
Report to **Audit and Finance Committee**

Date of Meeting: 15th September 2016

Subject: **Corporate Risk & External Audit Actions**

Report by: **Head of Strategy & Customer Services**

1.0 Purpose

- 1.1. This report provides the 2015/16 end of year update on the Council's:
- Corporate Risk Log,
 - Annual Statement of Preparedness, and
 - External Audit Actions.

2.0 Recommendations

- 2.1. It is recommended that Committee notes the report, commenting and challenging as appropriate.

3.0 Considerations

3.1. Corporate Risk Management Process

- 3.1.1. The Head of Strategy & Customer Services is responsible for the Council's corporate risk management approach. All managers are responsible for risks in their service areas and the corporate risk log is owned by the Corporate Management Team. The Council follows a systematic risk process, reporting corporate risks to Resources & Audit Committee on a 6-monthly basis and service risks to other Committees on a quarterly basis. Processes are assessed via internal and external governance and audit mechanisms, and peer-reviewed by other local authorities.
- 3.1.2. Each corporate risk log review involves gathering information from internal and external sources, a meeting of the Corporate Risk & Integrity Forum and individual meetings with Corporate Management Team members, to:
- Review existing corporate and service risks with their owners;
 - Analyse dependencies, 'knock-on effects' and wider perspectives;
 - Investigate emerging externally-identified risks for local relevance;
 - Evaluate emerging internally-identified risks, such as those highlighted during the Annual Governance Statement process.

3.1.3. In 2015, the Association of Local Authority Risk Managers (ALARM) published a 'top 10' of significant risks currently being managed by UK public bodies (compiled from a member survey). Mapping to our own corporate risk log demonstrated that, despite some variation in risk groupings, all significant risks were already reflected locally. Though this does not reflect the effectiveness of risk management, it at least provides confidence that we are achieving the aim of being 'risk aware', rather than 'risk averse'.

3.1.4. Risks with implications for more than half the Council (3 of the 6 services), or with significant implications (red) for a specific service, are considered for escalation to the corporate log, where they are managed until their significance reduces. Risks are recorded on the Covalent performance management system and associated with priority outcomes, actions (or action plans), and existing controls (strategies, policies, procedures, etc.).

3.1.5. We identify our approach to managing each risk as:

- Treat: action is required to reduce the risk,
- Tolerate: actions within our control are complete and plans are in place,
- Transfer: the risk will be passed to another party, such as insurers,
- Terminate: the activity that is causing the risk will be ceased.

3.2. Corporate Risk Log – Appendix A

3.2.1. The revised corporate risk log demonstrates that, despite the considerable challenges currently facing the public sector, changes to the risk assessments since the 2015/16 half year stage are relatively minimal. The most significant issues currently facing the Council still relate to Financial Resilience, Organisational Change and Information Management.

3.2.2. Progress on the latter regarding positive feedback on the Records Management Plan from the Keeper of the Records Scotland and Internal Audit has reduced its score. Some recent Health & Safety incidents and investigations have increased the related risk from amber to red and work is ongoing to ensure service compliance with policies and procedures.

3.2.3. There are close relationships between many risks and, as has been the case for some time, the financial situation (or resulting requirements such as the contraction of the workforce) is increasing a number of other risks. It is, therefore, vital that organisational change is implemented and supported efficiently across the organisation, and that governance and scrutiny functions operate effectively to identify and mitigate risks.

3.2.4. The other red risk relates to partnership management and considerable but differing activity in the 3 major partnerships means this will be 'Transferred' for management via other risk logs. Shared Services will be separated by the end of 2016/17 and Health & Social Care risks will be managed via the Social Services and HSCI risk logs. Community Planning risks have been assessed as less severe and/or being managed appropriately so will be included on service logs, where appropriate. The Performance & Change Team continue to provide advice in developing service, project and partnership risk logs.

- 3.2.5. Progress also continues regarding the amber risks being 'Treated', which relate to various issues around demographics, governance, welfare, organised crime and extremism (details in Appendix A). Actions around Roles & Responsibilities have been completed and the target assessment score has been reached, therefore, this risk will be removed from the Corporate log but will continue to be reviewed via annual governance processes.
- 3.2.6. The risks being 'Tolerated', where actions within our control have been completed and plans are in place to manage the risks, should they materialise, mainly relate to Emergency Planning. The only change to this section is the addition of a risk regarding Utility Failure as, while issues around Severe Weather are already captured, there are differing causes and consequences specific to loss of gas, electricity, water and/or telecoms. These risks are explored in more detail in the Statement of Preparedness.

