

Agenda Item 9

Ward: N/A

Risk and Opportunity Management Strategy 2016-2018

Report by the Director for Digital & Resources

1.0 Summary

- 1.1 This report provides the detail of a revised Risk and Opportunity Management Strategy (ROMS) for the Councils for 2016 - 2018.

2.0 Background

- 2.1 The current Risk Management Strategy was approved by the Leaders in November 2014. Because there is now a clear senior management structure in place it is considered timely to revise the existing Strategy and provide an updated version to ensure that a strong framework is in place for considering key threats to the organisation and its objectives, taking action to mitigate risk and identifying opportunities to respond differently to the challenges we face.
- 2.2 A revised Risk and Opportunity Management Framework will help improve strategic, operational and financial management and help provide better decision making.

3.0 Proposals

- 3.1 A copy of the revised ROMS is attached to this report and provides a framework for how the Councils should manage risk and opportunities. The revised Strategy provides more clarity on the Councils' risk appetite, how Opportunities can be identified and evaluated and also will help in embedding Risk and Opportunity Management within the wider workforce. The Strategy does also reflect the processes already being put in place to provide business continuity and related business impact analysis to help identify Risks amongst business units.
- 3.2 The revised Code of Corporate Governance, approved by the Councils in 2015, requires that the Councils should seek to ensure that Risk Management is embedded into the culture of the organisation. The revised Strategy will ensure that Managers and staff at all levels recognise that Risk and Opportunity management is part of their job.

4.0 Legal

- 4.1 The approved Code of Corporate Governance specifies that the Councils should have an effective system of risk management in place. The approval of this revised Risk and Opportunity Management Strategy falls within the Portfolio of the Leaders but can be exercised by the Joint Strategic Committee. The Joint Governance Committee has responsibility for receiving the annual risk report and also for monitoring the effective development and operation of risk management.
- 4.2 Section 111 of the Local Government Act 1972 provides Local Authorities with the power to do anything ancillary or incidental to the discharge of their function.
- 4.3 Section 1 of the Localism Act 2011 provides the Councils with a general power of competence and empowers Local Authorities to do anything which individuals generally do.
- 4.4 The management of all Risks and Opportunities should be carried out in accordance with the Council's policies and procedures including the Constitution, the financial procedure rules and the Contract procedure rules.

5.0 Financial implications

- 5.1 There are no direct financial implications associated with the implementation of the revised ROMS, however, there will likely be some financial implications associated with the Risks and Opportunities identified.

6.0 Recommendation for Joint Governance Committee

- 6.1 That the revised Risk and Opportunity Management Strategy 2016 - 2018 be noted and any comments be submitted to the Joint Strategic Committee.

7.0 Recommendation for Joint Strategic Committee

- 7.1 That the revised Risk and Opportunity Management Strategy 2016-2018 be approved and adopted from 1 May 2016.

Local Government Act 1972

Background Papers:

Risk Management Strategy - November 2014

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Schedule of Other Matters

1.0 Council Priority

- 1.1 Catching the Wave was approved by both Councils as a key strategic policy document in early 2014. 'Surf's Up' identifies a number of key deliverables required to ensure the policy aspiration of Catching the Wave is brought to fruition. An effective Risk and Opportunity Management Strategy will help the Councils achieve the objectives and deliverables.

2.0 Specific Action Plans

- 2.1 None specific to this report.

3.0 Sustainability Issues

- 3.1 Matter considered and no sustainability issues identified as part of the implementation of the Strategy but there may be sustainability issues which emerge from the management of risks.

4.0 Equality Issues

- 4.1 Matter considered and no issues identified although there may be some equality issues associated with risks identified.

5.0 Community Safety Issues (Section 17)

- 5.1 Matter considered. No issues identified with the implementation of the revised Strategy but there may be some community safety issues associated with the risks and opportunities identified.

6.0 Human Rights Issues

- 6.1 Matter considered and no issues associated with the implementation of the new Strategy but there may be some issues associated with the risks and opportunities identified.

7.0 Reputation

- 7.1 Matter considered and no reputational issues identified with the implementation of the new Strategy but there may be some risks identified which have reputational impacts.

8.0 Consultations

- 8.1 Matter considered. The revised Strategy has been the subject of conversations with the Councils Leadership Team and if approved will be discussed with the wider workforce.

