



Policy and Resources Committee

Tuesday, 12 February 2019

SUPPLEMENTARY AGENDA

The undernoted reports have been added to the Agenda for the meeting of the **Policy and Resources Committee** to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 12 February 2019** at **09:30**.

BUSINESS

1 Corporate Risk Register Update

3 - 22

Report by the Corporate Director (Corporate Services)



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 12 FEBRUARY 2019

SUBJECT: CORPORATE RISK REGISTER UPDATE

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To provide Committee with an update relative to significant risks facing the council.
- 1.2 This report is submitted to Council in terms of Paragraph III (B) (38) of the council's Scheme of Administration relating to risk management.

2. RECOMMENDATION

- 2.1 **Committee is asked to consider and approve the current assessments in respect of corporate risks facing the council.**

3. BACKGROUND

- 3.1 A key element of good governance is the management of risk. In terms of established practice, the Corporate Management Team and Senior Management Team formally review the Corporate Risk Register and consider the principal risks facing the council at six monthly intervals.
- 3.2 In line with policy, the risk register describes the principal risks facing the council under eight generic categories. The risk register was last submitted to the full Council on 6th June 2018 (para. 7 of the minute refers). At that time a number of risks were elevated to the highest level following assessment of the circumstances then presenting. Actions being taken and then proposed to further address the risks were also recorded in the register.
- 3.3 At current date, while much work has been undertaken to manage the main risks identified, the residual risk status of most risk categories remains very high and unchanged or increasing across most of the risk categories. The reasons for this are well rehearsed and broadly summarised as follows:

Political risks: These remain elevated with no one party or grouping having overall political control. The establishment of the Group Leader meetings has a positive impact on this risk and progress has been made in some difficult decision making as a result of cross party co-operation. However, this is still in the early stages and so the risk has not been reduced at this time. The wider complex political environment in which the council operates is also a factor.

Financial risks: These are at critical level and are likely to remain so given the challenges the council faces to secure funding sufficient to balance its budget for financial year 2019/20 and in future years. While progress has been made in identifying significant savings that improve the council's financial position, there remains a substantial risk around the remaining budget gap.

Regulatory risks: The council must comply with a myriad of regulations and endeavour to continue to do so across all services. The statutory duties of setting a balanced budget and continuing to provide best value services means that corporately the risk of non compliance remains high.

Reputational risks: These are difficult to manage when the council is in a position of having to reduce or stop services that have been provided in past periods; likewise where the council finds it necessary to charge for services or increase charges for services this is likely to adversely affect the council's reputation.

HR/Staffing risks: Staffing risks remain high as change is effected, skills and experience are lost, business continuity has the potential to be affected and there is a negative impact on morale and motivation of remaining staff.

Environmental risks: These risks are likely to be increased following agreed reductions in council service relative to amenity and infrastructure including in areas such as street sweeping, maintenance of parks and open spaces, and roads and winter maintenance reductions.

Operational Continuity and Performance risks: The risk here is that current standards of service and performance targets will be affected as a consequence of service reductions leading to increased dissatisfaction and complaints from service users, or censure from inspectorates.

Technological risks: Technological risks are also linked to change albeit these arise from taking opportunities to develop digital services as a way of securing efficiencies. There is also a high level of risk mitigation relative to data management and access controls in ensuring compliance with the requirements of the General Data Protection Regulation (GDPR).

- 3.4 An additional risk impact is that of **Brexit** where considerable uncertainty remains about the likely way forward. Various information around preparedness has been made available to councils by Audit Scotland relating to staffing, funding and business continuity. The risk here is to balance the need to prepare for any eventuality yet avoid applying excessive resources to

preparing for events that may not happen. The Chief Executive is the lead officer and will prepare a separate report on this matter as required.

- 3.5 The completed risk register evidences the progress made and the risk register is now being made available for consideration by elected members. A number of the risks are rated at the highest level and are considered likely to remain so going forward, although all risks highlighted will require the ongoing attention of both elected members and management. It should be noted that the purpose of the review process is keep track of potential risk issues, and that risk mitigation measures are unlikely to have a significant impact on the risks the council faces given current circumstances.

- 3.6 A copy of the register is provided as **Appendix 1**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

These are key documents in terms of what the Council and its partners hope to deliver for Moray, however the focus of managerial resources towards addressing the council's financial position has limited time available to progress these plans.

