

24 September 2015		ITEM: 5
Standards and Audit Committee		
Strategic/Corporate Risk and Opportunity Register (Q1), Follow Up Report - Risks with High (Red) Target Ratings		
Wards and communities affected: All	Key Decision: Non key	
Report of: Andy Owen, Corporate Risk Officer		
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Lyn Carpenter, Chief Executive		
This report is a public report		

Executive Summary

The In Quarter 1 Report (Q1) for the Refresh of the Strategic/Corporate Risk and Opportunity Register was presented to Standards and Audit Committee 16th July 2015.

At the meeting the Chair queried why high (red) target ratings had been applied to a number of the risks. To clarify the position it was agreed that a review of the risks with high (red) target ratings would be undertaken and a follow up report submitted to the Committee on the findings.

The Corporate Risk Officer has worked with the appropriate Lead Officers to review the risks and obtain the rationale for applying the high (red) target ratings.

This report provides Standards and Audit Committee with the rationale for applying high (red) target ratings.

1. Recommendation(s)

- 1.1 That Standards and Audit Committee note the rationale for applying high (red) target ratings to the risks in question.**

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 makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations and is an important part of the Council's overall Performance Management Framework.
- 2.3 In accordance with the ROM Policy Strategy and Framework regular reviews of the Strategic/Corporate Risk and Opportunity register were undertaken during 2014/15 and reported to Directors Board and Standards & Audit Committee (quarter reports to DB and bi annual reports to S&AC).
- 2.4 The annual review of the Council's ROM arrangements was carried out in the last quarter of 2014/15. As part of the review the ROM Policy, Strategy and Framework was updated and reported to Standards and Audit Committee 17th March 2015, via Directors Board 10th February 2015.
- 2.5 In the latter part of 2014/15 the Council worked with the community, partners and the voluntary sector to refresh the Community Priorities to better reflect the ambition and focus for the borough as well as the changing relationship between the Council and the community, and its role in place shaping and enabling community leadership. The refreshed Community Priorities were agreed by Council 28th January 2015.
- 2.6 The In Quarter 1 review to refresh and bring the Strategic/Corporate Risk and Opportunity Register more in line with the revised Community Priorities was carried out during March to May. The outcome from the review was presented to Standards and Audit Committee 16th July 2015.
- 2.7 At the 16th July 2015 meeting of the Standards and Audit Committee the Chair queried why high (red) target ratings had been applied to a number of the risks. To clarify the position it was agreed that a review of the risks with high (red) target ratings be undertaken and a follow up report submitted to the Committee on the findings.
- 2.8 The Corporate Risk Officer has worked with the appropriate Lead Officers to review the risks and the target ratings. The Lead Officers have provided the rationale for applying the target ratings and this is covered under section 3 and Appendix 1 of this report.

3. Issues, Options and Analysis of Options

3.1 The outcome of the review is shown in Appendix 1, Risks With High (Red) Target Ratings

3.2 Appendix 1 - Risks With High (Red) Target Ratings

This includes the risk and management action plan documentation for the items in question. The rationale for applying the target ratings are incorporated at the bottom of each risk document (see yellow highlighted text).

4. Reasons for Recommendation

4.1 At the 16th July 2015 meeting of the Standards and Audit Committee the Chair queried why high (red) target ratings had been applied to a number of the risks. To clarify the position it was agreed that a review of the risks with high (red) target ratings would be undertaken and a follow up report submitted to the Committee on the findings.

4.2 The Corporate Risk Officer has worked with the appropriate Lead Officers to review the risks and obtain the rationale for applying the high (red) target ratings.

4.3 This report provides Standards and Audit Committee with the rationale for applying the high (red) target ratings.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Corporate Risk Officer has engaged with the Lead Officers for the items in question to review the risks and obtain the rationale for applying the high (red) target ratings.

5.2 The outcome of this review was presented to Directors Board 25th August 2015 and the details shared with Performance Board representatives

6. Impact on corporate policies, priorities, performance and community impact

6.1 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.

7. Implications

7.1 **Financial**

Implications verified by: Michael Jones

Management Accountant

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.

7.2 Legal

Implications verified by: David Lawson

**Deputy Head of Legal and Governance –
Deputy Monitoring Officer**

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

7.3 Diversity and Equality

Implications verified by: Natalie Warren

**Community Development and Equalities
Manager**

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.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

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

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Refresh of the Strategic/Corporate Risk and Opportunity Register, In Quarter 1 Report. The document can be accessed via the Committee Management Information System on the Council's website. See Standards and Audit Committee, Thursday 16th July 2015 for details. Link as follows: [Agenda for Standards and Audit Committee on Thursday, 16th July, 2015, 7.00 pm | Thurrock Council](#)

9. Appendices to the report

- Appendix 1 – Risks With High (Red) Target Ratings

Report Author:

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