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**REPORT TO: POLICY AND RESOURCES COMMITTEE ON 22 NOVEMBER 2016**

**SUBJECT: CORPORATE RISK REGISTER UPDATE**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASONS FOR REPORT**

- 1.1 To provide Policy and Resources Committee with the latest copy of the Corporate Risk Register for review and comment.
- 1.2 This report is submitted to Committee in terms of Section III (A) (39) of the council's Scheme of Administration relating to risk management.

**2. RECOMMENDATION**

- 2.1 **Committee is asked to consider and approve the updated Corporate Risk Register dated September 2016.**

**3. REPORT**

- 3.1 In line with the council's policy on risk management, the Corporate Risk Register is reviewed and updated by the Corporate Management Team every six months, and thereafter submitted to the Policy and Resources Committee for review and comment. The updating exercise provides the Chief Executive and Corporate Directors with time to reflect on how the main risks facing the council are being managed, and consider whether existing measures to mitigate risks have either fulfilled their purpose and can be deleted; remain current and are being applied as intended, or alternatively constitute new mitigation measures to be applied going forward.
- 3.2 There are few changes to the left hand columns of the latest risk register provided as **APPENDIX 1**. The principal risks identified some time ago under one of eight generic headings for the most part remain present and challenging, and thus require continuing senior management input to mitigate risks on key areas including community planning, working with partners and managing the council's finances. It is again worth noting that the purpose of the review process is to manage risk to a tolerable level, and recognise that risk mitigation measures will not eliminate risks completely in most cases.
- 3.3 The main revisions to the risk register since it was last considered at the meeting of this committee on 10 May 2016 (para. 9 of the Minute refers) are summarised as follows:

<b>Risk No.</b>	<b>Risk Description</b>	<b>Risk score/basis for change</b>
1.3	Partnership working may lead to diminution of accountability and control and objectives are not delivered.	Having reviewed and revised the Moray 2026 plan in conjunction with partners and the IJB now formally established the likelihood of negative consequences has been reduced from high (4) to average (3) reducing the residual risk score to 12.
5.1	Wider flooding issues adversely impacts on communities.	The approval of local flood risk plans together with work on-going to reduce the risk of flooding in known risk areas has reduced the overall potential impact from average (3) to elevated (2); the likelihood of a flooding event remains very high (5) leaving a residual risk score of 10.
8.2	Data security is compromised.	The potential impact of a breach remains high however with the mitigating factors in place the impact is reduced from (5) to (4) reducing the residual risk to a combined score of 12.

- 3.4 It is notable that there has been no change to risk number 2.1 “The current economic climate places additional strain on the Council's resources.” This continues to be rated as the greatest risk faced by the council and whilst the council has agreed a framework for preparing a Corporate Plan which will incorporate its Financial Plan, there has been limited progress to identify how the financial deficit will be met.

#### **4. SUMMARY OF IMPLICATIONS**

##### **(a) Moray 2023: A Plan for the Future/Service Plan**

Effective risk management practices are necessary to evidence how the Council identifies and addresses any issues that may impact on its ability to deliver its stated priorities and plans.

##### **(b) Policy and Legal**

Effective risk management practice is an essential component of good governance.

##### **(c) Resources (Financial, Risks, Staffing and Property)**

The review and updating of the corporate risk register involves the Corporate Management Team assisted by the Internal Audit Manager who has oversight of the council's risk management arrangements.

**(d) Equalities**

No issues arising directly from the content of this report.

**(e) Consultations**

The Corporate Management Team has considered and updated the corporate risk register and amended the draft report provided by the Internal Audit Manager accordingly.

**5. CONCLUSION**

- 5.1 Following its review and updating by CMT, the Committee is asked to consider and approve the latest Corporate Risk Register dated September 2016.**

Author of Report:	Atholl Scott, Internal Audit Manager
Background Papers:	
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