



Appendix 1

MORAY COUNCIL

CORPORATE RISK REGISTER AS AT AUGUST 2022



SUMMARY OF PRINCIPAL RISKS			
Nature of Risk	Main issues	Risk Score	Risk Movement
1. Political	Political differences detract from focus on priority matters; decision making processes are strained and ineffective; partnership working is not optimised relying too heavily on council inputs. Recently elected council leadership has a vision for cohesive, co-operative and collaborative working	20	
2. Financial	Demand for services outstrips available budget. Council is unable to make savings or generate income that meets expectations of government, citizens or regulators. Financial settlements for councils remain uncertain in the longer term.	20	
3. HR (Staffing)	Inability to recruit and retain well qualified or experienced staff across a number of service areas, staff workloads are unsustainable. Additional pressures associated with pandemic resulting in increased absenteeism and reduced staff morale.	20	
4. Regulatory	Expected governance standards are unmet. Statutory or regulatory breaches occur. Council is subject to censure.	12	
5. Environmental	Impact of climate change including severe weather events. Clear route map to zero established and approved. Lessons learned from response to storm events of winter 2021/22 and action plans developed.	9	
6. Reputational	Council decisions result in litigation/judicial review; expectations from external inspections and of service users are not met; performance targets set at levels not aligned to capacity to deliver.	15	
7. Operational Continuity and Performance	Council performance falls below targeted levels for sustained period; impacts of the pandemic and the need to focus on priorities; transformational change impacts on service delivery.	16	
8. IT (Technological)	Major disruption in continuity of ICT operations; new ways of working create added pressures for ICT staff; data security is compromised.	20	
9. Economic Recovery	Risk of prolonged economic downturn following the pandemic and withdrawal from European Union. Macro-economic conditions may affect local area investment and growth potential.	16	



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	2	3	4	5
		Minimal	Minor	Moderate	Major	Catastrophic

IMPACT

1.

Description of Risk: *Political:* 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. While wider external political influences will continue to shape the future direction of the council in terms of its ability deliver services either on its own or in partnership with others, the Best Value Assurance Report (BVAR) - progress report dated March 2022 noted that stronger cohesive leadership from elected members was essential to enable the Best Value statutory duty to be met. The progress report acknowledged the work undertaken to address financial stability and develop plans to aid service improvement. The new council has the opportunity to consolidate on improvements already secured.

Lead: Elected Members / Council Administration / Chief Executive / Corporate Management Team


Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 4 x Impact 5 = Score 20

Rationale for Risk Rating:

The likelihood is assessed as 'likely' at point 4 of the scale 1 to 5 in terms of the risk classification table. This reflects the political challenges facing the newly elected council and the opportunity afforded to all elected members in conjunction with others to contribute effectively to the delivery of strategic change. The impact is set at the highest level of 5, in recognition of the options available to the Accounts Commission should it view in any future inspection that insufficient progress has been or is being made.

Risk Movement: increase/decrease/no change



Risk Appetite:

There is a strong 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. Political stability will be key to ensuring progress is made towards addressing the recommendations made in the recent BVAR with a further follow-up audit scheduled for summer 2023.



Controls:	Current and Proposed Mitigating Actions:
<p>Comprehensive elected member induction training programme in place.</p> <p>Ten year strategic plan - Moray 2027 (the Local Outcomes Improvement Plan) being delivered jointly by the council and its community planning partners.</p> <p>Corporate Plan setting out high level council priorities approved and published in March 2020</p> <p>Plans emphasise prevention and resilience to reduce partner interventions and aid securing of sustainable outcomes.</p> <p>Suite of Governance Documents in place and regularly updated.</p> <p>Engagement at councillor and officer level with government, COSLA and audit bodies re political challenges facing the council.</p> <p>Political group leaders meet regularly to discuss areas of risk and determine areas of consensus and disagreement, principally on budget issues.</p> <p>Regular reporting of progress in implementing BVAR recommendations.</p>	<p>Corporate Management Team/Senior Management Team will continue to provide support and advice to elected members on sustainability of any proposals for change.</p> <p>Strategic and Corporate Plans to be reviewed in tandem to ensure they continue to reflect current community and council priorities going forward.</p> <p>Monitoring officer to continue statutory role of ensuring legality of decision making processes.</p> <p>Specific resourcing of projects and priorities to provide and advance clear plans to deliver objectives over time.</p>
<p>Current performance: The framework for political governance has been affirmed and supports the Council's administration in the development and implementation of its stated priorities. However circumstances make it more challenging to deliver at pace on a sustained basis.</p>	<p>Comments: Political risks can be mitigated to some extent by structures and processes that regulate the workings of the council and these continue to be developed. However, risks are more likely to be evident in the current economic climate and while uncertainty and fine political balance remains.</p>

