

THE MORAY COUNCIL CORPORATE RISK REGISTER

APPENDIX 1

Date: December 2009

No.	RISK Threat to achievement of business objective	Scope/ potential consequences of risk	Initial risk			Risk control measures in place	Residual risk			Risk control activity now proposed	Risk Owner
			Likeli- hood	Impact	Risk score		Likeli- hood	Impact	Risk score		
1. Political risks											
1.1	Political priorities are not achieved.	<ul style="list-style-type: none"> • Manifesto priorities of the Administration are not delivered on target. • Financial constraints may impact on ability to deliver priorities. 	5	5	25	<ul style="list-style-type: none"> • Single Outcome Agreement in place. • Moray Performs programme. • Council and committees monitor progress on delivery of priorities. 	4	3	12	<ul style="list-style-type: none"> • Council and Committees to continue to scrutinise outcomes relative to the Council's priorities 	CMT
1.2	Effectiveness of decision making.	<ul style="list-style-type: none"> • A lack of clarity between members and officers functions and roles is apparent • There is insufficient scrutiny of decision making processes • Marginal majority of Administration Group • Decisions do not fully consider statutory responsibilities of the Council 	5	3	15	<ul style="list-style-type: none"> • Roles and functions of senior councillors and senior officers approved. • Scrutiny role of Audit and Performance Review Committee revised. • A 'Summary of Implications' section is given in all committee reports to inform decision making processes 	4	2	8	<ul style="list-style-type: none"> • The scheme of administration and scheme of delegated powers to be reviewed • Protocol to be established to ensure effective communication between members and officers • Handbook under development giving roles and remit for Moray Performs Board, Service Development Group, and senior officer teams 	CE/ CLO
1.3	Partnership working leads to diminution of accountability and control and objectives are not	<ul style="list-style-type: none"> • Poor value for money obtained from partnership arrangements. • Performance 	5	5	25	<ul style="list-style-type: none"> • Community Planning Board, Theme Groups and Community Engagement Group in place 	4	4	16	<ul style="list-style-type: none"> • CPP governance arrangements being developed with statutory partners • Central register of 	CE CFO

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	delivered	<ul style="list-style-type: none"> expectations not delivered. Partners lose confidence in ability to deliver. Public loses confidence in partners' ability to deliver. Services are not delivered as expected 				<ul style="list-style-type: none"> Moray Management Group oversees Moray Community Health & Social Care Partnership Partnership agreements in place Partnership Working Review carried out by Internal Audit 				<ul style="list-style-type: none"> partnerships to be established Contractual partnerships being reviewed as part of procurement process Statutory partnership governance review commenced 	CFO DMTs
1.4	High level defence review leads to rationalisation of RAF Bases	<ul style="list-style-type: none"> Impact on Housing Schools and Finance Expansion of economic development role Loss of relatively well paid jobs affecting services in the Community 	5	5	25	<ul style="list-style-type: none"> Engage with Community Planning Partners 	5	4	20	<ul style="list-style-type: none"> Highland and Islands enterprise updating 2020 study Lobbying 	CE
2. Financial risks											
2.1	The current economic climate places additional strain on the Council's resources	<ul style="list-style-type: none"> Real terms reduction in grant funding to the Council. Inability to set a balanced budget Greater incidence of job losses and indebtedness in the population impact on Council Services. May need to change budgetary priorities. 	5	5	25	<ul style="list-style-type: none"> Financial Plan is reviewed and updated annually. Budget review completed. 	4	4	16	<ul style="list-style-type: none"> Consultation re. savings proposals under way to inform future budgets Robust and inclusive financial planning for both revenue and capital funding for 2010/11 and beyond <p>Note: the Council recognises that even with effective risk control measures in place financial constraints on the</p>	CMT/ CFO