3.3. Statement of Preparedness – Appendix B

- 3.3.1. The revised Statement of Preparedness provides additional information and assurance on the Council's readiness to respond to risks with a potentially direct impact on Business Continuity or community safety. The risks presented here broadly reflect the 'Tolerate' section of the corporate risk log and look in more detail at the potential consequences and controls relating to different types of event.
- 3.3.2. Work continues in developing frameworks to manage such events, working with partners to pool resources and ensure that response to emergency situations is effective and minimises impact on the area. Events during the winter, including the temporary closure of the Forth Road Bridge, have provided valuable knowledge and experience to add to scenario planning, training and exercising at a local and national level.
- 3.3.3. The only risk from the statement still included in the 'Treat' section of the corporate risk log relates to anti-extremism, as actions are still being completed. Two key threads in this area relate to how we 'Prepare' for an incident occurring (including all staff being shown a video on how to respond), and how we 'Prevent' an incident from occurring (including key staff being trained in identifying those vulnerable to extremism or radicalisation and discouraging its development). While both of these threads are relevant to corporate risk log, only 'Prepare' is relevant to the statement.
- 3.3.4. Climate Change as a whole is not included on the corporate risk log but is managed by Development & Environmental Services via the Sustainability & Climate Change Strategy. Progress is reported to Enterprise & Environment Committee and the strategy is currently being revised.

3.4. External Audit Actions – Appendix C

- 3.4.1. Deloitte UK's audit of the Council's 2013/14 accounts resulted in 13 actions arising from recommendations, of which only one, regarding Sundry Trust Funds is still outstanding though nearing completion. As a partial assurance in itself, only 4 actions were agreed in the most recent audit (2014/15), with one already complete and the remainder on target. External Audit remain a key source of insight into the effectiveness of corporate risk management.

3.4.2. Abbreviations:

ALARM	Association of Local Authority Risk Managers
CIPFA	Chartered Institute of Public Finance & Accountancy
COMAH	Control of Major Accident Hazards
CONTEST	Counter-terrorism Strategy
EP	Emergency Planning
FRB	Forth Road Bridge
FV	Forth Valley
HSCI	Health & Social Care Integration
HSE	Health & Safety Executive
ICT	Information & Communication Technology
LRP	Local Resilience Partnership
MCB	Making Clackmannanshire Better
PVG	Protecting Vulnerable Groups
R&A	Resources & Audit
RRP	Regional Resilience Partnership
SOA	Single Outcome Agreement
VHF	Very High Frequency
WRAP	Workshop to Raise Awareness of Prevent

4.0 Sustainability Implications - *This report has no direct sustainability implications*

5.0 Resource Implications

5.1. Financial Details - This report has no direct financial implications

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

5.3. Finance have been consulted and have agreed the financial implications as set out in the report.

Yes

5.4. Staffing - This report has no direct staffing implications

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

The area has a positive image and attracts people and businesses ..

Our communities are more cohesive and inclusive ..

People are better skilled, trained and ready for learning and employment ..

Our communities are safer ..

Vulnerable people and families are supported ..

Substance misuse and its effects are reduced ..

Health is improving and health inequalities are reducing ..

The environment is protected and enhanced for all ..

The Council is effective, efficient and recognised for excellence p

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes .. No p

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes p

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- Appendix A - Corporate Risk Log
- Appendix B – Statement of Preparedness
- Appendix C - External Audit Actions

11.0 Background Papers



11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes .. (please list the documents below) No p

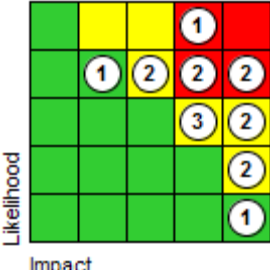
Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Head of Strategy & Customer Services	
Garry Dallas	Executive Director	

Appendix A – Corporate Risk Log

Summary of Changes	Distribution of Risk Scores
<p>At the end of the 2015/16 financial year (out of a total of 16 risks):</p> <p>Status</p> <ul style="list-style-type: none"> ● 5 risks are red (same as in the 2015/16 half year report) ▲ 9 risks are amber (same as in previous report) ✔ 2 risks are green (increase from 1 in previous report) <p>Approach</p> <ul style="list-style-type: none"> 11 risks are being Treated (decrease from 12 in previous report) 4 risks must be Tolerated (increase from 3 in previous report) 1 risk will be Transferred (increase from 0 in previous report) <p>Change in Score Since Last Review</p> <ul style="list-style-type: none"> I 1 risk has increased - 11 risks remain the same D 1 risk has decreased N 1 risk has been newly added to the log R 2 risks will be removed from the log after this report 	