9.0 Risk Assessment

- 9.1 The Risk and Opportunity Management Strategy will enable the Councils to provide effective Risk Management to ensure strategic objectives can be achieved and seizing opportunities is important to reduce the impact of risks.

10.0 Health & Safety Issues

- 10.1 None specific to this report.

11.0 Procurement Strategy

- 11.1 Matter considered and no specific issues related to this report.

12.0 Partnership Working

- 12.1 The Risk and Opportunity Management Strategy will help to manage risks and identify opportunities which will enhance overall partnership working.

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RISK AND OPPORTUNITY MANAGEMENT STRATEGY 2016 to 2018

EXECUTIVE SUMMARY

We live in very challenging times, but also ones that provide us with real opportunities. Adur and Worthing Councils need to be continuously looking at how they can be more efficient and customer focused. Risk and Opportunity Management is a vital part of corporate governance and good overall management. It is important to have an effective Risk and Opportunity Management Strategy in place to ensure that the Councils are able to discharge their functions and deliver public services efficiently and cost effectively.

Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development. The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which all key risks are identified in all areas of the business and are understood and proactively managed, rather than avoided.

Risk and Opportunity Management, therefore, needs to be taken into the heart of the Councils and our key partners. We need to have the structures and processes in place to ensure the risks and opportunities of daily Council activities are identified, assessed and addressed in a standard way. We should not shy away from risk but instead seek to proactively manage it. This will allow us to meet the needs of the community today and also meet future challenges.

The Councils will record the significant risks identified as potential threats to the delivery of the objectives within Risk and Opportunity Registers and incorporate mitigation controls within action plans to include details of any opportunities that might arise from the successful management of each risk. Risks and the Opportunities will be continually monitored via the Councils Leadership Team, Service Heads, Informal Cabinets, Cabinets

and the Joint Governance Committee.

A Risk and Opportunity Management Framework will help improve strategic, operational and financial management, provide better decision making, improve compliance and help improve customer service delivery and provide better outcomes for the citizens of Adur and Worthing.

Councillor Neil Parkin (Leader of Adur District Council)

Councillor Dan Humphries (Leader of Worthing Borough Council)

Alex Bailey (Chief Executive, Adur and Worthing Councils)

The Risk and Opportunity Management Strategy

1. Definitions

What is a risk?

Risk is most commonly held to mean 'hazard' and something to be avoided but it has another face - that of opportunity. Improving public services requires innovation - seizing new opportunities and managing the risks involved. In this context risk is defined as uncertainty of outcome, whether positive opportunity or negative threat of actions and events. It is the combination of likelihood and impact, including perceived importance.

What is Risk and Opportunity Management?

Risk and Opportunity Management is the culture, processes and structures that are directed towards effective management of potential opportunities and threats to an organisation achieving its objectives.

This Strategy is intended to reaffirm and improve effective Risk and Opportunity Management in Adur and Worthing to comply with good practice and in doing so, effectively manage potential opportunities and threats to the Councils achieving their objectives.

2. Types of Risk

Corporate and Service Risks

Corporate Risks affect the aims and objectives of the Councils - risks that hinder or stop successful achievement of corporate priorities/aims. These tend to be more medium to long term but some risks, because of a significant event or planned business activity, may feature for a shorter period of time. Inclusion of a risk or opportunity in the Corporate Risk and Opportunity Register indicates that it is one of a number of risks/opportunities that the Councils need to be aware of and ensure appropriate management arrangements are in place to manage/mitigate them.

Service Risks should link to each service area's Service Plan. The Service Plan is a document that brings key information together in one place and demonstrates the Service's focus on the Councils priorities. All of the major risks facing the service and partners

resulting from the consequences of a service plan should be recorded with details of the mitigation plan and potential outcomes. Service Risks will also be identified as part of the business continuity process. As part of these business continuity processes, each business unit will be required to complete a business impact analysis which will identify risks associated with its operation and the impact on business processes/activities and appropriate mitigation procedures that will be implemented. Local business unit strategies will help to mitigate the risks.

Project Risks

These are Risks identified in connection with all major projects which the Councils undertake. These projects will be run in accordance with appropriate project management guiding principles. Risks associated with major projects are those that if they occur will have an effect on at least one project objective. All major Projects Risks will be identified, managed and reported via either the Corporate Risk or Service Risk registers. All major Project Risks should have a risk budget identified within internal controls.

