

APPENDIX 2

THE MORAY COUNCIL CORPORATE RISK REGISTER

Date: March 2015

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
			Likelihood	Impact	Risk score		Likelihood	Impact	Risk score		
1. Political risks											
1.1	Political priorities are not achieved.	- Manifesto priorities of the Administration are not delivered. - Financial constraints may impact on ability to deliver priorities. - Lack of clarity as to council plans and outcomes.	5	5	25	- Moray 2023 plan approved covering Community Planning priorities - Council corporate plan finalised linking the Moray 2023 plan with the council's service planning process - Council and committees monitor progress on delivery of priorities.	3	4	12	- Community Planning Board to monitor progress of plan. - Work to continue on evaluating projects described in the Moray 2023 prevention plan. - Continue with implementation of recommendations in Audit Scotland CPP report. - Monitor and report on impact of resource reduction affecting partners.	CMT
1.2	Effectiveness of decision making.	- A lack of clarity between members and officers functions and roles is apparent - There is insufficient scrutiny of decision making processes - Administration Group does not have a majority	5	4	20	- Roles and functions of senior councillors and senior officers clearly established. Senior officers held to account through Committee reporting arrangements - Scrutiny role of Audit and Performance Review Committee	4	4	16	Decision making to continue through Council and committees as appropriate, with reference to the Community Planning Board as required and through the Service Development Group and senior officer teams.	CMT

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		Decisions do not fully consider statutory responsibilities of the Council.				- A 'Summary of Implications' section is given in all committee reports to inform decision making processes. - Community engagement strategy approved - Community engagement an integral part of strategic decision making processes - Suite of governance documents reviewed and updated				- Monitoring officer to maintain statutory role of decision making processes. - Assess effectiveness of Community Asset - Transfer arrangements CMT providing support and advice to members on sustainability of proposals.	CD (E&SC)
1.3	Partnership working may lead to diminution of accountability and control and objectives are not delivered	- Poor value for money obtained from partnership arrangements. - Performance expectations not delivered. - Not all partners contribute as necessary - Partners lose confidence in ability to deliver. - Public loses confidence in partners' ability to deliver.	5	5	25	- Community Planning Board, Partnerships and Community Engagement Group in place - Improvement Service led self-evaluation of community planning arrangements commenced. - Health and Social Care Integration scheme approved in draft	4	4	16	- CPP governance arrangements to be further developed with statutory partners - Contractual partnerships continue to be reviewed as part of procurement process - Partnership risk register to be updated in consultation with partners - Monitor Council role in the implementation of Health and Social care Integration	CE CD(CS) CE

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1.4	Economic regeneration not secured	- Services are not delivered as expected - Impact on Housing, Schools and Revenue - Expansion of economic development role - Loss of relatively well paid jobs affecting services in the Community - Loss of vibrancy - Competitiveness / sustainability issues.	5	5	25	- Economic strategy published in conjunction with Moray Economic Partnership with short, medium and long term objectives. - Process of quarterly monitoring reports to ED & I Committee established - Jointly funded media service in place to promote aspects of economic development.	4	4	16	- Agreed priorities to be scrutinised by MEP - one programme per quarter - Moray Economic Strategy being refreshed to ensure consistency between Scottish Government and Council economic priorities and outcomes to ensure links between economic strategy and Moray 2023 plan are maintained. - Continue to raise staff awareness of the importance of economic regeneration.	CD(ES)
2. Financial risks											
2.1	The current economic climate places additional strain on the Council's resources	- Real terms reduction in grant funding to the Council. - Capacity to secure savings and set a balanced budget not sustained. - Greater incidence of job losses and indebtedness in the population impact on Council Services. - May need to change	5	5	25	- Financial Plan is reviewed and updated annually. - Balanced budget secured for 2015/16. - Equality Impact Assessments undertaken where budget reductions proposed - Welfare reform review group established to monitor impact of	4	4	16	- Financial planning for both revenue and capital funding being progressed by Administration Group for future years having regard to council priorities and known and projected budget reductions. - Ongoing monitoring of impact of welfare reforms	CMT/ HOFS