Code	Title	Score	Status	Approach	Change Since Last Review
COU CRR 008	Insufficient Financial Resilience	20	●	Treat	-
COU CRR 034	Insufficient Pace and Scale of Organisational Change	20	●	Treat	-
COU CRR 028	Inadequate Co-ordination of Partnerships	20	●	Transfer	R
COU CRR 012	Health & Safety Non-compliance	16	●	Treat	I
COU CRR 009	Information & Knowledge Not Safeguarded or Utilised	16	●	Treat	D
COU CRR 005	Inability to Respond to Changing Demographics	15	▲	Treat	-
COU CRR 033	Major Governance Failure	15	▲	Treat	-
COU CRR 032	Council & Community Impact of Welfare Reform	12	▲	Treat	-
COU CRR 037	Failure to Address Serious Organised Crime	12	▲	Treat	-
COU CRR 031	Failure to Prepare for Severe Weather Events	12	▲	Tolerate	-
COU CRR 022	Public Health Emergency	12	▲	Tolerate	-
COU CRR 040	Failure of Public Utility Supply	12	▲	Tolerate	N
COU CRR 011	Harm to Child(ren)	10	▲	Treat	-
COU CRR 038	Failure to Prevent Extremism and/or Radicalisation	10	▲	Treat	-
COU CRR 023	Industrial Unrest	8	✔	Tolerate	-
COU CRR 039	Unclear or Unfulfilled Roles & Responsibilities	5	✔	Treat	R



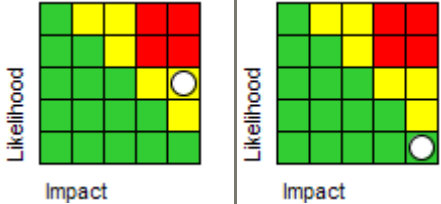
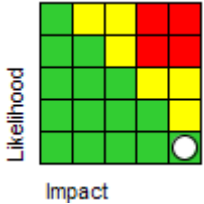
Approach: Treat



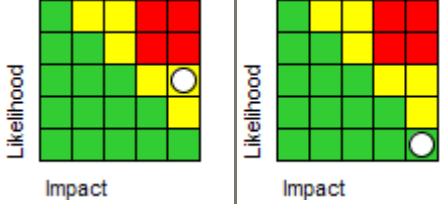
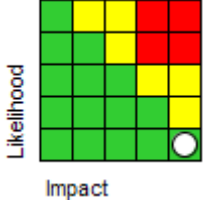
Insufficient Financial Resilience		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	
Deputy Chief Executive	COU CRR 008			Current Score	20	Target Score	5
Description	The Council does not have sufficient funds to meet its liabilities and cannot meet essential service demands or customer needs, or respond to external agendas.			 Likelihood Impact	 Likelihood Impact		
Potential Effect	Reputational damage, legal implications and severe and extended loss of service provision. Possibility of Alliance partners also being affected contributes to the potential impact, given the interdependencies.						
Latest Note	While some factors have increased since the 15-16 half year stage (Scottish Government settlement & decoupling of Shared Services), other factors have reduced (16/17 budget agreed, and MCB efficiencies beginning to be realised), resulting in an overall consistent score. Financial performance is scrutinised via internal processes, external audit and R&A Committee (see June update on the same agenda as this report). The new financial system will improve transparency, efficiency and compliance with robust accounting processes.						
Related Actions	2014/15 External Audit Action Plan	COU EXA 145	Existing Controls	Financial Management Strategy			
	Ongoing work by services to identify savings proposals, supported by the Accountancy team	CRR COU 003		Budget Challenge & Monitoring			
	Making Clackmannanshire Better Corporate Change Programme	MCB PRG		Invest to Save Principles & Processes			