3. Risk analysis and monitoring arrangements

The Councils Leadership Team/Organisational Leadership Group will monitor and manage the delivery of the Risk and Opportunity Management Strategy at a strategic level. It will be their purpose to effectively embed Risk and Opportunity Management as part of the Council's culture as an integral part of strategic planning, decision-making and its performance management framework. Business impact analysis monitoring will also take place annually

4. Performance Management

Monitoring, managing and responding to risks are essential to the delivery of priorities and services. Regular Corporate performance monitoring is undertaken which shows progress and the emerging trends set against 'Surf's Up' Strategic document and 'Catching the Wave' and provides a progress report which complements the Council's Risk and Opportunity Policy framework.

5. Corporate Governance

Risk and Opportunity management is essential to effective corporate governance.

6. Embedding Risk and Opportunity Management

The Risk and Opportunity Management Strategy is reviewed annually to ensure it remains up to date. The Leaders and the Director for Digital and Resources/Head of Digital and Design jointly champion this process.

The Digital and Design Team can provide advice for staff on best practice to ensure that the Risk and Opportunity Management process is embedded in the Council's business processes.

Each Service area should designate an Officer as Risk Champion to embed Risk and Opportunity Management processes in their business processes including strategic and business planning, financial planning, policy making and review and project management.

Awareness training will be provided for all Directors and Service Heads and can be

arranged for other staff via the Digital & Design Team.

7. Benefits of good Risk and Opportunity Management

Integration of Risk and Opportunity Management into the culture and working practices of the Council and its delivery partnerships has numerous benefits which include:

- Protecting and adding value to the Councils and stakeholders by supporting the achievement of the Council aims and objectives.
- Improved strategic, operational and financial management
- Contributing to more efficient use/allocation of resources within the Councils and partners
- Keeping the Councils within the requirements of the law
- Mitigation of key threats and taking advantage of key opportunities
- Protecting and enhancing assets and image
- Improving decision-making (making the right decisions), planning and prioritisation by comprehensive and structured understanding of activity and volatility.
- Enabling future activity to take place in a consistent and controlled manner.
- Promotion of innovation and change
- Improved customer service delivery
- Continuity of knowledge and information management processes
- Developing and supporting people and the Council's knowledge base
- Optimising operational efficiency and, therefore, delivering efficiency gains and value for money
- Better allocation of time and management effort to major issues
- Avoiding nasty surprises, shocks and crises
- Ensures that the approach is aligned to 'Best Practice'
- Satisfies stakeholder/partner expectations on internal control.

8. Culture

The Councils will be open in approach to managing risks and will seek to avoid a blame culture. Lessons from events that lead to loss or reputational damage will be shared as well as lessons when things go well. Discussion on risk in any context will be conducted in an open and honest manner. Reference should be made to the Business Continuity cycle to embed business continuity into the risk process.

9. Guidance and assistance

The Digital & Design Team, through the Policy Officer, will promote and monitor good practice, provide guidance, support, advice and information and organise training.

10. Risk and Opportunity Management Policy Statement

Adur District and Worthing Borough Councils are aware that they do get exposed to a very wide range of risks and threats to the delivery of key services to the communities they serve and there are also opportunities which if taken could help the Councils achieve the vision and corporate priorities.

The Councils recognise that they have a responsibility to identify, evaluate and manage risk and opportunities whilst still creating a climate for innovation. It, therefore, supports a structured approach to Risk and Opportunity Management through this Risk and

Opportunity Management Strategy, the aims and objectives of which are described below:-

The aims and objectives of the Risk and Opportunity Management Strategy are to:-

- Integrate and raise awareness of Risk and Opportunity Management for all those connected with the delivery of Council services.
- Embed Risk and Opportunity Management as an integral part of strategic, service, information use, financial, business continuity and project planning and policy making.
- Establish a standard systematic approach to risk identification, analysis, control and monitoring and reviewing.
- Provide a process for identifying threats or drawbacks that also includes finding and considering opportunities.
- Provide a robust and transparent framework for managing risk and supporting decision making.
- Support well thought-through risk taking
- Anticipate and respond to changing external and internal environment
- Embed Risk and Opportunity Management as an integral part of delivering and aligning successful partnerships.
- To embed Risk and Opportunity Management as part of the Council's culture of Governance.
- To provide a robust and systematic framework for identifying, managing and responding to risk
- To provide a robust and transparent track record of managing, communicating and responding to risk
- To encourage staff to think creatively about ways to work better, simpler and more effectively.