2.

Description of Risk: *Financial:* There is a risk of financial failure with demand outstripping available budget. Savings require to be made and while a budget has been agreed for 2022/23, the Chief Financial Officer has highlighted a number of risks that will impact on spending plans. These include, but are not limited to, uncertain levels of government funding in future years, price inflation, rising interest rates leading to increased borrowing costs, and pay award settlements yet to be agreed for the current financial year and beyond. This risk is being actively managed with financial monitoring and reporting undertaken throughout the year and work continues on a transformation programme designed to deliver different models of service delivery and manage demand in future. This has the potential to impact on all sectors of the community, particularly so on those who are most disadvantaged, and the council recognises its duty to minimise inequality by targeting support towards those who need it most.

Lead: Corporate Management Team/ Senior Management Team/ Chief Financial Officer (Section 95 Officer)


Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 5 x Impact 4 = score 20

Rationale for Risk Rating:

The Council has consistently delivered significant savings in recent years but the need to make further savings remains undiminished, and the challenge of continuing to do so while meeting service demands will be increased given the factors outlined above. Likelihood risk is raised to the highest level. The impact remains at high noting that the council is committed to protecting the most vulnerable and disadvantaged when any changes in service delivery are proposed.

Risk Movement: increase/decrease/no change



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 and to continue to deliver statutory services. However it also recognises, as a consequence of financial constraints, that services have been curtailed in certain areas resulting in a diminution of performance. Expectations of service users will require to be managed. There is also a recognition that public finances generally are constrained with uncertainty around future financial settlements, acknowledging that in this regard, Moray Council is facing the same risk as other Scottish local authorities.



<p>Controls:</p> <p>Financial plan in place with budget projections in place for current and next two financial years. Financial pressures identified. Medium and longer term financial strategy developed. Regular budget monitoring reports (on capital and revenue) presented to council Financial regulations in place and regularly reviewed. Property Asset Management Plan established, including Capital Strategy Treasury Management strategy. Procurement Policies and Practice Energy Monitoring. Internal and External Auditing Plans in place for participatory budgeting Regular reporting of ongoing short to medium term financial planning to committee</p> <p>Annual pricing review on charges for services.</p>	<p>Current and Proposed Mitigating Actions:</p> <p>Work to revise medium and long term financial plans continuing. Lobbying Scottish Government via COSLA regarding funding allocations. Work of the 'Transforming the Council' and Programme Boards including the BVAR and the Improvement and Modernisation Programme to inform further change and potential for redesign of services. Monitoring of Covid-19 associated costs, offset by central grants. Asset base requires sustainable rationalisation and learning estate strategy now agreed by council. More Community Engagement/Public Consultations planned</p>
<p>Current performance: Despite the additional demands on staff during the Covid-19 response an agreed budget for 2022/23 has been achieved, and on-going budget monitoring is being undertaken to enable early consideration to be given to any budget pressures that may emerge.</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):* Effect of planned staffing reductions on services, both on staff directly affected and on workloads of staff in teams where staff numbers are reduced. Capacity of smaller teams to deal with business as usual and additional Covid-19 demands. Although the Council has responded well during the pandemic both in continuing normal service delivery and establishing new response based services, the pandemic has created an entirely new working environment with hybrid working. The longer term well-being impacts that were predicted to occur some 18-24 months post event are now emerging across the workforce with higher levels of sickness absence due to mental health related reasons.

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. This will prove challenging during further budget reductions with potential workforce implications.

