

APPENDIX 1

THE MORAY COUNCIL CORPORATE RISK REGISTER

Date: September 2016

APPENDIX 1

ITEM: 10

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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 of the Administration 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. - Minority administration unable to secure political support for policy initiatives.	5	5	25	- Moray 2026 plan published setting out five key priorities and targets to be delivered jointly by community planning partners - Emphasis on prevention and resilience to reduce partner interventions and make securing sustainable outcomes more likely - Community engagement being promoted to improve understanding of community priorities and targeting of services - Council corporate	4	4	16	Timeline developed for preparation of new council business plan to be substantially completed prior to the May 2017 council elections, and finalised soon thereafter. Timeline unlikely to be met – CMT now working with councillors to make as much progress as possible prior to elections.	CMT	

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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 - Decisions do not fully consider statutory responsibilities of the Council.	5	4	20	plan in place running through to 2017 Council and committees monitor progress on delivery of priorities. Community Planning Board to continue monitoring progress of plan and delivery of agreed targets	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 appropriate political group arrangements and senior officer teams. - Monitoring officer to maintain statutory role of ensuring legality of decision making processes. - CMT/SMT to provide support and advice to CD (E&SC)	CMT

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						- committee reports to inform decision making processes. - Community engagement strategy approved for application during 2016/17 - Suite of governance documents reviewed and updated. - Rules re suspension of Standing Orders clarified				- members on sustainability of proposals. - Induction programme for new and returning councillors to be refreshed	CMT
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. - Services are not delivered as expected	5	5	25	- Partnership working governance arrangements overseen by the Community Planning Board. - Health and Social Care Integration Joint Board established with separate governance arrangements - Performance targets being monitored by Community Planning Board	3	4	12	- Contractual partnerships continue to be reviewed as part of procurement process - Management of external funding for projects delivered in partnership to continue to be closely monitored. - Employability Group established to ensure a coordinated approach to employability, skills and training.	CD(CS) CMT
1.4	Economic	Impact on Housing,	5	5	25	Economic strategy	3	3	9	Moray Economic	CD(ED)

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	regeneration not secured	- 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.				published in conjunction with Moray Economic Partnership with short, medium and long term objectives. - Local development plan finalised and approved - Annual report on economic development published to raise awareness of the council's involvement in this process				Strategy being refreshed to ensure consistency between Scottish Government and Council economic priorities and outcomes and that links between economic strategy and Moray 2026 plan are established. - Continue to raise staff awareness of the importance of economic regeneration. - Developing a vision and gap analysis to provide a framework for City deal funding - Implications for economic development consequential to the redevelopment of Lossiemouth RAF base and risk to Kinloss barracks to be considered.	&l)
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	5	5	25	- Financial Plan is reviewed and updated annually. - Balanced budget secured for 2016/17. - Equality Impact	5	5	25	Bridging the Gap community engagement process continuing in accordance with agreed timetable to identify potential budget savings	CMT/ HOFS

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		- sustained. - Greater incidence of job losses and indebtedness in the population impact on Council Services. - May need to change 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.				Assessments undertaken where budget reductions proposed Financial Planning Strategy presented to all councillors				for future years. Next corporate plan will incorporate an updated financial plan. The process for preparing the corporate plan will, therefore, address the projected financial shortfall. There have been a series of reports to the council outlining the financial position including non-compliance with the prudential code.	
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	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	4	4	16	- Manage outcomes from strategic reviews of leisure services - Commitment to incorporate financial plan into next corporate plan.	CD(CS) CD(CS) CD(CS)

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		delivery of critical services. • Criticism from external audit. • Poor publicity and adverse effect on the Council's reputation				Plan – key issues: ➤ PPP, ➤ Inflation, ➤ Demand for Care Services. ➤ Zero Waste Management Plan ➤ Office accommodation rationalised ➤ Energy monitoring in place ➤ Regular quarterly reporting on procurement initiatives including procurement forum established for CMT/SMT ➤ 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
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						➤ CMT monitor budget pressures quarterly ➤ Liaison with partners to mitigate risks of reduction in opportunities to secure external funding ➤					
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 • Assurance reports from external/internal audit • Integrity group established and promoted through staff team talk • Participation in National Fraud Initiative data matching process	3	3	9	• Increased flexibility in audit plans to accommodate additional work on higher risk areas	CD(CS) CD(CS)
2.4	Savings requiring to be made 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	4	4	16	• Agreement from partners to share budget savings proposals secured. • IJB will increase local accountability	3	4	12	• Continue to monitor risks re. aggregation of budgets for jointly delivered projects; specifically health and social care integration. • Council to report to Community Planning	CMT

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		provision to reduce impact.										Board on its financial situation		
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 and 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. - Management competencies developed - Leadership Development Programme on going. - Bullying and harassment survey completed 'Transform' process in place to mitigate future impacts on staff of organisational change	5	4	20	- Workforce plan to continue to be reviewed on an annual basis to reflect corporate priorities - Conclusions from Workforce Culture working party being actioned - Continue activity to address specific recruitment and retention issues across services, in particular in teaching. - Opportunities to develop shared service with neighbouring councils for Roads projects agreed where collaborative working considered to be advantageous.	CD(CS)	CD(CS)	CD(CS)	CD(ED &I)