11. Risk Management Framework

The Councils maintain two different types of Risk and Opportunity Registers - Corporate and Service (each Directorate has its own Service Risk register).

The Corporate Risk register records risks that affect the aims and objectives of the Councils - Risks that hinder or stop successful achievement of corporate objectives and aims are generally of a medium to long term nature and the Service Risk registers record those risks affecting the day to day Directorate Service operations. Both Risk registers will include any major projects risks.

Both Registers detail the following:-

- Potential effects of the risks identified, both negative (risks and threats) and positive (opportunities)
- The impact and likelihood of the risk/opportunity identified
- Existing Internal controls in place to mitigate the Risk
- Internal Controls planned to mitigate the risks with relevant timescales and the responsible officers.

The Corporate Risk Register is owned by the Councils Leadership Team (CLT) and is maintained by the Digital & Design Team (Policy Officer) in conjunction with CLT and relevant Heads of Service. Any potential new Corporate Risks identified by Officers are referred to CLT for consideration as to their inclusion on the Risk Register.

12. Risk and Opportunity Identification

Before it is possible to identify our risks and opportunities it is necessary to establish the context by looking at the business/Service unit, the functions needed to make it work, what is being achieved and what the proposed outcomes are. Depending on the area under review, the relevant objectives and outcomes will usually be detailed in existing documents such as Service Plans, project plans or partnership agreements as well as the business impact analysis. The Councils may face a number of different types of risk including financial loss, failure of service delivery, physical risks to people and damage to reputation including business continuity issues and emergency management/civil protection risk. To act as a prompt, a Risk Identification checklist is attached to this Strategy.

Opportunities can also arise from areas within the organisation and externally. Internal sources of opportunity include how the Authorities structure themselves, partnerships with other entities, operational changes and technological innovation. External sources of opportunity include changes to political, legal, social and environmental forces.

Opportunities can also be identified by giving consideration to those that have been neglected because of perceived, but unexamined risk. These include:-

- Learning from the past - whilst past experience cannot necessarily be a predictor for future performance, signals that were ignored and missed opportunities can provide insight into organisational blind spots;
- Customer sensitivity - trying to understand customer needs and creating systems to exploit this information can lead to great gains.
- Learning from others - exploring and sharing best practice with other organisations can lead to benefits.
- Scenario planning - can be a powerful tool for generating new ideas.

Once the opportunity has been identified it should be described to include the expected benefits, contributions to business objectives and stakeholders.

13. Risk description

The risks and opportunities identified need to be recorded in a structured format. A template in a Google doc has been created for this which will include a description of the Risk covering the cause, the event and the potential effect if the risk or opportunity occurs.

14. Risk Analysis

When Risks and Opportunities have been identified they need to be assessed systematically and accurately. The process requires Directors and Service Heads in consultation with the Policy Officer to assess the level of risk by considering:

The probability of an event occurring - 'Likelihood' and the potential outcome of the consequences should such an event occur - 'Impact'. Directors and Service Heads should assess each element of the judgement and determine the score in accordance with the scoring system set out below:-

Likelihood

Score	Likelihood	Threat/Risk
5	Very Likely (80-100%)	Is expected to occur in most circumstances. Will undoubtedly happen, possibly frequently for example annually or more frequently. Imminent/near miss.
4	Likely (60-80%)	Will probably occur in many circumstances. Will probably happen, but not a persistent issue for example once in three years. Has happened in the past.
3	Moderate (30-60%)	Could occur in certain circumstances. May happen occasionally, for example once in 10 years. Has happened elsewhere.
2	Unlikely (15-30%)	May occur only in exceptional circumstances. Not expected to happen, but is possible for example once in 25 years.
1	Rare (0 to 15%)	Is never likely to occur. Very unlikely this will ever happen for example once in 100 years.