There is a particular impact on schools arising from the teacher shortage in certain subject areas and challenges recruiting to promoted posts (both secondary and primary) has been difficult. Shortages in key areas can affect attainment and inspection outcomes are impacted when there is no consistent leadership over time in a school. Recruitment generally can also be challenging for specialist and experienced staff which can have an impact on service delivery. Consequential pressures will apply in HR.

Lead: Depute Chief Executive (Education, Communities and OD); Head of HR, ICT and OD.

Risk Rating: low/medium/high/very high

VERY HIGH
Likelihood 5 x Impact 4 = Score 20

Rationale for Risk Rating:

Reduced ability of smaller teams to deal with competing and complex demands exacerbated by additional Covid-19 demands, being borne by those teams providing additional services such as administration of Grant Support Funding and Hardship Funds. Reduced ability of smaller teams to forward plan across a wider Council agenda and be ready with a strategic response.

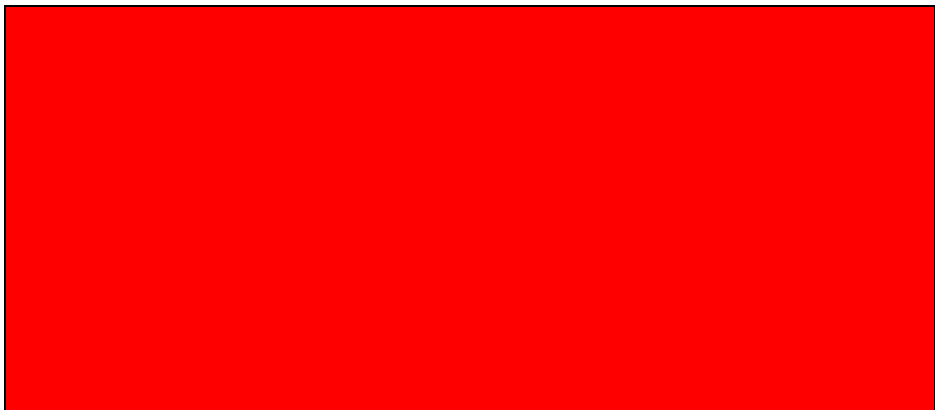
Difficult to recruit in a range of areas including certain subject teachers; vehicle technicians; specialist professional posts; senior management; clerical and administrative roles; and for community care staff.

Staff turnover leads to loss of expertise and 'corporate memory' but workforce planning is used to offset this, especially for key roles.


Inability to meet service demands and secure continuous improvement.

Staff morale and productivity is adversely affected as a consequence of the pandemic.

Given the foregoing issues the risk rating remains at a very high level



with on-going staffing challenges almost certain to continue, leading to a likelihood score of 5 with consequential moderate to high impacts in service areas directly affected.


<p>Risk Movement: increase/decrease/no change</p>	<p>Risk Appetite:</p>
<div style="text-align: center;">  </div>	<p>There is a determination to mitigate risks which adversely impact on staff, acknowledging that employees are the council's most important resource and a skilled and motivated workforce is essential for the delivery of council services. During the pandemic a degree of negative impact on staff has had to be tolerated as a result of the change to homeworking which contributed to stress or isolation for some as they adapted. The move to hybrid working as part of the wider flexible working policy should help alleviate some of these pressures.</p> <p>It is recognised that the challenge to recruit staff to certain specialist jobs remains with particular impacts around senior management posts and on leadership capacity. Council pay and grading policies limit incentives that may aid in the filling of vacancies. Inability to attract suitable staff in sufficient numbers creates risks including but not limited to reduced staff morale, poor service quality, inability to secure best value, and censure by regulators.</p>
<p>Controls:</p> <ul style="list-style-type: none"> 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 Interchange) Workforce Culture Group Health and Work Policy Health and Safety Policies and Annual Report. Absence Management Policy Working from Home Policy Change Management Policy and Procedures 	<p>Current and Proposed Mitigating Actions:</p> <ul style="list-style-type: none"> Ensure senior management capacity, revised following external review, is sustainable and is sufficient to deliver the transformational change programme required to secure financial stability, in addition to 'business as usual'. Annual Review of Workforce Strategy and Plan and activity to address the main themes of health and wellbeing, leadership capacity, employee engagement and workforce development to ensure organisational capacity for the future. Mental health and wellbeing survey undertaken with actions being developed both corporately and bespoke within services where necessary, to be updated following analysis of 'Pulse' survey results. Manager Forums, mental health awareness training Activity to address specific recruitment and retention issues. Managing vacancies with regard to available skills Continue to review and develop the leadership development strategy and associated activity. Continue to develop modular training opportunities for staff