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		- budgetary priorities. - Contractors (and their sub-contractors) more likely to fail leading to loss of supply - Expectation that the Council will provide support for economic recovery. - Budget reductions may impact disproportionately on disadvantaged individuals or communities.				benefits changes					
2.2	Sound resource management is not exercised.	- 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	- Financial Regulations. - Budget monitoring. - Budget Manager training. - Annual internal audit programme. - External audit. - Asset Management Working Group - Longer term pressures highlighted in Financial Plan – key issues: ➢ Flood Schemes ➢ PPP, ➢ Inflation, ➢ Demand for Care Services. ➢ Zero Waste	4	4	16	- Service budget monitoring and restrictions on spend where possible. - Efficiency Savings Monitoring and identification of further efficiency savings. - Reports on budget pressures identify issues and risks for management and political review. - CMT monitor budget pressures quarterly - Liaison with partners to mitigate risks of reduction in opportunities to secure	CD(CS) CD(CS) CD(CS) CMT CMT

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						Management Plan ➤ Office accommodation rationalised ➤ Energy monitoring in place ➤ Regular quarterly reporting on procurement initiatives including procurement forum established for CMT/SMT				external funding • Manage outcomes from strategic reviews of education and leisure services	
2.3	Rationalisation of services and financial climate affects probity	Greater risk of fraud /theft being perpetrated against the Council.	4	4	16	- Financial control environment - Anti Fraud policy reviewed and updated - Participation in National Fraud Initiative - Assurance reports from external/internal audit - Integrity group established	3	3	9	- NFI 2014/15 data matching returns to be scrutinised - Work of Integrity group to be promoted - Corporate fraud initiatives to be developed as a consequence of welfare reform staffing changes taking effect August 2015	CD(CS) CD(CS) CD(CS)
2.4	The potential efficiencies and cost savings identified by the DBS project are not realised timeously	- Budget shortfalls have to be met from service reviews and reductions. - Efficiency targets are not met	5	5	25	- Support and oversight provided by DBS Programme Board - Investment by the Council in programme management. - Progress updates reported quarterly to Policy and Resources	3	3	9	- Programme continuously monitored with separate risk registers. - Progress will continue to be monitored by Policy and Resources Committee with scheduled completion date of 2016.	CD(CS)

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2.5	Savings by Community Planning Partners adversely impact on Council services and budgets	- Savings impact more severely on one group in the Community. - Partner savings areas require Council to re-assess service provision to reduce impact.	5	4	20	Committee - Agreement from partners to share budget savings proposals secured. - Consolidated budgets developed at high level	4	3	12	Continue to monitor risks re. aggregation of budgets for jointly delivered projects.	CMT
3. Human Resources (People) Risks											
3.1	Inability to recruit and retain well qualified and experienced staff.	- Rationalisation of workforce leads to loss of essential experience, expertise and 'corporate memory'. - Lack of specialist staff in certain disciplines degrades the Council's ability to provide essential services and good customer service. - Standards of service, control and governance may be adversely affected - Staff morale may be adversely affected	5	4	20	- Corporate Workforce Plan is in place. - Key posts being identified for succession planning and recruitment purposes. - Succession planning proposals agreed - Management arrangements review presented to council. - Management competencies developed - Leadership Development Programme launched. - Bullying and harassment survey	5	4	20	- Workforce plan to continue to be reviewed on an annual basis to reflect corporate priorities - Flexible working / home working policies being implemented. - Conclusions from Workforce Culture working party to be actioned - Community Planning Partnership group considering recruitment and retention across the public sector.	CD(CS) CD(CS) CD(CS)