(b) Policy and Legal

Effective risk management practice is an essential component of good governance, hence its adoption across the council, however the process is equally about being open and transparent about what the risk factors are and how difficult it can be to manage these down when the council is in uncharted territory.

(c) Financial Implications

The risk register recognises the financial challenges that are currently at the forefront of council deliberations.

(d) Risk Implications

Risk and its management is the subject of this report.

(e) Staffing Implications

The impact on staff of changes taking place and proposed is highlighted as a generic risk issue the council must manage.

(f) Property

No direct implications.

(g) Equalities/ Socio Economic Impact

No direct implications.

(h) Consultations

The Corporate Management Team and Senior Management Team have contributed to this latest version of Corporate Risk Register.

5. CONCLUSION

5.1 Following its review and updating by the Corporate and Senior Management Teams, the Committee is asked to consider and approve the latest Corporate Risk Register dated January 2019.

Author of Report:	Atholl Scott, Internal Audit Manager
Background Papers:	Risk Strategy
Ref:	AS/p&r/120219



APPENDIX 1

MORAY COUNCIL CORPORATE RISK REGISTER

AS AT JANUARY 2019 ~~MAY 2018~~



SUMMARY OF PRINCIPAL RISKS

1. Political: Political priorities are not achieved; decision making processes are ineffective; partnership working is not optimised.
2. Financial: There is a risk of financial failure with demand outstripping available budget. Savings require to be made.
3. HR (Staffing): Inability to recruit and retain well qualified or experienced staff, staff unprepared for change, lack of staff engagement, inadequate health and safety arrangements.
4. Regulatory: Expected governance standards are unmet. Statutory or regulatory breaches occur. Council is subject to censure.
5. Environmental: Impact of climate change and severe weather events; ability to deal with unforeseen emergencies is compromised by inadequate emergency planning and resilience.
6. Reputational: Council decisions result in litigation/judicial review; expectations from external inspections are not met; customer pledge standards are not achieved.
7. Operational Continuity and Performance: Council unable to deliver services or performance falls below acceptable level for sustained period; ineffective business continuity planning; changes in working practices impact on service delivery.
8. IT (Technological): Major disruption in continuity of ICT operations; data security is compromised.

RISK CLASSIFICATION

RISK RATING	LOW	MEDIUM	HIGH	VERY HIGH
RISK MOVEMENT	DECREASE	NO CHANGE	INCREASE	

The process for managing risk is documented separately in the council's risk policy, strategy and guidance notes. The risk rating is calculated by reference to assessed likelihood and impact (on a scale of 1 to 5) for each identified risk. The minimum score (lowest risk) being 1x1=1, the maximum (highest risk) 5x5 =25. Scores of 3 and below are ranked low, green; between 4 and 6 medium, yellow; between 8 and 12 high, amber; and 15 and above very high, red, as per the table below.

LIKELIHOOD

Almost certain	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Remote	1	1	2	3	4	5
		1 Minimal	2 Minor	3 Moderate	4 Major	5 Catastrophic

IMPACT

1.	
Description of Risk: <i>Political:</i> Political priorities are not achieved; decision making processes are ineffective; partnership working is not optimised. Addressing this risk is central to the future provision of public services in Moray. As of January 2019 it is expected that wider external political influences will shape the future direction of the council in terms of its ability deliver services either on its own or in including those services delivered in partnership with others. A particular feature around this will be the level of grant funding afforded to the council by Scottish Government which is likely to remain uncertain until the Government itself determines its budget for the incoming year. This brings uncertainty for the council increasing the risk that future service provision is determined in an arbitrary way. Moray Council's need to secure savings is similar to that of most other local authorities in Scotland. The need to support an IJB Recovery plan may also have an impact, and will require the development of, and consultation on, service priorities that are sustainable and deliver agreed outcomes for the citizens of Moray. Inability to do so will increase the risk of government intervention or censure by auditors or other regulators. The fine political balance in the council adds to this risk.	
Lead: Council Administration / Chief Executive / Corporate Management Team	
Risk Rating: low/medium/high/very high	Rationale for Risk Rating:
<div style="background-color: red; color: black; text-align: center; padding: 10px;"> VERY HIGH Likelihood 4 x Impact 4 = Score 16 Revise to 5 x 5 </div>	<p>The likelihood is assessed <u>at the highest level with it being almost inevitable that the council will have to reconsider its political priorities within a reduced funding settlement. This will have consequential impacts involving service reduction and redesign. The focus on corporate and community plans holistically has slowed as the council endeavours to manage short term issues that have required attention on a daily basis. Plans as very high given that while community and corporate plans have been produced there is a significant amount of work to be undertaken</u> to transform services in a manner which is sustainable and acceptable to the various political interests both internal and external to the council <u>are expected to take longer and may be more difficult to achieve. The coalition administration may find political consensus challenging given the sensitivity and difficulty of impending decisions.</u></p>
Risk Movement: increase/decrease/no change	Risk Appetite:
<div style="background-color: yellow; text-align: center; padding: 10px;"> NO CHANGE </div>	<p>There <u>remains is</u> an appetite for the council to be successful in delivering best value services for its citizens against a challenging background of increasing demand and diminishing resources and a need to identify service priorities. <u>However, sSteps are-being</u> taken to mitigate this risk through engagement with Scottish Government and other stakeholders <u>have not yet resulted in any mitigation of however</u></p>

