity management contributes towards the Council meeting
        the requirements of Corporate Governance and the Account & Audit
        Regulations.


**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

        Service documents for Strategic/Corporate Risk and Opportunity. Copies held
        by the Corporate Performance Team


**APPENDICES TO THIS REPORT:**

- Appendix 1 - Quarter 1, June 2012 Dashboard
- Appendix 2 - Risks and Opportunities In Focus report
- Appendix 3 - Strategic/Corporate Risk & Opportunity Register

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