

3 October 2024		ITEM: 6
Audit Committee		
Risk Management Strategy 2024-2027		
Wards and Communities affected: All	Key Decision: Non-Key	
Report of: Frankie Smith - Head of Financial Assurance, Internal Audit, Risk and Insurance		
Accountable Director: Dawn Calvert – Chief Financial Officer (s151)		
This report is public		
Version: Final		

Executive Summary

This report introduces the Council’s Risk Management Strategy for 2024 - 2027.

Thurrock Council intentions are to be an exemplar of good practice for Risk Management and to meet its statutory responsibilities as set out in Regulation 4 of the Accounts and Audit Regulations 2015:

“The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions, and which includes arrangements for the management of risk”

The effective management of risk will be a priority of the Council’s approach to delivering cost effective and valued services to the public as well as being an important element within the corporate governance of the organisation.

Embedding the Risk Management Strategy will enable Thurrock Council to increase the likelihood of achieving corporate objectives by supporting innovation, encouraging creativity, minimising risks, and adopting an ethos that risk management is a vital part of everyday business.

This Strategy applies to all departments in the Council.

1 Recommendations:

- 1.1 That Audit Committee note the improvements proposed to the Council’s Risk Management arrangements.**
- 1.2 That Audit Committee note the proposed Risk Management Strategy (2024 - 2027).**

2 Background

- 2.1 The [Best Value Inspection](#) (BVI) report published in May 2023 identified a number of areas for improvement and made several recommendations to strengthen the Council's Risk Management arrangements.
- 2.2 The enclosed Risk Management Strategy proposes the Council-wide approach for Risk Management for 2024 – 2027. This Strategy addresses the recommendations from the BVI report and details how the Council's Risk Management arrangements will continue to be enhanced and improved.
- 2.3 The recent appointment of the Head of Financial Assurance, Internal Audit Risk and Insurance, alongside the interim appointment of the Chief Risk Advisor will enable the Risk Management Strategy to be delivered, whilst also embedding an effective risk management practice across all business activities and the organisational culture.
- 2.4 The aim is for Thurrock Council's Risk Management activities to be operating as business-as-usual from 01 April 2025.

3 Risk Management Strategy

- 3.1 The aim of the Risk Management Strategy is to set out the Council's position statement, commitment and approach to Risk Management for 2024 and beyond.
- 3.2 The Risk Management Strategy should be used in conjunction with the wider elements of the Council's wider Risk Management Framework which, when developed, will include the Risk Registers and training / guidance. The Risk Management Strategy is included within this report as **APPENDIX 1**.
- 3.3 The Risk Management Strategy will:
 - Enable corporate, strategic, programme and partnership objectives to be achieved in the optimum way by managing risks and utilising opportunities which could impact on the Council's success.
 - Satisfy the Council's obligations to manage risks using an approach which supports innovation, whilst also adding value to service delivery.
 - Embed Risk Management into the Council's organisation culture.

- 3.4 Further benefits of implementing the Risk Management Strategy include:
- Protecting and enhancing the Council's reputation.
 - Improve organisational resilience.
 - Increase the likelihood of achieving the Council's goals and objectives.
 - Improve the identification of opportunities and threats.
 - Improve governance, stakeholder confidence and trust.
 - Establish a reliable basis for decision making and business / service planning.
 - Effectively allocating resources for risk mitigation.

- 3.5 The successful implementation of the Risk Management Strategy will be achieved by:
- Establishing clear roles, responsibilities, and reporting lines for Risk Management.
 - Embedding a new Risk Management system.
 - Sufficiently resourcing the Risk Management function.
 - Providing training to officers and Members, as required.
 - Refreshing all Risk Registers across all levels of risk.
 - Re-commencing the regular monitoring and reporting of risk management arrangements on an on-going basis.
 - Providing Members, the Senior Leadership Team, and Residents assurance that the Council is actively and effectively managing its risks, whilst delivering value to the community.
 - Providing opportunities for shared learning and working practices across the Council, its strategic partners and other Councils.

4 Reasons for Recommendations

- 4.1 In-line with the outcomes from the BVI report, the Council's statutory obligations and Risk Management best practice, the Council needs to refresh its Risk Management arrangements and fully embed effective Risk Management practice into its culture and business-as-usual activities.

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

- 5.1 The Risk Management Strategy has been discussed and agreed by the Senior Leadership Team and is due to be reported to Audit Committee on 3 October 2024.
- 5.2 Wider consultation on the Risk Management Strategy will be progressed where there is a specific need to do so. However, the proposals in the Strategy do not affect any specific parts of the borough.

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

- 6.1 Implementing the Risk Management Strategy will ensure effective risk management practice is embedded into all Council business activities, including strategy / policy development and delivery, business and service planning, performance management and service delivery.
- 6.2 The Risk Management Strategy will also positively contribute to the Council's Governance arrangements, as set out in CIPFA's [Delivering Good Governance Framework \(2016\)](#).

7 Implications

7.1 Financial

Embedding the Risk Management Strategy will result in the following financial costs:

- Procurement of a Risk Management software application.
- Procurement of Risk Management training.
- Staffing costs to resource the Risk Management Team.
- Procurement of periodic peer review assessments of the Council's Risk Management arrangements.

The Risk Management software application costs for year 1 will be paid from the Council's Transformation Fund budget. The other costs for year 1 will be met from the wider Internal Audit and Risk Management salaries budgets – which are both currently underspent due to vacant posts.

The Head of Financial Assurance, Internal Audit, Risk and Insurance and Chief Finance Officer are scheduled to meet to determine where future years Risk Management costs can be funded from.

Implications verified by: **Sima Khuroya**
Assistant Director, Financial Management & Procurement
25/07/24

7.2 Legal

Implementation of the proposed Risk Management Strategy will satisfy the Council's obligations under Regulation 4 of the Accounts and Audit Regulations 2015 and the recommendations arising from the Best Value Inspection report.

Implications verified by: **Helen Nicol**
Assistant Director Legal & Governance
2 August 2024

7.3 Diversity and Equality

Implementation of the Risk Management arrangements set out in this Strategy, will support the improved identification, monitoring and reporting of risks relating to equality, diversity and inclusivity.

Implications verified by: **Natalie Smith**
Head of Community Development Adults & Health
24 July 2024

7.4 Other implications (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder and impact on Looked After Children

None applicable.

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):

None.

9 Appendices to the report

- APPENDIX A – Risk Management Strategy