	<p>there remains a significant <u>the</u> risk of political instability in the period ahead.</p>
<p>Controls: Comprehensive elected member induction programme delivered Ten year strategic plan Moray 2027 (the Local Outcomes Improvement Plan) approved to be delivered jointly by the council and its community planning partners. First iteration of Council Corporate Plan for 2018-23 prepared Plans emphasise prevention and resilience to reduce partner interventions and aid securing of sustainable outcomes. Council committee structures support decision making processes. Suite of Governance Documents in place and regularly updated. Elected members fully briefed and aware of political uncertainties Engagement at councillor and officer level with government, COSLA and audit bodies re political challenges facing the council Moray Economic Strategy 2019-2029 published setting out ambitions for the wider Moray community and business Establishment of political group leaders' regular meetings to discuss areas of risk and determine areas of consensus and disagreement, principally on budget issues.</p>	<p>Current and Proposed Mitigating Actions: Council Corporate Plan for 201<u>9</u>8-2023 to be further developed to reflect changes in capacity of the council to deliver the same range of services and to the same quality add depth to priorities and consider alongside financial planning. Corporate Management Team/Senior Management Team will continue to provide support and advice to elected members on sustainability of any proposals for change. Monitoring officer to continue statutory role of ensuring legality of decision making processes. Economic strategy to be refreshed to align Scottish Government and Moray priorities Consider the impact of the wider influences affecting the council in the development of the annual governance statement for publication with the council's annual accounts for 2018/19.</p>
<p>Current performance: A sound framework for political governance is long established and supports the Council's administration in the development and implementation of its stated priorities. However circumstances presenting makes it more challenging to meet expected governance standards. This framework is subject to review each year ahead of the publication of the council's annual governance statement.</p>	<p>Comments: Political risks can be are mitigated to some extent by structures and processes that regulate the workings of the council but are unlikely to remain high in the current economic climate and while uncertainty remains diminish significantly further given the composition of the council and in the current economic climate.</p>

2.

Description of Risk: *Financial:* There is a risk of financial failure with demand outstripping available budget. Savings require to be made. This risk ~~is being requires to be~~ actively managed given that available funding for future years will not be sufficient to allow services to continue to be delivered as at present. This has the potential to impact on all sectors of the community. ~~T-and the council will~~ ~~could~~ be in breach of its statutory obligations if steps are not taken to ensure service delivery is aligned with available funding. Uncertainty makes planning more difficult. There ~~is would~~ also ~~be~~ an impact on services the council delivers jointly with partners as described in the ten year plan. ~~There is a particular risk around the Moray Integration Joint Board (MIJB) budget as the operation delivery of its services and associated budget lie out with the control of the council but the council is responsible for any overspend (split 40%/60% with NHS Grampian). A significant proportion of the MIJB budget is tied to its workforce and NHS terms and conditions place severe constraints on savings that can be made in this area (i.e. no redundancy and permanent pay protection) The council's contribution to the MIJB services represents 20% of the overall council budget and the lack of control and certainty places additional pressure on other services to enable a balance council budget to be prepared.~~

Lead: Corporate Management Team/ Senior Management Team/ Head of Financial Services (Section 95 Officer)

Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 5 x Impact 5 = score 25

Rationale for Risk Rating:

Continuing budget pressures affecting the council and the wider public sector.

Financial plan recognises the need for budget savings.