Insufficient Pace and Scale of Organisational Change		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	
Chief Executive	COU CRR 034			Current Score	20	Target Score	5
Description	The Council fails to proactively drive the fundamental redesign of services and organisational planning/ development with the speed required to address the funding gap due to ineffective change management.			 Likelihood Impact	 Likelihood Impact		
Potential Effect	Failure to maintain the required level of provision for statutory services. The corporate business improvement programme, Making Clackmannanshire Better, does not establish sustainable service delivery and a sustainable cost base for the future.						
Latest Note	Feb-16 Special Council meeting approved MCB savings of £7.65m and noted MCB areas for further consideration and development during 2016/17. Services are in the process of implementing savings or starting projects. A corporate model for monitoring and reporting on progress of MCB actions is in place.						
Related Actions	Making Clackmannanshire Better Corporate Change Programme	MCB PRG	Existing Controls	Communications Strategy			
	Housing & Community Safety working with Vanguard Scotland to redesign & simplify processes, focussing on customers, efficiency and other key operational priorities	CRR HCS 001		Business Planning Process			
	Implement Communications & Marketing Strategy actions in support of the MCB programme	SCS 15 018		Trade Union & Elected Member Communication Forums			



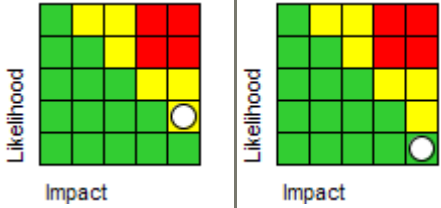
Health & Safety Non-compliance		Priority Outcome	7. Health is improving and health inequalities are reducing; 9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	I	
Head of Resources & Governance	COU CRR 012			Current Score	16	Target Score	4	
Description	A Health & Safety incident results in the injury to or death of a staff member or customer due to lack of awareness of or non-compliance with policies and procedures. Such incidents may also arise from the actions of third parties, whose activities may be outwith the direct control of the Council.			Likelihood		Impact	Likelihood	
Potential Effect	The effects on individuals and their families, financial penalties (including HSE intervention fees), criminal proceedings, adverse publicity, increased insurance or damage to Council assets.							
Latest Note	Actions arising from the last Internal Audit are complete. Restructuring of the Health & Safety team will improve performance though recent incidents, accident statistics and other HSE investigations suggest compliance with H&S duties is not deployed uniformly across the Council. Work is ongoing to ensure managers are aware of their statutory duties to identify and manage H&S risks in their areas of responsibility.							
Related Actions	Governance Improvement Plans across all services		CRR RAG 001	Existing Controls	Health & Safety Management System Maximising Attendance & Employee Wellbeing Policy H&S Handbook for Managers			



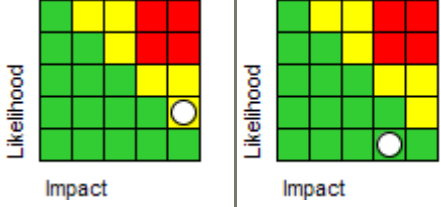
Information & Knowledge Not Safeguarded or Utilised		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	D	
Head of Resources & Governance	COU CRR 009			Current Score	16	Target Score	8	
Description	Information is not protected due to a lack of compliance with information sharing, records management or ICT protocols, or organisational knowledge is not available when needed due to 'single points of failure', poor succession planning, lack of awareness of the knowledge held by different service areas, or system failure.			Likelihood		Impact	Likelihood	
Potential Effect	Increased difficulty and time to access information and loss of tacit information and knowledge when staff leave or are absent, resulting in duplication or non-completion of (possibly statutory) duties. Loss of productivity when systems do not operate effectively, causing frustration and impact on staff morale. Uninformed decision-making and possible legal and reputational issues relating to data breaches.							
Latest Note	(Some actions still to be updated when business plans approved). Progress continues with the Records Management plan (positive feedback from the Keeper of Records Scotland and improved Internal Audit opinion) and implementation of the new financial system, Interim Workforce Strategy and revised HR policies (and moving to cloud-based systems reduces risks regarding data loss). Risks remain, however, regarding retaining appropriate information as Shared Services separate, and the retention of knowledge as the workforce contracts.							
Related Actions	2016/17 Internal Audit Plan	CRR RAG 010	Existing Controls	Information Management Strategy				
	Develop a records management plan and implement a records management policy.	RAG 15 008		Digital Strategy				
	Identify and procure a new finance system and re-engineer finance business processes to support its introduction in 2016-17.	RAG 15 009		Interim Workforce Strategy				