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		<ul style="list-style-type: none"> Contractors (and their sub-contractors) more likely to fail leading to loss of supply Expectation that the Council will provide support for economic recovery. 								Council will remain a significant risk and one that will need to be managed in response to changing circumstances; for example, an emergency budget post the General Election	
2.2	Sound resource management is not exercised.	<ul style="list-style-type: none"> Failure to meet statutory obligations and business objectives. Pressure on budgets increases. Inefficient and ineffective use of resources adversely affects delivery of critical services. Criticism from external audit. Poor publicity and adverse effect on the Council's reputation 	5	5	25	<ul style="list-style-type: none"> Financial Regulations. Budget monitoring. Budget Manager training. Annual internal audit programme. External audit. Asset Management Working Group Longer term pressures highlighted in 2008 – 2012 Financial Plan – key issues: <ul style="list-style-type: none"> ➤ Flood Schemes ➤ PPP, ➤ Inflation, ➤ Demand for Care Services 	3	4	12	<ul style="list-style-type: none"> Service budget monitoring and restrictions on spend where possible. Asset Management Plans being developed. Efficiency Savings Monitoring and identification of further efficiency savings. 	CFO CFO CFO
2.3	Rationalisation of services and financial climate affects probity	<ul style="list-style-type: none"> Greater risk of fraud /theft being perpetrated against the Council. 	4	4	16	<ul style="list-style-type: none"> Financial control environment 	2	4	8	<ul style="list-style-type: none"> Audit plan to consider risk associated with change management 	CFO

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2.4	The potential efficiencies and cost savings identified by the DBS project are not realised	<ul style="list-style-type: none"> Budget shortfalls have to be met from service cuts. Efficiency targets are not met 	5	5	25	<ul style="list-style-type: none"> Scrutiny by DBS Programme Board Investment by the Council in programme management. Project themes being progressed in accordance with planned timescales. 	4	4	16	<ul style="list-style-type: none"> Programme continuously monitored with separate risk registers. Progress will continue to be monitored through Committee review for each project theme. 	CFO
3. Human Resources (People) Risks											
3.1	Inability to recruit and retain well qualified and experienced staff.	<ul style="list-style-type: none"> Loss of essential experience, expertise and 'corporate memory'. Lack of specialist staff in certain disciplines degrades the Council's ability to provide essential services. 	5	4	20	<ul style="list-style-type: none"> Corporate Workforce Plan is in place. Two cohorts of apprentices in post Head Teacher recruitment process revised. Paired Head Teacher roles available for consideration where appropriate 	4	3	12	<ul style="list-style-type: none"> Recruitment materials reviewed and revised style being prepared for adoption in 2010 Management competencies being developed Flexible working / home working pilot schemes being developed. 	CLO CFO
3.2	Workforce and succession planning does not address future workforce needs and key skills shortages	<ul style="list-style-type: none"> The ageing workforce means an increasing loss of key personnel on retirement. Skills and experience gaps. Poor customer service. Internal control or 	5	3	15	<ul style="list-style-type: none"> Corporate Workforce Plan is in place 	4	3	12	<ul style="list-style-type: none"> Succession planning proposals in draft Leadership and development programme under consideration for both managers and elected members 	CLO

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		governance failure.									
3.3	Residual equal pay are claims are not resolved	<ul style="list-style-type: none"> Residual financial risk Morale and motivation is affected Any grievances remain unresolved 	4	4	16	<ul style="list-style-type: none"> Strategy for addressing outstanding claims in place 	3	3	9	<ul style="list-style-type: none"> Employment tribunal equal pay cases to be managed 	CLO /CFO
3.4	Staff are unprepared for change and do not have the skills competencies or experience to meet future requirements	<ul style="list-style-type: none"> Inability to meets the demands of local government of the future and ensure secure continuous improvement of services 	3	5	15	<ul style="list-style-type: none"> Core skills training programme Development programmes for councillors and managers to support corporate objectives for councillors and managers 	3	3	9	<ul style="list-style-type: none"> Finalise staff handbook Develop revised job descriptions for new models of service delivery. 	CLO
3.5	Lack of staff engagement impacts on morale and motivation	<ul style="list-style-type: none"> Reduction in staff productivity and enthusiasm 	4	4	16	<ul style="list-style-type: none"> Proactive approach to Health at work Employee communications; news letter, staff surveys Absence management policies 	3	3	9	<ul style="list-style-type: none"> Focus on actions to deal with mental health and musco-skeletal disorders. Promote management standards Staff handbooks and senior management development programmes 	CLO
3.6	Inadequate management of health and safety risks affecting employees, service users or members of the public.	<ul style="list-style-type: none"> Injuries or death sustained by individuals; Senior managers liable to prosecution; Council subject to litigation and compensation claims; 	4	5	20	<ul style="list-style-type: none"> Individual Departmental policies/strategies/ guidelines. Corporate H&S Policy Proactive support to health and work with support from Occupational Health 	2	5	10	<ul style="list-style-type: none"> Continued development & enhancement of current safety management system. H&S audits of the extent to which safety management culture is embedded within the Council and evidenced in 	CLO