Short term planning is progressing and significant savings have been agreed by the council in advance of the date when the budget must be set. However, ~~but~~ considerable work is still needed to secure a balanced budget for 2019/20 and beyond, on the medium and longer terms plans. ~~There are external constraints outwith the council's control that will impact considerably on these longer term plans~~

Council financial reserves are close to minimum ~~have potential to fall below~~ 'safe' levels

Risk Movement: increase/decrease/no change

NO CHANGE

Rationale for Risk Appetite:

The council has no risk appetite for financial failure given its statutory requirement to manage its resources in a responsible and prudent manner. However it also recognises the significant range of statutory services it is required to meet within a finite budget.

Controls:

Financial plan in place and updated annually.
Financial pressures identified.

Current and Proposed Mitigating Actions:

Work to develop short, medium and long term financial plans continue underway throughwith the Corporate Plan Steering Group.

<p>Balanced budget agreed for 2018/19. Short term percentage cuts being considered across services to bridge 2019/20 gap. Financial planning strategy presented to all councillors. Regular budget monitoring reports maintained Financial regulations in place and recently updated regularly reviewed. Asset Management Plan established Working Group Procurement Policies and Practice Energy Monitoring. Internal and External Auditing</p>	<p>Short term percentage cuts being considered across services to bridge 2019/20 gap. Lobbying Scottish Government and COSLA regarding funding allocations Work of the 'Transforming the Council' and Programme Boards including the work of external consultants and the Improvement Service to inform further change.- Review of Leisure Services. Managing Implications of Brexit and for reductions in European Funding remains under development. Asset base requires sustainable rationalisation. Pursuing Moray Growth Deal type inward investment continues More Community Engagement/Public Consultations. Potential for shared services. Potential for discontinuing services.</p>
<p>Current performance: The financial situation is now critical with the council running out of time to secure a balanced budget for the incoming financial year and limited reserves available to draw upon contained meantime through planned use of reserves. There is wide recognition that a more fundamental review of service priorities and funding is required.</p>	<p>Comments: Financial risk is likely to remain very high for the foreseeable notwithstanding controls in place and planned mitigating actions.</p>

3.

Description of Risk: *Human Resources (People):* Inability to recruit and retain well qualified or experienced staff, staff unprepared for change, lack of staff engagement, inadequate health and safety arrangements. With staff the council's most important resource, there is a need to ensure employees are equipped to embrace change and deliver services in different and innovative ways that as far as possible are sustainable at a time when resources are reducing. There is a particular impact on schools arising from the teacher shortage and difficulty recruiting head teachers. This is having an effect on attainment and inspection outcomes and is likely to be an ongoing impact. Planned staffing reductions in other services will also have a direct impact, both on staff directly affected and on workloads of staff in teams where staff numbers are reduced. Consequential pressures will apply in HR.

Lead: Corporate Director (Corporate Services)

Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 4 x Impact 3 = Score 12
Likelihood 5 x Impact 4 = Score 20

Rationale for Risk Rating:

Difficult to recruit in certain areas including teachers, home carers; vehicle technicians, specialist professional posts.
Staff turnover leads to loss of expertise and 'corporate memory'.
Inability to meet service demands and secure continuous improvement
Staff morale and productivity is adversely affected

Risk Movement: increase/decrease/no change

NO CHANGE
RISK INCREASED

Rationale for Risk Appetite:

A skilled and motivated workforce is essential for the delivery of council services which meet the needs of local citizens generally and can support the most vulnerable in our communities. The council views staff as 'its most important resource' which remains the case notwithstanding the necessity to reduce the establishment in a number of areas and is committed to making Moray Council an attractive employer to work for.

Controls:

Corporate Workforce Plan, (reviewed and updated annually) in place
Leadership Development Programme established
Moray Management Methods promote consistency
Employee Review and Development Programmes in place for teaching and non - teaching staff
Reduced scope of HR activity reported to Policy and Resources Committee
Employee Communications & Engagement Framework (including

Current and Proposed Mitigating Actions:

Review of management capacity to ensure it is sufficient to deliver the transformational change programme required to secure financial stability in addition to 'business as usual'.
Annual Review of Workforce Plan.
Activity to address specific recruitment and retention issues.
Managing vacancies with regard to available skills
Continue to develop modular training opportunities for staff
Ongoing promotion of health and safety risk assessments and of

Interchange) Workforce Culture Group Health and Work Policy Health and Safety Policies and Annual Report. Absence Management Policy	zero tolerance approach to safety breaches Development of Safety Management Systems. Review of school estate – fewer schools would enable improved deployment of teaching resources
Current performance: The promotion of key staffing policies as described above has strengthened staff engagement and support in recent years; however, inconsistent application across services may be diluting overall impact.	Comments: This risk is being actively managed but may be impacted upon further should staffing arrangements or levels be subject to change in the incoming period.