	<p>Ongoing promotion of health and safety risk assessments, including for COVID, and of zero tolerance approach to safety breaches. Development of Safety Management Systems. Review and rationalisation of property assets estate to secure efficiencies and optimise outcomes for citizens – e.g. fewer schools would enable improved deployment of teaching resources. Corporate recruitment investigation and proposed actions being developed. Living Wage Accreditation submission planned for Autumn 2022 designed to support recruitment strategies. Workload toolkit pilots planned and in train to support reducing absence levels. Developing Flexible Working Approach including hybrid working.</p>
--	--



<p>Current performance: The promotion of key staffing policies as described above has strengthened staff engagement and support in recent years; however, workload pressures as identified in the staff survey and highlighted in the BVAR may impact on staff morale going forward. In addition, the switch to hybrid working for many of the staff will be creating its own challenges. Most recently, several key posts have been appointed, albeit further vacancies have arisen in key transformation posts and senior management positions.</p>	<p>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.</p>
--	--


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 delivery of best value services.</p>	
<p>Lead: Corporate Management Team/ Chief Financial Officer/ Monitoring Officer/ 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. Notwithstanding the range of control measures in place a regulatory breach remains a possibility hence the likelihood score of 3. The scoring for impact is assessed as slightly higher albeit this would depend on the nature of the breach.</p>
<p style="text-align: center;">HIGH Likelihood 3 x Impact 4 = Score 12</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>Risk Appetite: The council has zero appetite for regulatory failure and takes seriously its responsibility to ensure all services are in compliance with statutory regulations and standards. A robust approach is taken to securing governance arrangements which includes suitable systems of internal control.</p>
	



<p>Controls:</p> <p>Governance statement prepared annually in line with best practice guidance.</p> <p>Monitoring officer oversees governance processes.</p> <p>Constitutional documents available to direct good governance.</p> <p>Performance management framework developed.</p> <p>External scrutiny and inspection programme</p> <p>Internal and external audit arrangements</p> <p>Suite of Governance and Scrutiny documents in place and regularly updated</p>	<p>Current and Proposed Mitigating Actions:</p> <p>Governance oversight by Corporate Management Team, Monitoring Officer and audit bodies, in accordance with agreed plans where applicable.</p> <p>Governance review to be completed relative to future scrutiny arrangements to be adopted by Council.</p> <p>Pro-active management response to issues raised in inspection reports.</p> <p>Consider governance implications of proposed changes to service delivery arrangements e.g. use of Arm's Length External Organisations.</p>
--	---




	Continued active participation in delivery of joint services with statutory and other partners as appropriate.
Current performance: The council considers its current governance arrangements to be generally fit for purpose noting the planned leadership capacity review and formal agreement by the recently elected council to updated scrutiny arrangements scheduled for later in 2022.	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.

5.	
<p>Description of Risk: <i>Environmental:</i> Ability of the Council to respond to climate change emergency, to keep up with the pace of changing carbon reduction, waste and environmental targets. Impact of climate change and severe weather events; ability to deal with unforeseen emergencies is compromised by inadequate resilience. The council continues to invest in projects 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.</p>	
<p>Lead: Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: This risk, although multi-faceted and challenging, has been mitigated by progress made to reduce current and future threats through the development of clear action plans, noting that the responses to short term e.g. weather events will typically involve partnership working, and longer term achievement of climate targets will require additional external funding. It remains the case that a reducing workforce in Direct Services will have an impact on the council's ability to respond to emergency environmental situations in future.</p>
<p>HIGH Likelihood 3 x Impact 3 = Score 9</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>Risk Appetite: Proportionality is reflected in risk appetite such that the development and application of preventative measures mitigates risks to pre-determined and agreed levels recognising it is neither feasible nor affordable to wholly eliminate every environmental risk that may be faced.</p>
	