Inability to Respond to Changing Demographics		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	
Chief Executive	COU CRR 005			Current Score	15	Target Score	5
Description	The Council is unable to appropriately redesign services due to not acting on predictions of changing needs and demand in areas such as the 'ageing population' (including more single-person households), increasing school roles and changing needs relating to health, complexity of care needs and socio-economic behaviour.						
Potential Effect	Inappropriate allocation of resources and assets, misalignment of corporate objectives with customer needs, inability to demonstrate Best Value, and possible financial and reputational consequences of responding to situations that have not been planned for.						
Latest Note	Improved use of data on demand-led pressures in 16/17 budget-setting, which continues to contribute to decision-making. Work around community engagement is ongoing and the SOA will be refreshed to ensure it reflects community need. Work continues in services affected by specific demographic shifts, such as School Estates and Adult Care (as part of Health & Care Integration).						
Related Actions	Undertake consultation following the review of the school estate in Clacks	EDU_SA17a	Existing Controls	Customer Consultation & Communication			
	Improve current referral processes and information sharing between services	HCS CHS 410		Budget Challenge & Monitoring			
	Finalise in conjunction with NHS FV the Strategic Plan for adult health and social care services	SOS SSS 053		Community Engagement Process			

Major Governance Failure		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	
Head of Resources & Governance	COU CRR 033			Current Score	15	Target Score	5
Description	A significant failure of compliance with statutory duties due to a lack of awareness or understanding of corporate policies or codes of conduct, or through non-adherence, including through management or elected member override of controls of procedures.						
Potential Effect	Significant reputational damage, injury or loss of life, legal action, financial loss or disruption to service delivery.						
Latest Note	The 15-16 Annual Governance Statement has identified areas of progress in the last year and areas of risk at both a corporate and service level (see June update on the same agenda as this report). Governance improvement actions will be progressed by each service and reported to service committees, and strategies and local codes of conduct will be updated to reflect recent revisions in CIPFA governance standards. (Updated related actions will be added when approved).						
Related Actions	2014/15 External Audit Action Plan	COU EXA 145	Existing Controls	Scheme of Delegation			
	Governance Improvement Plans across all services	CRR RAG 001		Resources & Audit Committee			
	2016/17 Internal Audit Plan	CRR RAG 010		Governance & Audit Processes			



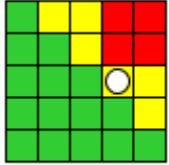


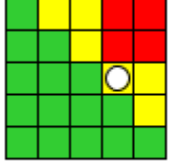


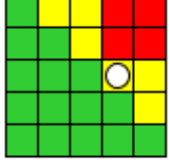
Council & Community Impact of Welfare Reform		Priority Outcome	1. The area has a positive image and attracts people and businesses; 5. Vulnerable people and families are supported	Status		Change Since Last Review		
Head of Housing & Community Safety	COU CRR 032			Current Score	12	Target Score	6	
Description	The welfare reform agenda increases deprivation in the area, removes between £8 million and £10 million from the local economy and requires the Council to provide additional services and support due to a national priority of reducing welfare expenditure.			Likelihood		Impact	Likelihood	
Potential Effect	Potential reversal of efforts to reduce deprivation and improve economic development in the area, as well as reputational, budget and staffing implications of providing new services (the impact of the transfer to Universal Credit cannot yet be quantified).							
Latest Note	Members updated on impacts in March 2016. Housing service is being restructured to try to provide more personal and direct advice for customers and service users. Additional partnerships being considered.							
Related Actions	Implement new, supported bus services in Clackmannanshire	DAE SBP 132	Existing Controls	Scottish Welfare Fund (Crisis & Community Grants)				
	Develop and implement Local Employability Strategy 2014-17 action plan	DAE SBP 137		Housing Options Service				
	Review current housing support and intensive tenancy management services for all vulnerable tenants/customers (temp and secure accommodation)	HCS SBP 064		Restructured Housing Management Service				
Failure to Address Serious Organised Crime		Priority Outcome	4. Our communities are safer; 6. Substance misuse and its effects are reduced	Status		Change Since Last Review		
Head of Strategy & Customer Services	COU CRR 037			Current Score	12	Target Score	6	
Description	Public bodies fail to address the issues around serious organised crime, involving drugs, violence, fraud, money laundering and/or human trafficking.			Likelihood		Impact	Likelihood	
Potential Effect	Physical or financial harm to individuals, businesses, communities or the Council. Direct or indirect disruption to Council services and associated reputational and/or legal implications.							
Latest Note	Local, regional and national delivery plans have been developed and Police Scotland's Counter-corruption Unit provided a presentation in Mar-16, attended by 19 staff members, including 3 Heads of Service. A self-assessment focussing on key areas such as Procurement, Licensing, Planning and Housing, as well as 'insider threat' has been completed and an action plan will be developed, with support from Police Scotland.							
Related Actions	Implement actions and requirements of the National Fraud Initiative	CRR RAG 008	Existing Controls	Forth Valley Alcohol & Drugs Partnership				
	Implement actions from Divert and Deter strands of Let Scotland Flourish Strategy	CRR SCS 006		Serious Organised Crime Delivery Plan Let Scotland Flourish Strategy				