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		<ul style="list-style-type: none"> Damage to Council's reputation. 				Service.				practice. <ul style="list-style-type: none"> Health and well being support being developed Improved reporting to CMT/Committee 	
4. Regulatory Risks											
4.1	Good governance requirements are not met.	<ul style="list-style-type: none"> Inability to demonstrate good governance 	4	4	16	<ul style="list-style-type: none"> Governance Statement prepared and published annually. 	2	4	8	<ul style="list-style-type: none"> Review governance arrangements in the context of best practice guidance. Report to Council on new management structures Promote the Council's vision statement. Review and reissue codes of conduct for both members and officers 	CLO /CFO CE/ CLO CLO
5. Environmental Risks											
5.1	Inland or river flooding may occur before flood alleviation measures are fully in place	<ul style="list-style-type: none"> Potential risk to life and limb; Health risks to community from contaminated water; Extensive damage to properties, both public and private; Requirement to provide emergency accommodation; Significant costs of clean-up operations 	5	5	25	<ul style="list-style-type: none"> Scrutiny by Flood Alleviation Sub-Committee Flood Response Arrangements in place and tested Bishopmill House "mothballed" for use in flooding emergencies. Flood guards in place for properties at risk. Early warning system for residents. 	5	3	15	<ul style="list-style-type: none"> Better publicity; review methods of informing affected citizens about plans. Involvement of groups during preparation of schemes to avoid risk of objection. Regular review and maintenance programme to be established for Bishopmill House. 	DEnvS DCS

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		<ul style="list-style-type: none"> and restoration work; Financial impact of Flood Management (Scotland) Act 				<ul style="list-style-type: none"> Schemes completed or well advanced in Lhanbryde, Forres and Rothes Enquiry held for Elgin Flood Alleviation Scheme 					
5.2	Climate change may cause adverse weather events (storms & gales, low temperatures, heat waves or drought) for which the Council is unprepared	<ul style="list-style-type: none"> Potential risk to life and limb; Health risks to community from contaminated water; Extensive damage to properties, both public and private; Requirement to provide emergency accommodation; Significant costs incurred in clean-up operations and restoration work Public Health issues in relation to heat waves 	3	5	15	<ul style="list-style-type: none"> National risk identified by Government and Grampian SCG Flood Response Arrangements in place and tested. Grampian SCG Flooding Plan Winter Maintenance Plan 	3	4	12	<ul style="list-style-type: none"> Review of Moray Flooding Response Plan Training of key Council personnel Improve communication between departments to enable them to provide a seamless coordinated service for the community 	DEnvS
5.3	Loss of premises due to flood fire etc	<ul style="list-style-type: none"> Disruption to service delivery 	3	5	15	<ul style="list-style-type: none"> Business continuity plans being developed commensurate with assessed risk for key services 	3	4	12	<ul style="list-style-type: none"> Ensure Business Continuity processes reviewed and tested to meet civil contingencies act requirements 	DEnvS
5.4	Pandemic	<ul style="list-style-type: none"> Staff illness/ absenteeism Loss of essential 	3	5	15	<ul style="list-style-type: none"> Emergency Planner based in Moray Emergency Response 	2	5	10	<ul style="list-style-type: none"> Review Service plans with Service Management Teams. 	DEnvS

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		services/ utilities/ suppliers <ul style="list-style-type: none"> Disruption to services 				Co-ordinators identified and trained				<ul style="list-style-type: none"> Services plans in place identify their emergency response role, supplemented with additional protocols where required 	
5.5	Ability to deal with unforeseen external emergencies or incidents is compromised by inadequate emergency planning and resilience	<ul style="list-style-type: none"> Non-compliance with Civil Contingencies Act Resources not in place to enable appropriate response. Inability to provide support to other agencies and to the community 	3	5	15	<ul style="list-style-type: none"> Emergency Planner based in Moray Emergency Response Co-ordinators identified and trained Services plans in place identify emergency response roles, supplemented with additional protocols where required. Plans for specific emergencies or issues, e.g. Flooding, Oil Pollution, Welfare arrangements in place 	3	3	9	<ul style="list-style-type: none"> Review Service plans with Service Management Teams and identify training requirements. Recruiting/ training rest centre managers 	DEnvS
6. Reputational Risks											
6.1	Expectations from external inspections are not met	<ul style="list-style-type: none"> Censure Adverse media coverage Intervention 	3	5	15	<ul style="list-style-type: none"> Positive responses action plans in place for prior inspections Action plans approved by elected members 	3	3	9	<ul style="list-style-type: none"> Preparation for Best Value 2 review under way. 	CMT CE
6.2	Service standards fall below that reasonably expected	<ul style="list-style-type: none"> Criticism of services cannot be referenced to consistent standards applicable across Council services 	4	4	16	<ul style="list-style-type: none"> Service standards in place 	4	3	12	<ul style="list-style-type: none"> Publish service standards booklet Develop processes to consult with service users on service 	DMTs