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						- completed 'Transform' process in place to mitigate impacts on staff of organisational change					
3.2	Staff are unprepared for change and do not have the skills competencies or experience to meet future requirements	Inability to meet the demands of local government of the future and ensure secure continuous improvement of services	3	5	15	- Employee Review & Development Programme / PRD/Performance Management Change Management plans and consultation, - Preparation and support for managers dealing with change	3	3	9	- Manage vacancies having regard to skills and competencies of current employees as far as practicable - Corporate training initiative launched to provide virtual learning opportunities for staff - Workload pressures on staff to be closely monitored	CD(CS)
3.3	Staff engagement is not effective at improving (or sustaining) morale and motivation	- Reduction in staff productivity and enthusiasm - Additional management time to resolve issues	4	4	16	- Leadership and management development programme in place and being developed. - Proactive approach to Health at Work - Employee communications; Connect newsletter, staff surveys - Employee Engagement Programme, including employee conference and CMT visits and	3	3	9	- Continue to develop employee engagement programme in response to feedback and experience - Implementation of revised health and work policy and targets - Prepare and issue staff survey for 2015	CD(CS)

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						- Team Talks - Health and Work Policy. - Targeted support for services with higher than average absence levels. - Trade Union and Information and Consultation Forums in place.					
3.4	Inadequate management of health and safety risks affecting employees, service users or members of the public.	- Injuries or death sustained by individuals; - Senior managers liable to prosecution; - Council subject to litigation and compensation claims; - Damage to Council's reputation.	4	5	20	- Individual Departmental policies/strategies/ guidelines - Improved internet access to Health and Safety guidance - Improved reporting to CMT/Committee, including annual report	2	5	10	- Continued development & enhancement of current safety management system. - Continue H&S audits of safety management culture within the Council as part of rolling planned programme. - Continued promotion of effective risk assessment processes and zero tolerance approach to safety breaches. - Health and wellbeing support being developed	CD(CS)
4. Regulatory Risks											
4.1	Good governance requirements are not met.	Inability to demonstrate good governance	4	4	16	- Governance Statement prepared and published annually. - Strategic plans and vision updated and	3	3	9	Governance monitoring continues by CMT, Chief Officers, Monitoring Officer and audit and scrutiny bodies, all in	

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						- approved by Council. - Senior management structures revised. - Latest BV inspection report presented to Council				- accordance with agreed plans. - Pro-active management response to issues raised in inspection reports.	CMT
5. Environmental Risks											
5.1	Inland or river flooding may occur before flood alleviation measures are fully in place	- Potential risk to life; - 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 and restoration work; - Impact of Flood Management (Scotland) Act	5	5	25	- Scrutiny by Flood Alleviation Sub-Committee - Flood Response Arrangements in place. - Bishopmill House “mothballed” for use in flooding emergencies. - Flood guards in place for council properties at risk. - SEPA flood warning system in place. - Flood Alleviation Schemes still under construction being managed effectively.	5	2	10	- Maintenance programme for Bishopmill House continuing. - Progress flood alleviation schemes to conclusion.	CD(ES)
5.2	Wider flooding issues adversely impacts on communities	Risk to life and damage to property and possessions	5	4	20	Flood risk management plan under development with partners; Highland Council, SEPA and	5	3	15	- Maintain separate project risk register - Monitor through project steering group - Progress reports to ED	CD(ES)

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						Scottish Water • Development plan addresses climate change issues				& I Services Committee • Continued liaison with other agencies to mitigate as far as practicable surface water flooding risk.	
5.3	Ability to deal with unforeseen external emergencies or incidents is compromised by inadequate emergency planning and resilience	• 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	• Council part of North of Scotland Regional Resilience Partnership and Grampian Partnership • Emergency Planner based in Moray • Emergency Response Co-ordinators and admin support staff identified and trained. • Council coordination centre identified and operational • Lead officer identified for each SCG and Moray Emergency Plan. • Rest centre managers recruited, trained and procedures in place • Local Response plans in place identify emergency response roles, supplemented with additional protocols where	3	3	9	• Develop programme of exercises to test resilience under new partnership arrangements.	CE