<p>Controls: Climate Change Strategy for 2020-2030 approved Climate change route map to zero agreed Climate change and energy teams in place Construction of energy from waste plant being progressed with neighbouring North East councils to replace landfill site Recycling awareness promoted and high rates achieved. Street light replacement programme completed to reduce carbon emissions and</p>	<p>Current and Proposed Mitigating Actions: Response to recommendations following Storm Arwen lessons learned report under way. Continued liaison with other agencies Continue programme of exercises to test resilience / adequacy of responses to incidents Sustainable transport options under consideration.</p>



<p>energy costs Housing investment programme to achieve energy efficiency standards Moray Development Plan considers climate change issues Council part of North of Scotland Regional Resilience Partnership Council Co-ordination Centre established and operational; crisis communications secured Emergency response co-ordinators and support staff identified and trained</p>	<p>External contractors engaged to support e.g. winter maintenance during extreme weather events. Review of offices and depots to achieve efficiency of use and associated energy enhancements. Annual report on progress with route map and associated actions</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. The practicalities and costs of achieving the climate change commitments will remain challenging throughout delivery of the programme to secure net zero.</p>	<p>Comments: Climate change targets and associated costs are significant and will impact on all Council services.</p>

<p>Description of Risk: <i>Reputational:</i> Not meeting agreed performance targets (e.g. on educational attainment); Not delivering on key projects within IMP, growth deal, over spending or failing on a school build; failure on Best Value delivery plan; Major adult or child protection failure: Missing a major policy direction or funding opportunity because resources are so tight.</p> <p>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.</p>	
<p>Lead: Corporate Management Team/ Heads of Service/Chief Financial Officer</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating:</p> <p>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 the likelihood of increased criticism of council services is at the highest level albeit the impact is set at mid-level to reflect that any such reputational damage may vary considerably depending upon the nature of the issue under consideration.</p>
<p>VERY HIGH Likelihood 5 x Impact 3 = Score 15</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>Risk Appetite:</p> <p>The council endeavours to avoid reputational risk and is committed to continuous improvement in the delivery of services either on its own or with partners. It seeks to deliver these services having regard to its equality duty and has set targets for doing so through a customer 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 policy, strategy, governance, organisational development, project management and performance management measures are in place to enable delivery of the services to a standard which mitigates the risk of significant damage to the council's reputation.</p> <p>Consultation protocols established and range of consultation and engagement with public and workforce carried out over period of time</p>	<p>Current and Proposed Mitigating Actions:</p> <p>Ongoing review, redesign and implementation of policy, strategy governance, organisational development, project management and performance management.</p> <p>Develop support for improvement across the three key themes of</p> <ul style="list-style-type: none"> • Resources; • Finances; and • Attainment.



<p>Customer charter in place and customer focus strategy developed to improve citizen engagements and provide a consistent experience across services Formal complaints procedures in place Performance management reporting framework updated Corporate Management Team monitors external inspection processes and outcomes. Freedom of Information processes Suite of Governance and Scrutiny Documents in place and regularly updated</p>	<p>Regular meetings with officers and inspection agencies to support and challenge progress towards improvement. Risks to be fully considered in committee reports requiring a decision. Effectiveness of customer focus strategy to be monitored Means of communicating changes impacting service users to be monitored Improved outcome reporting of service delivery and linked performance indicator measures Improvement and Modernisation Programme: Raising Attainment - Wellbeing</p>
<p>Current performance: It is unlikely the risk of reputational damage can ever be fully eliminated given the breadth of services the council provides, nonetheless, the council takes its obligation to mitigate risk through the establishment and application of controls detailed above.</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>

7.

Description of Risk: *Operational Continuity and Performance:* The council is unable to deliver services or performance falls below acceptable levels for a sustained period; insufficient business continuity planning; changes in working practices impact on service delivery. This risk has been brought into focus by the pandemic and it is encouraging that the council has been able to respond in a manner such that delivery of critical services have been maintained, particularly for vulnerable service users who are dependent on the timely delivery of many council services. Going forward it is recognised that operational continuity and performance may be affected as a consequence of service re-design and changes in service delivery and challenges remain to ensure alignment of available resources to service delivery standards.