4.	
<p>Description of Risk: <i>Regulatory:</i> Expected governance standards are unmet. Council is subject to censure. The council is heavily regulated by statute, by national guidance and through local policy and procedures and, within its systems, has established checks and balances to support delivery of intended outcomes. Nevertheless in the current climate there is a risk that senior staff are diverted from their day to day responsibilities increasing the possibility that regulatory requirements are unmet, with attendant legal and financial implications and increasing the possibility that the council is unable to sustain there is a risk that system failures occur that divert the council from delivery of best value services.</p> <p>Lead: Corporate Management Team/ Head of Financial Services/ Heads of Service</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: Governance arrangements have been developed over many years. Systems and processes are subject to on-going review and development within services Corporate support and review in relation to performance, audit, and inspection. Change increases the risk of system breakdown and non-compliance with regulatory requirements</p>
<p>VERY HIGH Likelihood 4 x Impact 3 = 12 Likelihood 4 x Impact 4 = Score 16</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>Rationale for Risk Appetite: The council takes seriously its responsibility for effective management of resources and delivery of services. A robust approach is taken to securing governance arrangements which include suitable controls to mitigate the risk of regulatory failure.</p>
<p>NO CHANGE RISK INCREASED</p>	
<p>Controls: Governance statement prepared annually in line with best practice guidance. Monitoring officer oversees governance processes. Constitutional documents available to direct good governance. Performance monitoring. External scrutiny and inspection programme Internal and external audit arrangements</p>	<p>Current and Proposed Mitigating Actions: Governance oversight by Corporate Management Team, Monitoring Officer and audit and scrutiny bodies, in accordance with agreed plans where applicable. Develop remit of scrutiny function to be fulfilled by the Audit and Scrutiny Committee Pro-active management response to issues raised in inspection reports. Consider governance implications of proposed changes to service delivery arrangements e.g. use of Arm's Length External Organisations. Continued active participation in delivery of joint services with</p>

		statutory and other partners as appropriate.
Current performance: The council considers its current governance arrangements to be fit for purpose <u>however ownership of these arrangements specifically around the development of the annual governance statement needs to be strengthened while acknowledging that these arrangements need to be reviewed and updated periodically in response to changes in systems, structures and processes in place.</u>		Comments: The public sector is highly regulated with legislation and best practice guidance adopted both corporately and within services to ensure openness and accountability for the use of public funds. Established practices are likely to be challenged by change and by expectations of service users <u>increasing the risk rating to Very High leaving the risk rating as High.</u>
5.		
Description of Risk: <i>Environmental:</i> Impact of climate change and severe weather events; ability to deal with unforeseen emergencies is compromised by inadequate emergency planning and resilience. The council has invested heavily in the delivery of a number of flood alleviation schemes in recent years. These are designed to mitigate the most significant risks under this category of risk and work continues to address climate change issues, to manage energy use and ensure the council is well placed to respond to crisis situations in conjunction with the emergency services and other partners. <u>A reducing workforce in Direct Services will impact on the council's ability to respond to emergency situations in future.</u>		
Lead: Corporate Management Team/ Corporate Director (Economic Development, Planning and Infrastructure)		
Risk Rating: low/medium/high/very high	Rationale for Risk Rating: <u>Major flood alleviation schemes completed across Moray</u> Local flood risk management plans approved for Findhorn, Nairn, and Speyside and North East Areas. Moray Development Plan considers climate change issues.	
<p style="text-align: center;"> <u>HIGH MEDIUM</u> Likelihood 3 x Impact 2 = Score 6 <u>Likelihood 3 x Impact 3 = Score 9</u> </p>		
Risk Movement: increase/decrease/no change	Rationale for Risk Appetite: Proportionality is key to the risk appetite such that the development and application of preventative measures mitigates risks to pre-determined and agreed levels. recognising that it is neither feasible nor affordable to wholly eliminate every environmental risk that may be faced.	
<p style="text-align: center;"> <u>NO CHANGE</u> <u>RISK INCREASED</u> </p>		
Controls: Local flood risk management plans prepared and approved. Non statutory flood schemes being progressed Council part of North of Scotland Regional Resilience Partnership and Grampian Partnership.	Current and Proposed Mitigating Actions: Update flood risk register as works progress Provide update reports to Council committees on progress Continued liaison with other agencies Continue programme of exercises to test resilience / adequacy of	