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						- Plans for specific emergencies or issues, e.g. Flooding, Oil Pollution, Welfare arrangements in place. - Crisis communications secured.					
6. Reputational Risks											
6.1	Council decisions result in litigation /judicial review	- Unanticipated costs - Censure - Adverse media coverage	3	3	9	Suite of financial, regulatory and governance controls in place	3	3	9	Risks to be fully explained in decision making reports where there is a likely impact on service delivery.	CMT/ CE
6.2	Expectations from external inspections are not met	- Censure - Adverse media coverage - Intervention	3	5	15	- Preparations for inspections to be reported to CMT for assessment. - CMT overview of action plan points to ensure effective implementation.	3	3	9	Continued monitoring by CMT of service outcomes reported through self assessment and external inspection processes.	CMT CE
6.3	Service standards fall below that reasonably expected	Criticism of services cannot be referenced to consistent standards applicable across Council services	5	4	20	- Service standards in place - Service standards regularly subject to Service Committee and Audit and Performance Review Committee challenge and scrutiny - Formal complaints procedure in place	4	4	16	- Customer focus strategy to review service standards - Service standards to be monitored and where necessary revisions agreed having regard to changing budgets, staffing structures, and where applicable,	SMT CMT

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						Performance management reporting framework updated				- national priorities guidance - Rationalise volume of measures on performance management to match available resources	
7. Operational Continuity and Performance Risk											
7.1	Council performance falls below acceptable level for a sustained period.	- 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.	4	5	20	- Performance Management Framework - Budget Monitoring. - Human Resources support for organisational change, workforce development and developing leadership capacity being developed under workforce planning to mitigate this risk. - Approach to service planning amended following review	3	4	12	- Review and address performance measures where a diminution in service is apparent. - Human Resources actions to support DBS to continue as appropriate - CMT reviewing workload pressures as part of budget process	CMT CD(CS) CMT
7.2	Our ability to deal competently with unforeseen events is compromised by inadequate business	- Lack of consistent methodology to identify "critical" or "key" services - Contingency plans	4	4	16	- Business Continuity Management Policy In place - Business Impact Analysis process	4	3	12	- Align business continuity plans with risk management processes - Management teams to continue to review risks	CD(ES)

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	continuity planning and resilience	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 - Damage to Council's reputation.				- carried out across all Council services - Business continuity plans being developed commensurate with assessed risk for key services to meet civil contingencies act requirements - List of critical functions agreed by Corporate Management Team - Risk registers maintained and monitored for all services				and take action to mitigate them where possible. - Business Continuity Plans tested and reviewed regularly - Business Continuity plans to be updated as services progress through DBS process - Resilience to be re-evaluated as a consequence of change in key personnel, service structure and staff availability	CD(ES)
7.3	The introduction of significant changes in working practices has the potential to cause major disruption to service delivery.	- Staff are unable to use new systems due to lack of training or resistance to change. Critical functions may not be sustained. - Loss of reputation - Morale and motivation of staff may suffer if change is not managed - Customers, clients,	4	4	16	- Training - DBS project management - Change management plan and procedures in place. - Continue monitoring of major project milestones by CMT and appropriate committees.	3	3	9	Continuing to manage project and address issues as they arise.	CMT/ SMT

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		the public and other stakeholders could be adversely affected.									
8. IT risks											
8.1	Major disruption in continuity of ICT operations.	- 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	- ICT Action Plan. - Computer Use Policy. - Disaster Recovery Plans. - Business continuity plans tested and reviewed regularly. - Main financial systems taken in-house to strengthen continuity arrangements - Public service network (PSN) accreditation secured	2	5	10	- Assess residual risks in terms of disaster recovery following relocation of Computer Data Centre. - Finalise ICT Business Continuity Plan - Monitor resource implications necessary to maintain PSN accreditation	CD(CS)
8.2	Data security is compromised	- Reputation is damaged - Financial loss - Loss of personal data - External censure	5	5	25	- Corporate IS policy - Guidance issued to staff - Senior Information Risk Officer appointed - Data control enhanced	3	5	15	- Information Assurance Group meets quarterly to consider data and records management issues - ICT service plans	CD(CS)

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						through use of Active Directory storage and remote access to Council network. Guidance on effective data security measures issued to staff				continue to address data security issues relative to new ways of working from the DBS programme.	

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