Impact

Score	Impact	Threat/Risk
5	Extreme Risk	Risks which can have an extreme effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public. Examples: <ul style="list-style-type: none"> ● Unable to function without aid of Government or other external agency. ● Inability to fulfil obligations

		<ul style="list-style-type: none"> ● Medium - long term damage to service capability ● Severe financial loss - supplementary estimate needed which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available. ● Death ● Adverse national publicity - highly damaging, severe loss of public confidence ● Significant public interest ● Litigation certain and difficult to defend ● Breaches of law punishable by imprisonment. ● Very significant exposure of public funds with funding being managed across organisations and complex reporting. ● Total project budget in excess of £250,000.
4	Major Risk	<p>Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public.</p> <p>Examples:</p> <ul style="list-style-type: none"> ● Significant impact on service objectives. ● Short - medium term impairment to service capability. ● Major financial loss - supplementary estimate needed which will have a major impact on the Council's financial plans. ● Extensive injuries, major permanent harm, long term sick. ● Major adverse local publicity, major loss of confidence. ● Litigation likely and may be difficult to defend. ● Breaches of law punishable by fines or possible imprisonment. ● Relatively large budget of £75K to £250K
3	Moderate Risk	<p>Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget.</p> <p>Examples:</p> <ul style="list-style-type: none"> ● Service objectives partially achievable. ● Short term disruption to service capability. ● Significant financial loss - supplementary estimate needed which will have an impact on the Council's financial plan. ● Medical treatment required, semi permanent harm up to one year. ● Some adverse publicity, needs careful public

		<p>relations.</p> <ul style="list-style-type: none"> ● High potential for complaint, litigation possible. ● Breaches of law punishable by fines only.
2	Minor Risk	<p>Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. However, if action is not taken, then such risks may have a more significant cumulative effect.</p> <p>Examples:</p> <ul style="list-style-type: none"> ● Minor impact on service objectives ● No significant disruption to service capability. ● Moderate financial loss - can be accommodated at Service Head level. ● First aid treatment, non permanent harm up to one month. ● Some public embarrassment, no damage to reputation. ● May result in complaints/litigation ● Breaches of regulations/standards ● Budget within delegation.
1	Trivial Risk	<p>Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on service provision.</p> <p>Examples:</p> <ul style="list-style-type: none"> ● Minimal impact, no service disruption ● Negligible impact on service capability. ● Minimal loss - can be accommodated at Service Level ● No obvious harm/injury. ● Unlikely to cause any adverse publicity, internal only. ● Breaches of local procedures/standards. ● Budget within delegation and relatively small or within operational costs.

The risk ratings for each part of the assessment are then combined to give an overall ranking for each risk. The ratings can be plotted onto the risk matrix, see below, which assists in determining the risk priority and the amount of attention it deserves.

15. Risk ranking table/Matrix

Likelihood ↑	Very likely (5)	Medium	Medium	High	High	High
	Likely (4)	Medium	Medium	Medium	High	High
	Moderate (3)	Low	Medium	Medium	Medium	High
	Unlikely (2)	Low	Low	Medium	Medium	Medium
	Rare (1)	Low	Low	Low	Medium	Medium
		Trivial (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
		Impact →				

The risk rating is based upon the the result of any mitigation measures. If after considering mitigation it appears the likelihood or impact has been reduced then the risk rating should be changed.

Risk Tolerance

Red (High Risk)	Must be managed down urgently
Amber (Medium Risk)	Seek to influence medium term/monitor
Green (Low Risk)	Acceptable but continue to monitor

16. Risk appetite

Risk appetite is the level of risk the Councils are prepared to tolerate or accept in the pursuit of strategic objectives. The aim is to consider all options to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery whilst also providing an acceptable level of value for money.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risks are established before

decisions are made. The Councils recognise that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. Specifically, our approach is to minimise exposure to compliance and reputation risk, whilst accepting and encouraging an increased degree of risk in other areas in pursuit of our strategic objectives as illustrated in the diagram and statements below:

	Lower Risk		Higher Risk		
	1	2	3	4	5
Compliance & Regulation	■				
Operational/Service delivery			■		
Financial			■		
Reputation	■				
Strategic transformational change				■	
Development & Regeneration					
People & Culture			■		

Compliance and Regulation - The Council recognises the need to place high importance on compliance, regulation and public protection and has no appetite for breaches in statute, regulation, professional standards, ethics, bribery or fraud.

Operational/Service delivery - The Council accepts a moderate to high level of risk arising from the nature of the Council's business operations and service delivery to deliver an appropriate level of service at value for money, whilst minimising any negative reputational impact.