Lead: Corporate Management Team/ Heads of Service

Risk Rating: low/medium/high/very high

HIGH
Likelihood 4 x Impact 4 =16

Rationale for Risk Rating:

There are three strands to this risk; firstly, the need to ensure that business continuity arrangements remain fit for purpose, in particular for service areas deemed critical; secondly, to ensure that operational continuity and performance standards are reviewed and refined during COVID recovery to reflect short term and longer term changes in service delivery; and thirdly, that we capitalise on improvements learned during the COVID response such as community resilience and digital working.

Risk Movement: increase/decrease/no change



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.

Controls:


List of critical functions agreed by Corporate Management Team
Business continuity plans in place for key services although the scope of these will need to be reviewed post pandemic.
Organisational Development Team promoting workforce and leadership development
Communication strategy for informing service users of impending changes to services developed.
Improvement and Modernisation Programme (IMP)

Current and Proposed Mitigating Actions:

Incident management log to be established covering known issues arising from UK withdrawal from the European Union
Update service risk registers.
Update Business continuity procedures and plans to take into account staff changes and service reconfigurations
Ensure clear links between identified risks and service plans are maintained.
Review Performance Management Framework to ensure it aligns appropriately to revisions to service provision.
Service Prioritisation to ensure delivery of vital and key services during the pandemic.
Education Recovery Monies (Additional Funding)
Staff resource made available within Internal Audit to support risk management and business continuity practice



<p>Current performance: A range of measures is in place to secure 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. The focus remains on ensuring that key and vital services are provided as a priority.</p>	<p>Comments: Developments under this risk category are predicated on change with risks around operational continuity and performance dependent on the nature and scale of services delivered in future periods.</p>
--	--

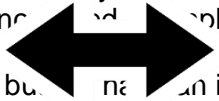
8.	
<p>Description of Risk: <i>IT (Technological)</i> Major disruption in continuity of ICT operations; data security is compromised. Changes in working practices post pandemic reliant on ICT infrastructure, capacity and support. The threat of cyber-attacks on ICT systems is on the rise, and the council 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. The prevalence of working from home results in greater isolation, and increases the risk that staff may become susceptible to malicious emails. Noted that the advice from the Scottish Government Cyber Resilience Unit (CRU) has escalated to 'when', not 'if' a cyber-attack occurs and there is concern about the balance between possible mitigations and the final risk rating. The outbreak of the conflict in Ukraine has heightened the cyber security risk, however communications from the CRU indicate no evidence, to date, of attacks being carried out on UK public sector bodies as a result of the conflict.</p>	
<p>Lead: Corporate Management Team/ Depute Chief Executive (Education, Communities and OD)/ Head of HR ICT and OD</p>	
<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: A recurring theme from senior management relative to their experiences during the course of the pandemic is that the success of their services in many respects is predicated on the availability of robust and adaptable ICT systems. This creates an elevated risk that has been recognised centrally, albeit it brings with it a number of challenges in terms of resourcing changed ways of working both to infrastructure and in terms of staffing to support that change in a timely manner. Meanwhile cyber security continues to have a high profile and the ICT service has a suite of controls in place to mitigate known risks in this area. Intelligence in relation to recent successful cyber-attacks has highlighted that the disruption to the affected organisations can be widespread, and the recovery process is likely to take a significant amount of time to restore business operations fully.</p>
<p>VERY HIGH Likelihood 4 x Impact 5 = 20</p>	
<p>Risk Movement: increase/decrease/no change</p>	<p>Risk Appetite: There is zero appetite for service interruption or data loss, as this has the potential for catastrophic impact on service delivery and the cost of system disruption or 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.</p>
	
<p>Controls: Corporate Information Security Policy. Disaster Recovery Plans. Senior Information Risk Officer. External accreditation processes for Network Security (Public Services Network, Cyber Essentials Plus)</p>	<p>Current and Proposed Mitigating Actions: Assess control as part of plans for developing digital services Penetration testing for applications implemented to deliver digital services Assess control as part of plans for developing digital services ICT Action Plan</p>



