



**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL
DEVELOPMENT MEETING 26 MAY 2021**

SUBJECT: CORPORATE RISK REGISTER UPDATE

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 To provide the Council with the latest copy of the Corporate Risk Register for review and comment.
- 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 **The Committee is asked to consider and approve the updated Corporate Risk Register dated May 2021.**

3. BACKGROUND

- 3.1 A key element of good governance practice is the effective management of risk and, at six monthly intervals, the Corporate Management Team and Senior Management Team formally reviews and updates the Corporate Risk Register.
- 3.2 The register was last reviewed by the Policy and Resources Committee on 12 February 2019. It was not reviewed in 2020 due to limited staff resource and re-prioritisation due to the pandemic response.

- 3.3 The Register describes the principal risks facing the council under nine generic categories. An additional category “Economic Recovery” has been added to the register for this year. For each category there is
- a description of the risk
 - a risk rating based on an assessment of the likelihood of its occurrence and its potential impact
 - supporting information on risk appetite
 - details of controls in place detailing how each risk is currently being managed
 - details of mitigating actions
- 3.4 The updating exercise provides senior management with the opportunity to reflect on the risks facing the organisation and how they are being managed. It also allows consideration to be given to 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.
- 3.5 The completed risk register evidences progress made in managing risks and is attached for consideration by elected members as **Appendix 1**.
- 3.6 The Council’s response to the pandemic is a theme which runs through the nine risk categories. 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 to manage risk to a tolerable level, and be recognised that risk mitigation measures will not eliminate risks completely in many cases.

Political Risks: The risk level has been reduced given successful cross party working in a number of areas including budget, but remains in the highest level given the delicate balance of minority administration.

Financial risks: The risk level has been reduced given the Council has managed to achieve savings and to balance its budget for financial year 2021/22. It still remains at the highest level given there remains a substantial risk around the budget gap for future years.

HR/Staffing risks: The risk level has been reduced as recruitment issues, especially relating to teaching posts and workforce changes relating to the financial a position have eased. Staffing risks still remain high with the challenges of new ways of working as we emerge from the pandemic, the impact of planned staffing reductions and continuing recruitment challenges in certain areas.

Regulatory risks: The risk level has remained constant. 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.

Environmental risks: The risk level has been increased largely due to the challenge of meeting tougher climate change targets. The risk remains high due to planned reductions in council resourcing of areas such as street sweeping, maintenance of parks and open spaces, and roads and winter maintenance, all of which will impact on environmental amenity.

Reputational risks: These remain very high given the external focus on Best Value and the Council's challenge to deliver on a number of performance targets as well as the continuing need to reduce, stop or increase charges for services.

Operational Continuity and Performance risks: This risk is particularly relevant to the Council's pandemic response. It is positive that critical services were maintained for vulnerable citizens however there has been slippage in service plan activity and service performance. There are challenges for the future in re-gaining ground and re-designing services.

Technological risks: The risk has been increased to the highest level due to the unprecedented challenges of moving the workforce into remote working and the increasing threats posed by cyber-attacks.

Economic Recovery risks: This new risk has been included to cover the likely challenges for the Council in case of a wider economic downturn as a result of the pandemic and the impact of Brexit. The risk has been assessed as high.

4. SUMMARY OF IMPLICATIONS

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

Effective risk management practices are necessary to evidence how the Council identifies and seeks to address 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) Financial implications

The risk register recognises the financial challenges facing the council and the importance of addressing these. There are no direct financial implications arising from this report.

(d) Risk Implications

Risk and its management is the subject of this report.

(e) Staffing Implications

No direct implications.

(f) Property

No direct implications.

(g) Equalities/Socio Economic Impact

No direct implications

(h) Consultations

The Corporate Management Team and Senior Management Team have participated in the development of the 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 May 2021.

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Background Papers:	
Ref:	SPMAN-2045703626-63