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**REPORT TO: CORPORATE COMMITTEE ON 30 AUGUST 2022**

**SUBJECT: CORPORATE RISK REGISTER**

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

**1. REASON FOR REPORT**

- 1.1 To provide the Committee with a copy of the Council's recently updated Corporate Risk Register.
- 1.2 This report is submitted to Committee in terms of Section III (B) (36) of the Council's Scheme of Administration relating to council wide or corporate risk assessment and the mitigation and management of these risks.

**2. RECOMMENDATION**

- 2.1 Committee is asked to consider and approve the updated Corporate Risk Register dated August 2022.**

**3. BACKGROUND**

- 3.1 Risk management is an integral part of good governance and to evidence management review of the principal risks facing the council, a corporate risk register has been developed. This is subject to periodic updating and approval by the Corporate and Senior Management Teams and was last reviewed in December 2021.
- 3.2 The register describes the principal risks facing the council under nine generic themes. For each risk theme there is:
- a description of the risk;
  - the risk rating 'score';
  - supporting information on risk appetite;
  - details of controls in place describing how each risk is currently being managed, and;
  - details of current/further mitigating actions.

- 3.3 Risk scores are determined by assessing the likelihood of an event occurring and the impact it potentially could have on the council's ability to meet its statutory obligations and deliver on its stated plans. Higher scoring risks, by definition, need more attention from senior management. A consequence of this is that the risk register contains risk themes where residual risks score moderately or highly, despite mitigating measures or controls being in place.
- 3.4 Risk appetite is also an important consideration; taking risks can present opportunities as well as threats; and an assessment of risk appetite considers whether risks can be tolerated (accepted), treated (reduced), transferred (e.g. through insurance) or terminated (if the risk is unacceptable)
- 3.5 Since the prior review the scoring for one risk theme - **financial risk** - has increased given the continuing budgetary pressures the council faces. The risk has regard to issues including likely future financial settlements, the impact of inflation, and uncertainty around the funding of current and future staffing pay awards. Even with close monitoring of these and the recognised need for transformational change, the overall risk score has been revised upwards.
- 3.6 Two risk areas have seen a reduction in risk score in the latest review, namely:
- **Environmental risk** has been reduced given the progress the council has made towards developing a commitment 'road-map' towards achieving 'net zero'. The scale of the task ahead will bring challenges in the incoming period and is not under-estimated, but having an approved plan in place has reduced the risk score at the present time.
  - **Regulatory risk** has been reduced; while the council has many statutory obligations to fulfil, there is an on-going commitment to meet these obligations. Having re-evaluated the likelihood of any potential breach at the present time the risk score has been lowered.
- 3.7 The completed risk register is attached for consideration by elected members as **Appendix 1**.

#### 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**

The risk register refers to Staffing Risks. No direct implications.

**(f) Property**

No direct implications.

**(g) Equalities/Socio Economic Impact**

No direct implications.

**(h) Climate Change and Biodiversity Impacts**

The risk register refers to climate change considerations under Environmental Risks. No direct implications.

**(i) 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 August 2022.**

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Background Papers: Internal audit files

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