<p>Environmental Controls for Data Centre (cooling, fire, flood and backup power) Boundary Firewalls and Internet Gateways (email and web filtering) Data control enhanced through network controls Malware Protection Patch management (Applications and Infrastructure) Third Party Maintenance Agreements (Applications and Infrastructure) Main financial system supported in-house Information Assurance Group Records Management Policy Data breach reporting arrangements Working from home policy/guidance</p>	<p>Participation in the Scottish Government Cyber Resilience Programme Extend accreditation process to include the Education ICT network Implement MetaCompliance solution to address awareness raising, e-learning and phishing campaigns to educate users – attempting to mitigate and reduce the ‘human error’ element. Update ICT Business Continuity Plan (BCP) Recognition that all services should review their BCPs to consider how services could function if ICT services were not available, including assessing criticality of services for prioritisation in the event of a significant event. A Working Group is now planned to progress the development of these issues within Services. Prepare Incident Response Plan Review insurance cover for a cyber-attack Complete the Scottish Government Cyber Resilience Framework self-assessment tool Implement National Cyber Security Centre (NCSC) guidance to review the use of Russian software products</p>
<p>Current performance: The risks associated with the delivery of ICT are constantly evolving, and the controls outlined above together with on-going vigilance are necessary to prevent disruption to critical services.</p>	<p>Comments: The suite of controls in place reflects the council’s commitment to securing data held and used in the effective delivery of modern council services.</p>


9.

Description of Risk: Economic Recovery. Risk of prolonged economic downturn following the pandemic and exit from European Union with the possibility of a recession. Potential for further national lockdowns will put additional strain on the already struggling local economy. Higher inflation and any increase in interest rates longer term may have an impact on capital projects including the Moray Growth Deal. Continued and/or increased unemployment may have impact on council tax revenues and business failures may create similar pressures on business rates. Increased demand for welfare benefits and money advice services. All of which are factors outside the control of Moray Council but can influence on how the council reacts and plans for the future.



Lead: Corporate Management Team/ Depute Chief Executive (Economy, Environment and Finance)

<p>Risk Rating: low/medium/high/very high</p>	<p>Rationale for Risk Rating: Both the current pandemic and exit from the European Union are likely to have both short and long term effects on the local economy. Great uncertainty will make planning challenging and the future economic landscape of Moray is yet to be defined. Moray Council's inputs, both as a driver and supporting force, will be crucial to aiding economic recovery.</p>
<p>HIGH Likelihood 4 x Impact 4 = 16</p>	

<p>Risk Movement: increase/decrease/no change</p> <div style="text-align: center;">  </div>	<p>Risk Appetite: There is a strong appetite for Moray to flourish as a community and economic recovery is a priority for the Council. Works are continuing with the Moray Growth Deal and current efforts are focused on providing support to businesses and other external organisations. Partnership working is also being encouraged to generate a synergy effect and ensure support is delivered efficiently and with optimal impacts.</p>
---	--

<p>Controls: Moray Growth Deal - Funding for Growth Deal secured bringing total investment to the area of over £100m Partnership working with Highlands and Islands Enterprise, Moray College UHI, Skills Development Scotland and more. Money Advice Service providing support to citizens as required.</p>	<p>Current and Proposed Mitigating Actions: Moray Economic Strategy for 2022-2031 being refreshed with partners post pandemic Recruitment for key project leads in the Early Years STEM, Housing Mix, Cultural Quarter and Bus Revolution projects under way. UK Shared Prosperity Fund, Just Transition Funding and Strategic Priorities Fund opportunities considered and endorsed by Council and applications being submitted. SG Covid Recovery Fund partially allocated for discretionary business support, town centre capital business improvement and startup grants, and in support of the Scotland Loves Local project, the balance targeted at low income households.</p>
---	---



<p>Current performance: Service delivery has been concentrated to providing vital and statutory services reacting in response to the pandemic. Pace has begun to pick up on the Moray Growth Deal with key projects now coming on stream in the near future.</p>	<p>Comments: The current situation coupled with future uncertainty will make economic recovery challenging. Key steps have been taken to establish a long term strategy, providing the backbone for the road to economic revival.</p>
---	--