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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 - Workload pressures on staff being closely monitored.	3	3	9	- Manage vacancies having regard to skills and competencies of current employees as far as practicable - Project management and OD teams established to support corporate initiatives Corporate training initiative on-going to provide virtual modular learning opportunities for staff - Reinvigorate ERDP process to ensure consistent approach across services	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 including resilience training. - Employee communications; Connect newsletter, staff surveys - Employee Engagement Programme, including employee	3	3	9	- Continue to develop employee engagement programme in response to feedback and experience - Implementation of revised health and work policy and targets to be scrutinised for effectiveness - Staff suggestion scheme focused on budget savings - Intranet communication medium refreshed	CD(CS)

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						- conferences and CMT visits and 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 - Team talk issued to all staff re-iterating the importance of compliance with Health and Safety rules. - Policies for staff driving as part of their duties reviewed	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	Inability to	4	4	16	Governance Statement	3	3	9	Governance monitoring	

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	requirements are not met.	demonstrate good governance				- prepared and published annually. - Strategic plans and vision updated and approved by Council.				continues by CMT, Chief Officers, Monitoring Officer and audit and scrutiny bodies, all in accordance with agreed plans. - Pro-active management response to issues raised in inspection reports. - Governance arrangements to be reviewed for any future relationships with arm's length external organisations. - New national governance guidance for public sector bodies being assessed to inform the annual governance statement for 2016/17 - One of the three strands identified in Moray Improvement Methods is governance and this work is ongoing.	CMT CD (E&SC) CD(CS)
5. Environmental Risks											
5.1	Wider flooding issues adversely impacts on communities	Risk to life and damage to property and possessions	5	4	20	Local Flood risk management plans approved for Findhorn, Nairn and Speyside,	5	2	10	- Maintain separate project risk register - Monitor through project steering group	CD(ED &I)

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						- and North East Areas - Development plan addresses climate change issues - A number of non-statutory schemes are being progressed				- Progress reports to ED & I Services Committee - Continued liaison with other agencies to mitigate as far as practicable surface water flooding risk.	
5.2	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	3	3	9	Develop programme of exercises to test resilience under new partnership arrangements.	CE

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						protocols where required. • Plans for specific emergencies or issues, e.g. Flooding, Oil Pollution, Welfare arrangements in place. • Crisis communications secured. • WRAP					
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 initial assessment. • CMT overview of action plan points to ensure effective implementation.	3	3	9	• Continued monitoring by CE with CDs of service outcomes reported through self assessment and external inspection processes.	CMT CE

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6.3	Corporate Customer Pledge standards are not achieved	Criticism of services cannot be referenced to consistent standards applicable across Council services	5	4	20	- New customer charter has introduced Customer Pledge with common service standards across the council - Customer focus strategy has set out 7 actions to improve customer engagement and provide a consistent experience across services - Formal complaints procedure in place - Performance management reporting framework updated	4	4	16	- Customer focus strategy to be monitored - Rationalise volume of measures on performance management to match available resources - CMT currently reviewing the capacity to complete the implementation of the strategy by the end of 2017.	SMT CMT
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.	3	4	12	- Review and address performance measures where a diminution in service is apparent. - CMT managing workload pressures as part of budget process	CMT CMT

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						Approach to service planning amended following review					
7.2	Our ability to deal competently with unforeseen events is compromised by inadequate business continuity planning and resilience	- 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 - Damage to Council’s reputation.	4	4	16	- Business Continuity Management Policy In place - Business Impact Analysis process 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	4	3	12	- Align business continuity plans with risk management processes - Management teams to continue to review risks and take action to mitigate them where possible. - Business Continuity Plans to be tested and reviewed regularly	CD(ED & I)

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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, the public and other stakeholders could be adversely affected.	4	4	16	- Training - Project management - Change management plan and procedures in place. - Continue monitoring of major project milestones by CMT and appropriate committees. - Personal Resilience online training module available	3	3	9	- Continuing to manage project and address issues as they arise. - OD team established	CMT/ SMT
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	2	5	10	- Finalise ICT Business Continuity Plan - Monitor resource implications necessary to maintain PSN accreditation	CD(CS)

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8.2	Data security is compromised	• Reputation is damaged • Financial loss • Loss of personal data • External censure	5	5	25	(PSN) accreditation secured • Corporate IS policy • Guidance issued to staff on information management • Senior Information Risk Officer appointed • Data control enhanced through use of Active Directory storage and remote access to Council network.	3	4	12	• Information Assurance Group meets quarterly to consider data and records management issues • Separate risk register to be developed to record and support the monitoring of data management risks • ICT service plans continue to address data security issues relative to new ways of working. • System controls to be reviewed and developed as part of the plans for expansion of digital services • Records management guidance to be reviewed and updated.	CD(CS)

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