Financial - The Council acknowledges the responsibility it has for administration of public funds and emphasises to both the public and its employees the importance it places upon probity, financial control and honest administration. Financial Regulations provide the framework for managing the Council's financial affairs and should be adhered to at all times. All schemes must be fully financed and the Financial Services Section should be consulted when planning new projects.

Reputation - It is regarded as essential that the Councils preserve a high reputation and, therefore, a low appetite for risk has been set in the conduct of activities that puts the reputation of the Councils in jeopardy through any adverse publicity.

Strategic transformational change - The environment that the Councils work in is continually changing through both internal operations and the services provided. Change projects provide the Council with an opportunity to move forward and develop and establish benefits for the longer term. The Councils recognise that this may require increased levels

of risk and are comfortable accepting the risk subject to always ensuring that risks are appropriately managed.

Development and Regeneration - The Councils have a continuing obligation to invest in the development and regeneration of the areas. To continue to be progressive and innovative in the work performed the Councils are willing to accept a higher risk appetite whilst ensuring that benefits are assessed and risks are fully scrutinised and appropriately mitigated before developments are authorised.

People and Culture - The Councils recognise that staff are critical to achieving objectives and, therefore, the support and development of staff is key to making the Councils an inspiring and safe place to work. It has a moderate to high appetite for decisions that involve staffing or culture to support transformational change and ensure the Councils are continually improving.

17. Risk Response

There are four basic ways of treating risk, which are:

- Treat - Ensuring effectiveness of existing controls and implementing new controls where considered necessary and cost effective.
- Transfer - Involves another party bearing or sharing the risk in other words via insurance.
- Tolerate - Where it is not possible to treat or transfer consideration needs to be given to how the risk and consequences of such are to be managed should they occur.
- Terminate - Deciding where possible not to continue or proceed with the activity in view of the level of risks involved.

18. Opportunity Response

There are four basic ways of treating opportunity, which are:-

- Enhance - Seek to increase the likelihood and/or the impact of the opportunity in order to maximise the benefit.
- Ignore - Minor opportunities can be ignored by adopting a reactive approach without taking any explicit actions.
- Share - Seek partners/stakeholders able to manage the opportunity which can maximise the likelihood of it happening and increase the potential benefits.
- Exploit - Seek to make the opportunity definitely happen. Aggressive measures to ensure the benefits from the opportunity are realised.

19. Monitoring arrangements for Corporate and Service Risks

The reason for monitoring risks is to create an early warning system for any movement in the risks - Key risks are defined as those in the Red and Amber category of the Risk ranking table/matrix on Page 10 of this Strategy. Risks scoring in the 'Green' category are considered to be managed effectively and, therefore, within the Council's 'risk tolerance'. Any risk scoring outside of these categories can be removed from the Risk Register and archived subject to agreement with the Council's Leadership Team and relevant Directors/Service Heads.

Risk Registers are live documents and, therefore, must be regularly reviewed and

amended. All Risks are regularly monitored by the Councils in the following ways:-

- **Corporate Risks**

- Reported to the Councils Leadership Team bi monthly for review.
- Reported to the Adur and Worthing Informal Cabinets quarterly and Directors to regularly brief Executive Members.
- Reported quarterly to Joint Strategic Committee
- Reported to the Joint Governance Committee as part of the Annual Risk Management report and quarterly.

- **Service Risks**

- Reviewed by Directors/Service Heads/DMT's on a quarterly basis.
- Directors to brief Executive Members on a regular basis.
- Reported quarterly to the Joint Governance Committee
- Reported annually to Councils Leadership Team

The questions that need to be asked during the monitoring are:

- Is the risk still relevant?
- Is there any movement in the risk score?
- Are the controls still in place and operating effectively?
- Has anything occurred which might change its impact and/or likelihood?
- Have potential opportunities been considered and maximised?
- Have any significant control failures or weaknesses occurred since the last monitoring exercise?
- If so, does this indicate whether the risk is increasing or decreasing?
- If the risk is increasing do we need to devise more controls or think of other ways of mitigating the risk?
- If the risk is decreasing can some of the existing controls be relaxed?
- Are controls/actions built into appropriate documented action plans?
- Are there any new or emerging risks?
- Have any of the existing risks ceased to be an issue (and can, therefore, be archived?)

20. Roles and responsibilities

Council Leaders

- Approve the Councils Risk and Opportunity Management Strategy annually.