Harm to Child(ren)		Priority Outcome	5. Vulnerable people and families are supported; 6. Substance misuse and its effects are reduced	Status		Change Since Last Review	
Head of Social Services; Head of Education	COU CRR 011			Current Score	10	Target Score	5
Description	A lack of intervention or action by the Council fails to prevent the serious harm of a child/children.						
Potential Effect	The effects of the injury or death on the individual, family, friends and staff members, and reputational harm or criminal proceedings, with associated costs, as well as the impact of reputational damage and negative publicity on morale, workforce development and sustainability.						
Latest Note	The Care Inspectorate continue to report positive follow-ups in relation to the Integrated Children's Service Plan. Monitoring of continuous improvement will be undertaken by the Children & Young People Strategic Partnership Group with an overview by the Public Protection Forum. Though the separation of Shared Services has significant strategic implications, it is not expected to impact directly on front-line, operational risks of this nature in the short-term.						
Related Actions	Integrated Children's Services Plan		CRR SOS 003	Existing Controls	Public Protection Forum		
	Roll out of the Outcomes Framework for all children in Children's Services to evidence outcomes for children and families		SOS SSS 051				
	Implement the process in relation to the role of the Lead Professional under the Children & Young Persons legislation and the transition between the Lead Professional and Named Person service		SOS SSS 050				

Failure to Prevent Extremism and/or Radicalisation		Priority Outcome	1. The area has a positive image and attracts people and businesses; 4. Our communities are safer	Status		Change Since Last Review	
Head of Strategy & Customer Services	COU CRR 038			Current Score	10	Target Score	4
Description	A terrorist incident (or other malicious attack) causes physical or financial harm to individuals or groups in Clackmannanshire, potentially caused by the radicalisation of someone from the area (who could be involved in an incident either here or elsewhere). The fear of these issues could also have an impact on quality of life.						
Potential Effect	Casualties and fatalities, damage to property and infrastructure, need for evacuation or temporary housing for those affected and potential for wider economic damage. Financial harm to individuals, businesses or the Council. Direct or indirect disruption to Council services and reputational and/or legal implications.						
Latest Note	WRAP training has begun but needs to be accelerated. Work continues to identify all high priority staff, using PVG registration as a baseline. An e-learning module on the content of WRAP training is currently being tested. All staff will be shown the "Staysafe" video outlining how to react to a malicious attack on a Council workplace. A request has been made to Police Scotland to train HR staff in the identification of fraudulent identity documents.						
Related Actions	Implement the Clackmannanshire Council CONTEST Delivery Plan, based on the Government's CONTEST Strategy		CRR SCS 005	Existing Controls	Forth Valley Local Resilience Partnership		
					CONTEST Working Groups (FV & Clacks)		
					WRAP Staff Training		

Unclear or Unfulfilled Roles & Responsibilities		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	R
Chief Executive	COU CRR 039			Current Score	5	Target Score	5
Description	Elected Members, officers, suppliers or other stakeholders are unclear about their roles and responsibilities, are not scrutinised effectively and/or are not held to account if they do not fulfil these responsibilities.						
Potential Effect	Lack of recognition of critical issues and crucial decisions not being made or challenged appropriately, with potential impact on service delivery, including statutory duties, and possible financial and reputational implications.						
Latest Note	Related actions identified in 13/14 external audit and 14/15 Annual Governance Statement process have been completed. Service Level Agreements and various Council policies and Codes of Conduct have been revised and Elected Member training needs are assessed annually. This risk will now be removed from the Corporate Risk Log and re-assessed at a service and corporate level, should further issues be highlighted in the future.						
Related Actions	2013/14 External Audit Action Plan		COU EXA 134	Existing Controls	Service Level Agreements		
	Governance Improvement Plans across all services		CRR RAG 001		Governance & Audit Processes		
	Conduct annual Training Needs Analysis with Elected Members		CRR SCS 007		Council & Committee Structures & Remits		




Approach: Tolerate

Failure to Prepare for Severe Weather Events		Priority Outcome	1. The area has a positive image and attracts people and businesses; 4. