

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 9 JUNE 2014**

**SCRUTINY COMMITTEE – 25 JUNE 2014**

**REPORT ON: CORPORATE RISK REGISTER**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 229-2014**

## **1.0 PURPOSE OF REPORT**

1.1 To seek approval for the Council's revised Corporate Risk Register.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended the Policy and Resources Committee notes the content of this report and approves the revised Corporate Risk Register.

2.2 It is recommended the Scrutiny Committee reviews in further detail the content of the Register and examines the validity of the assessments contained therein.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 The Director of Corporate Services advises that any expenditure associated with the creation, maintenance and review of the Council's Corporate Risk Register can be met from within the existing Council budgets.

## **4.0 MAIN TEXT**

4.1 Both Committees attention is drawn to the content of Report No 292-2013 to Policy and Resources Committee of 24 June 2013.

4.2 This report provided Elected Members with the council's updated Risk Management Strategic Plan and revised Risk Register, which focuses solely on business risks which have the potential to prevent the council from achieving its high level objectives or prevent it from delivering services.

4.3 Any risk register requires to be developed and regularly reviewed in keeping with best practice. Accordingly, a review process began in March 2014, involving all members of the Council's Strategic Management Team.

4.4 In developing the risk register updates on actions, direction of residual risk travel and one new risk have been added.

4.5 To aid overview, colour shadings have been added to the residual risk scoring.

- "Green" shadings indicate the risk is satisfactorily controlled and a watching brief is necessary.
- "Amber" shadings indicate there are certain reservations over the efficacy of the controls. This does not imply the controls are wrong – but that continued action is necessary.
- "Red" shadings indicate the existing controls are unsatisfactory and that review of the controls is necessary. There are currently no red shaded risks within the Council's Corporate Risk Register.

4.6 The Corporate Risk Register will be reviewed on a regular basis by the Council's Strategic Management Team.

## 5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

The major issues identified are:

### 5.1 Risk Management

- 5.1.1 This report is concerned with the manner in which the Council manages business risks which have the potential to prevent the Council from achieving its high level objectives or prevent it from delivering services.

## 6.0 CONSULTATIONS

- 6.1 The Chief Executive and the Head of Democratic and Legal Services have been consulted in relation to this report.

## 7.0 BACKGROUND PAPERS

None

<b>M M Stewart</b> Director of Corporate Services	<b>Date:</b>	
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Encl. Corporate Risk Register

# Corporate Risk Register

**MARCH 2014**  
**REVIEW**

## Risk No 1: Financial Risks

	Risk Description	Risk Sponsor	Assessment of Inherent Risk			Risk Control Measures	Actions	Update on Actions	Action Leader	Target Date	Assessment of Residual Risk			
			Likelihood (L)	Impact (I)	Inherent Score (L x I)						Likelihood (L)	Impact (I)	Residual Score (L x I)	Residual Risk Direction
1.1	Impact of Welfare Reform	Director of Corporate Services	3	3	9	Establishment of Welfare Reform Corporate Group and delivery of the Workstream actions. Creation of Welfare Reform risk register measuring risk for each workstream	Continue to monitor impacts through the Welfare Reform Group. Monitor progress of workstream actions. Seek external funding opportunities.	Group continues to meet monthly to mitigate the impact of Welfare Reform. Funding secured for Support and Connect, IT 4 Work and Opportunities Room	Director of Corporate Services	Ongoing	2	2	4	→
1.2	Budgetary/Expenditure Pressures	Director of Corporate Services	3	3	9	Regular Revenue Budget Monitoring	Review Service Priorities. Early preparation for next years budget	2014/15 Revenue Budget approved, achieving required savings. Revenue Monitoring showing a projected underspend. Work commenced on longer term financial planning	Director of Corporate Services	Ongoing	2	2	4	→
1.3	Failure to improve educational attainment, resulting in poorly skilled natural work force in city	Director of Education	2	3	6	Implementation of Education Service Plan including CfE	Continue to monitor attainment	Not applicable at March 2014	Director of Education	31/05/2017	1	2	2	→
1.4	Poor economic performance of city leading to failed businesses, increased unemployment and failure to attract inward investment	Director of City Development	2	3	6	Preparation and Implementation of new Economic Development Strategy	New Dundee Economic Strategy and Plan for 2013/17 reported to City Development Committee in November 2013	Implementation phase has commenced. Progress will be reported on corporate systems.	Director of City Development	31/03/2014	2	2	4	→