<p>Emergency planners based in Moray Emergency response co-ordinators and support staff identified and trained. Contest – counter terrorism strategy - promoted with staff Council coordination centre established and operational; crisis communications secured Rest centre managers recruited, trained and procedures in place Plans for specific emergencies in place e.g. flooding, oil pollution etc.</p>	<p>responses to incidents Specific programme of works at Portknockie agreed to stabilise recent landslips</p>
<p>Current performance: Existing controls and mitigating actions seek to maintain and enhance Moray's reputation as a thriving area and a great place to live.</p>	<p>Comments: The council recognises its role in promoting policies and applying regulations which contribute to a sustainable environment.</p>
6.	
<p>Description of Risk: <i>Reputational:</i> council decisions result in litigation/judicial review; expectations from external inspections are not met; customer pledge standards are not achieved. The council provides services to all sectors of the community and while committed to high service standards, the diversity of service provision and the expectations of the public may increase the risk that the council's reputation could be called into question. This risk generally is considered to be managed through performance management, organisational development, the application of codes of conduct, complaints procedures and similar, however any reduction in services to any individual or group of individuals may justly or otherwise impact on the Council's reputation. The need for significant change in meeting the expectations from external inspections of progress towards improving outcomes for children and young people and the impact of this on the council's financial situation.</p>	
<p>Lead: Corporate Management Team/ Heads of Service/Head of Financial Services</p>	
<p>Risk Rating: low/medium/high/very high</p> <p style="text-align: center;">VERY HIGH Likelihood 5 x Impact 3 = Score 15</p>	<p>Rationale for Risk Rating: The risk rating has regard to established systems, procedures and controls designed to prevent adverse reputational damage, recognising that at a time of service reduction and curtailment with limited consultation there is a higher the possibility of increased criticism of council services, and the council will be subject to increased scrutiny and inspection during the year across a number of service areas.</p>
<p>Risk Movement: increase/decrease/no change</p> <p style="text-align: center;">NO CHANGE</p>	<p>Rationale for Risk Appetite: The council is committed to continuous improvement in the delivery of services either on its own or with partners. It seeks to deliver these services to agreed performance standards having regard to its equality duty and has set targets for doing so through a customer</p>

	<p>charter. However it is accepted that increased reputational damage is a potential consequence of service reduction or cessation.</p>
<p>Controls:</p> <p>A suite of <u>policy, strategy financial, regulatory and governance organisational development, project management and performance management measures in place to enable delivery of the services to a standard which mitigates the risk of significant damage to the council's reputation.</u><u>controls in place</u></p> <p>Consultation protocols established <u>and range of consultation and engagement with public and workforce carried out over period of time</u></p> <p>Customer charter in place and customer focus strategy developed to improve citizen engagements and provide a consistent experience across services</p> <p>Formal complaints procedures in place</p> <p>Performance management reporting framework in use</p> <p>Corporate Management Team monitors external inspection processes and outcomes.</p> <p>Freedom of Information processes</p>	<p>Current and Proposed Mitigating Actions:</p> <p><u>Ongoing review, redesign and implementation of policy, strategy governance, organisational development, project management and performance management.</u></p> <p><u>Develop support for improvement across the three key themes of</u></p> <ul style="list-style-type: none"> • <u>Resources;</u> • <u>Finances; and</u> • <u>Attainment.</u> <p><u>Regular meetings with officers and inspection agencies to support and challenge progress towards improvement.</u></p> <p><u>Risks to be fully considered in committee reports requiring a decision.</u></p> <p><u>Effectiveness of customer focus strategy to be monitored</u></p> <p><u>Measures forming part of the Performance Management Framework to be reviewed for continuing relevance.</u></p> <p><u>Means of communicating changes impacting service users to be closely monitored</u></p>
<p>Current performance: Systems and processes in place are designed to enable delivery of services to a standard which mitigates the risk of significant damage to the council's reputation.</p>	<p>Comments: A range of measures are in place to regulate how the council interacts with citizens and to address any issues where recipients of services are dissatisfied with outcomes.</p>