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									standards, aligned to budget consultation process.		
6.3	Inability to demonstrate responsiveness to complaints	<ul style="list-style-type: none"> Unable to demonstrate that services where necessary are adapted in response to challenge 	3	4	12	<ul style="list-style-type: none"> Complaints procedure in place. 	3	3	9	<ul style="list-style-type: none"> Issue to be reinforced in annual review of complaints procedure 	CE
7. Operational Continuity and Performance Risk											
7.1	Council performance falls below acceptable level for a sustained period.	<ul style="list-style-type: none"> Vulnerable service users at risk. Performance against targets reduced affecting external inspection. Reductions in other services required to balance budgetary pressures. Damage to the Council's reputation. 	3	5	15	<ul style="list-style-type: none"> Performance Management Framework Budget Monitoring. Public sector improvement framework piloted 	2	4	8	<ul style="list-style-type: none"> Preparation for BV2 Forecast growth in numbers of elderly and the volume of care that will be required. Rollout of Public Sector Improvement Framework. Review Performance Management Framework Human Resources support for organisational change, workforce development and developing leadership capacity being developed under workforce planning to mitigate this risk Develop consultation based on recent public meetings on budget proposals. 	CE DCS DEnvS DEdS CLO

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7.2	Our ability to deal competently with unforeseen events is compromised by inadequate business continuity planning and resilience	<ul style="list-style-type: none"> Lack of consistent methodology to identify "critical" or "key" services Contingency plans not in place to maintain critical business activities. Non-compliance with Civil Contingencies Act Resources not available at the right time and right place to restore key services within the necessary timescale Vulnerable adults and children put at risk. Damage to Council's reputation. 	4	4	16	<ul style="list-style-type: none"> Service managers progressing through corporate Business Impact Analysis (BIA) methodology to identify critical services. Business Continuity Management Policy approved January 2009 	4	3	12	<ul style="list-style-type: none"> Output from BIA to be used to develop service and corporate Business Continuity Plans as appropriate Information from BIA to be shared with Estates, Personnel, ICT, Records Management and Procurement to develop resilience in each area. Align business continuity plans with risk management processes Management teams to review risks and take action to mitigate them where possible. 	DEnvS DEnvS DMTs
8. IT risks											
8.1	Major disruption in continuity of ICT operations.	<ul style="list-style-type: none"> Disruption to a number of operational areas at a location and possible knock-on effect at other locations; Adverse effect on essential services. 	4	5	20	<ul style="list-style-type: none"> ICT Action Plan. Computer Use Policy. Disaster Recovery Plans. 	3	4	12	<ul style="list-style-type: none"> Update Disaster Recovery plans. ICT Business continuity plan 	CFO
8.2	Data security is compromised	<ul style="list-style-type: none"> Reputation is damaged Financial loss 	5	5	25	<ul style="list-style-type: none"> Corporate IS policy 	4	4	16	<ul style="list-style-type: none"> Development of controls relating to encryption of data; access controls 	CFO

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		<ul style="list-style-type: none"> Loss of personal data 							<ul style="list-style-type: none"> Controls to be developed in the context of DBS changed working proposals 		
8.3	Development of evidence based portal for external inspection	<ul style="list-style-type: none"> Council will be unable to provide information expected to enable external challenge and evaluation 	4	5	20	<ul style="list-style-type: none"> Internal Portal operational 	3	5	15	<ul style="list-style-type: none"> Agree to participate in development of nationally promoted portal Peer review participation to be developed as appropriate 	CFO

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