### Rankings

		<i>Likelihood</i>			<i>Impact</i>			<i>Controls</i>		
	<u>Certain</u>	<u>Possible</u>	<u>Unlikely</u>	<u>High</u>	<u>Medium</u>	<u>Low</u>	<u>Unsatisfactory</u>	<u>Reservations</u>	<u>Satisfactory</u>	
Score	3	2	1	3	2	1	3	2	1	

# Corporate Risk Register

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## Risk No 2: Society Risks

	Risk Description	Risk Sponsor	Assessment of Inherent Risk			Risk Control Measures	Actions	Update on Actions	Action Leader	Target Date	Assessment of Residual Risk			Residual Risk Direction
			Likelihood (L)	Impact (I)	Inherent Score (L x I)						Likelihood (L)	Impact (I)	Residual Score (L x I)	
2.1	National and local political environment	Chief Executive	3	3	9	We work in a political environment and therefore we cannot control any such risk	Watching Brief	Not Applicable at March 2014	Chief Executive	May-16	3	2	6	→
2.2	Cutback in public or voluntary sector services that worsen social inclusion and exacerbate poverty in the city	Director of Social Work	3	3	9	Provision of a coordinated response within the advice sector including a dedicated Welfare Rights Service to support citizens to cope with the implications of Welfare Reform	Continue to invest in this area and monitor the capacity of the advice sector to deliver effective services during the year, contribute to the Corporate Welfare Reform group and monitor the impact of Welfare Reform on our citizens.	Not Applicable at March 2014	Director of Social Work	Ongoing	3	2	6	→
2.3	Impact of the misuse of alcohol and drugs on citizens and the demand for our services	Director of Social Work	3	3	9	Social Work and Alcohol service dedicated to support service users with alcohol and drug addiction	Continue to provide social work supports and review the wider interagency supports as part of the ADP review	Not Applicable at March 2014	Director of Social Work	Ongoing	2	2	4	→

### Rankings

	<i>Likelihood</i>			<i>Impact</i>			<i>Controls</i>		
	<u>Certain</u>	<u>Possible</u>	<u>Unlikely</u>	<u>High</u>	<u>Medium</u>	<u>Low</u>	<u>Unsatisfactory</u>	<u>Reservations</u>	<u>Satisfactory</u>
Score	3	2	1	3	2	1	3	2	1

## Corporate Risk Register

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### Risk No 3: People Risks

	Risk Description	Risk Sponsor	Assessment of Inherent Risk			Risk Control Measures	Actions	Update on Actions	Action Leader	Target Date	Assessment of Residual Risk			Residual Risk Direction
			Likelihood (L)	Impact (I)	Inherent Score (L x I)						Likelihood (L)	Impact (I)	Residual Score (L x I)	
3.1	Continuing Public Sector Wage restraint and changes to terms and conditions leading to poor industrial relations and/or action	Head of Personnel	3	2	6	Full and ongoing consultation with trade unions and communication with employees	Arrange regular meetings with trade unions. Analyse impacts of proposals	Review possible Terms and Conditions changes - engage with Trade Unions early. Seek agreed cover for essential services if necessary	Head of Human Resources	Ongoing	1	2	2	→
3.2	Failure to retain and attract staff, leading to reductions in service provision and quality	Head of Personnel	1	2	2	Succession and Workforce Planning. Management Training. Promote Council brand. Good employer/good conditions serving the public.	Use <i>myjobscotland</i> . Manage employees fairly. Listen to and respect them. Plan/Retrain/Redeploy.	Review structures and salaries. Identify and react to market scarcities. Remain competitive	Head of Human Resources	Ongoing	1	2	2	→
3.3	Demographic pressures and demands and our inability to meet them	Director of Social Work	3	3	9	Services are planned throughout the city to meet demands where demography dictates ie older peoples services, children's services or early years services	Continue to monitor demographics and use this information to plan delivery and needs of service	Not Applicable at March 2014	Director of Social Work	Ongoing	2	2	4	→
3.4	Social Work / Health Integration Legislation affecting Service Continuity and straining Corporate Support Services	Interim Chief Officer	2	3	6	Development and Implementation of a Programme Management Plan for the process of change	New risk at March 2014	Not Applicable at March 2014	Interim Chief Officer	Ongoing	2	2	4	NEW

#### Rankings

	<u>Certain</u>	<u>Likelihood Possible</u>	<u>Unlikely</u>	<u>High</u>	<u>Impact Medium</u>	<u>Low</u>	<u>Unsatisfactory</u>	<u>Controls Reservations</u>	<u>Satisfactory</u>
Score	3	2	1	3	2	1	3	2	1