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7.	
Description of Risk: <i>Operational Continuity and Performance:</i> The council is unable to deliver services or performance falls below acceptable levels for a sustained period; ineffective business continuity planning; changes in working practices impact on service delivery. Vulnerable service users are dependent on the timely delivery of many council services and the risk of being unable to do so must be managed. Equally it is recognised that operational continuity and performance may be affected as a consequence of agreed reductions in service delivery <u>and there is a need to carefully align resources available to service delivery standards in areas where services are being reduced</u>	
Lead: Corporate Management Team/ Heads of Service	
Risk Rating: low/medium/high/very high	Rationale for Risk Rating: There are two strands to this risk, firstly the need to ensure that business continuity arrangements remain fit for purpose for critical services areas and secondly to ensure that operational continuity and performance standards are reviewed and refined where necessary to reflect changes in service delivery levels.
<p style="text-align: center;">VERY HIGH Likelihood 4 x Impact 3 = 12 <u>Likelihood 4 x Impact 4 =16</u></p>	
Risk Movement: increase/decrease/no change	Rationale for Risk Appetite: The risk appetite reflects a requirement to sustain delivery of statutory services and ensure the needs of the vulnerable service users are met, recognising that reducing or restricting discretionary services is likely to affect some sectors of the community and have a 'knock-on' effect on operational continuity and performance.
<p style="text-align: center;">NO CHANGE</p>	
Controls: List of critical functions agreed by Corporate Management Team Business continuity management policy Business continuity plans in place for key services. Organisational Development Team promoting workforce and leadership development Performance Management Framework <u>Communication strategy for informing service users of impending changes to services developed.</u>	Current and Proposed Mitigating Actions: Update service risk registers and link to business continuity plans. <u>Business continuity guidance to be refreshed</u> Assess whether business continuity plans fit for purpose given <u>to be reviewed taking into account main fit for purpose given</u> staff changes and service reconfigurations Ensure clear links between identified risks and service plans are maintained. <u>Review Performance Management Framework to ensure it aligns appropriately to revisions to service provision communication strategy for informing service users of impending changes to services.</u>
Current performance: A range of measures is in place to secure	Comments: Developments under this risk category are predicated

operational continuity and performance for current service provision, with it being recognised that these measures may need to be revisited as a consequence of change.	on change with risks around operational continuity and performance dependent on the nature and scale of services delivered in future periods.
8.	
Description of Risk: <i>IT (Technological)</i> Major disruption in continuity of ICT operations; data security is compromised. The threat of cyber-attacks on ICT systems is ever present, and the council has a range of measures in place to limit the risks of data being corrupted or accessed for unauthorised purposes. The risk cannot be eliminated with attacks being nuanced over time and requiring the council to constantly be alert to new threats. Fictitious emails purporting to be genuine are also a risk where attachments containing viruses may be opened unwittingly.	
Lead: Corporate Management Team/ Acting Corporate Director (Corporate Services)/ Acting Joint Head of HR and ICT Services	
Risk Rating: low/medium/high/very high	Rationale for Risk Rating:
HIGH Likelihood 3x Impact 3 = 9	While there is presently a high profile relative to cyber security, the ICT service has a suite of controls in place to mitigate known risks and monitors the likely impact of new threats, as such the risk remains at the lower end of a 'high' rating.
Risk Movement: increase/decrease/no change	Rationale for Risk Appetite:
NO CHANGE	Service interruption or data loss has a significant impact on service delivery and penalties for data protection breaches can run to hundreds of thousands of pounds. The security and continuity of ICT services is therefore of vital importance and this is reflected in the range of controls in place
Controls: Corporate Information Security Policy. Disaster Recovery Plans. Senior Information Risk Officer. Annual Public Service Network Accreditation key secured annually Information Assurance Group Data control enhanced through network controls Main financial system supported in-house Records Management Policy Data breach reporting arrangements	Current and Proposed Mitigating Actions: Monitor resources necessary to maintain PSN accreditation Implement recommendations from Records Management audit Assess control as part of plans for developing digital services ICT Action Plan Information assurance group meetings continue Address the potential impacts arising from the introduction of General Data Protection Regulations coming into force in May 2018 Participation in the Scottish Government Cyber Resilience Programme
Current performance: The risks associated with the delivery of IT	Comments: The suite of controls in place reflects the council's



are constantly evolving, and the controls outlined above together with on-going vigilance to address emerging threats supports performance in this area.

commitment to securing data held and used in the effective delivery of modern council services.