Informal Cabinets

- Receive regular monitoring reports on the Corporate Risk register on a quarterly basis.

Joint Strategic Committee

- Receive regular monitoring reports on the Corporate Risk register.

Joint Governance Committee

- Receive and approve monitoring reports on the Corporate and Service level Risk register and the Annual Risk and Opportunity Management report.
- Provide independent assurance to the Council on the effectiveness of the Council Risk and Opportunity Management, internal control and overall assurance framework.

Councils Leadership Team (CLT)

- Ensure the Councils implement and manage risks effectively through the delivery of the Risk and Opportunity Management Strategy and consider risks affecting the delivery of services.
- Be responsible for the Corporate Risk and Opportunity register and related Risk and Opportunity Management issues and ensure that they are considered on a bi monthly basis at CLT meetings. Approve the Risk and Opportunity Management updates for consideration by the Informal Cabinets
- Provide assurance to the Adur and Worthing Cabinets regarding Risk and Opportunity Management compliance.
- Support the embedding of Risk and Opportunity Management within the culture of the Council as an integral part of strategic/business planning, decision making and performance management framework.

Directors

- Take responsibility for the promotion of the Risk and Opportunity Management Strategy within their Directorate.
- Ensure that the Service Risk and Opportunity Registers for their Directorate are managed, monitored, responded to and communicated effectively in their areas.
- Ensure that Risk and Opportunity Management is a key consideration in the delivery of the Council priorities.

Service Heads

- Identify, evaluate, prioritise and control risks and opportunities facing the Council in achieving its objectives.
- Support, assist and inform their Director on risk issues.
- Include staff without direct responsibility for owning and managing risk in risk discussions to ensure Teams identify potential risks associated with service delivery.

Head of Digital and Design

Provide the necessary Officer support from the Digital and Design Team to:-

- support the Council and its Directorates in the effective development, implementation and review of the Risk and Opportunity Management Strategy.
- Provide training and guidance in Risk and Opportunity Management
- Support the CLT in its oversight of Risk and Opportunity Management.

Employees

- Assess and manage risks effectively in their job and report hazards/risks to their service managers.
- Liaise with their Service Head/Director on risk related issues.

Checklist for Risk and Opportunity Identification

(Please note that this is meant as a guide and is not an exhaustive list)

Compliance and regulation	<ul style="list-style-type: none"> ● Legislation and internal policies/regulations ● Grant funding conditions ● Legal challenges, legal powers, judicial reviews or public interest reports. ● Change in Government policy.
Operational/service delivery	<ul style="list-style-type: none"> ● Emergency preparedness/business continuity ● Poor quality/reduced service delivery ● Information security, retention accuracy ● ICT integrity, availability ● Changing needs and expectations of customers - poor communication/consultation
Financial	<ul style="list-style-type: none"> ● Budgetary pressures ● Loss of/reduction in income/funding, increase in energy costs ● Costs of living, interest rates, inflation and so on ● Financial management arrangements ● Investment decisions, sustainable economic growth ● Affordability models and financial checks ● Inadequate insurance cover ● System/procedure weaknesses that could lead to fraud.
Reputation	<ul style="list-style-type: none"> ● Negative publicity (local and national) ● Increase in complaints ● Fines

Strategic transformational change	<ul style="list-style-type: none"> ● New initiatives, new ways of working, new policies and procedures. ● New relationships - accountability issues/unclear roles and responsibilities. ● Monitoring arrangements. ● Managing change
Development and Regeneration	<ul style="list-style-type: none"> ● Demographics ● Economic downturn - prosperity of local businesses/local communities ● Impact of planning or transportation policies ● Environmental, landscape, countryside, historic environment, open space. ● Property, land, buildings and equipment
People and Culture	<ul style="list-style-type: none"> ● Political personalities ● Member support/approval ● New political arrangements ● Loss of key staff, recruitment and retention issues ● Training issues ● Lack of/or inadequate management support ● Poor communication/consultation ● Capacity issues - availability, sickness and absence and so on.
Opportunities/outcome	<ul style="list-style-type: none"> ● Add value or improve customer experience/satisfaction ● Reduce waste and inefficiency ● Improve staff skills/morale ● Helping to cultivate, develop and protect enterprising communities ● Supporting wealth generators and leading and driving forward economic growth.

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