

<b>6 February 2014</b>		<b>ITEM 6</b>
<b>Standards &amp; Audit Committee</b>		
<b>Risk and Opportunity Management - Policy, Strategy and Framework</b>		
<b>Report of:</b> Andy Owen, Corporate Risk Officer.		
<b>Wards and communities affected:</b> All.	<b>Key Decision:</b> Non-key.	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Chief Executive		
<b>This report is</b> a public report.		
<b>Purpose of Report:</b> To provide Standards and Audit Committee with the revised Risk and Opportunity Management Policy, Strategy and Framework.		

## **EXECUTIVE SUMMARY**

Risk and Opportunity Management (ROM) is recognised as good management practice and is an integral part of the Council's Corporate Governance and Performance Management arrangements.

The ROM Policy, Strategy and Framework have been revised to further improve and strengthen the Council's ROM arrangements and to ensure that the key risks and opportunities facing the Council continue to be identified and managed.

### **1. RECOMMENDATIONS:**

- 1.1 **That Standards and Audit Committee notes the review and the revised Risk and Opportunity Management Policy, Strategy and Framework.**

### **2. INTRODUCTION AND BACKGROUND:**

- 2.1 Risk and Opportunity Management is an integral part of the Council's Corporate Governance and Performance Management arrangements and the Council has a statutory responsibility under the Account and Audit Regulations to put in place arrangements for the management of risks.
- 2.2 Over the summer the practice of how the Council manages ROM was reviewed and benchmarked against the national model of best practice and the results, along with a proposed way forward presented to Standards and Audit Committee 28<sup>th</sup> November 2013.
- 2.3 In August 2013 the Corporate Risk Management function was restructured and incorporated with the Insurance Team under Corporate Finance. As part of the arrangements a shared service for risk management was established with the London Borough of Barking and Dagenham.

- 2.4 To enable risk management to be effective in and for both organisations a full review of the risk management policies, strategies and frameworks was undertaken.
- 2.5 The revised ROM Policy, Strategy and Framework are included in Appendix 1.
- 2.6 The review reached an early conclusion that to enable accurate and timely reporting for both organisations it was necessary to streamline the reporting process. As there is now established quarterly reporting and discussion of risk/opportunity at Directors Board (DB) it is proposed that with the assurance that quarterly reporting continues at DB, ROM reporting to Standards and Audit Committee (S&AC) is reduced from quarterly to a bi-annual basis.
- 2.7 The proposed timetable for the reporting of the Strategic/Corporate Risk and Opportunity Register to DB and S&AC is included in Appendix 2
- 2.8 A summary of the key changes and developments to ROM from the review is included in Appendix 3.

### **3. REASONS FOR RECOMMENDATION:**

- 3.1 To put in place a revised ROM Policy, Strategy and Framework to improve and strengthen the Council's ROM arrangements and to ensure that the key risks and opportunities facing the Council continue to be identified and managed.

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

- 4.1 The Corporate Risk Officer has engaged with Performance Board to develop the revised ROM Policy, Strategy and Framework.
- 4.2 The revised ROM Policy, Strategy and Framework were reported to Directors Board 14<sup>th</sup> January 2014, via Performance Board 6<sup>th</sup> January 2014.
- 4.3 Following S&AC 6<sup>th</sup> February 2013, Cabinet will be asked to agree the revised ROM Policy, Strategy and Framework at the 12<sup>th</sup> March 2014 meeting.

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

- 5.1 ROM 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: **Michael Jones**  
Telephone and email: **01375 652772**  
**mxjones@thurrock.gov.uk**

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of financial claims and/or loss faced by the Council.

## 6.2 **Legal**

Implications verified by: **David Lawson**  
Telephone and email: **01375652087**  
**DLawson@thurrock.gov.uk**

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

## 6.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
Telephone and email: **01375652472**  
**SDeAlyn@thurrock.gov.uk**

The management of risk and opportunities provides an effective mechanism for monitoring key equality and human right risks associated with a range of service and business activities undertaken by the Council. It also provides a method for reducing 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:**

- ROM Benchmarking and Action Plan - Report to Standards and Audit Committee 28<sup>th</sup> November 2013

### **APPENDICES TO THIS REPORT:**

- ROM Policy, Strategy & Framework - Appendix 1
- Timetable for the reporting of the Strategic/Corporate R&O Register - Appendix 2.
- Summary of key changes and developments to ROM - Appendix 3

### **Report Author Contact Details:**

**Name:** Andy Owen, Corporate Risk Officer  
**Telephone:** 01375 652174  
**E-mail:** [aowen@thurrock.gov.uk](mailto:aowen@thurrock.gov.uk)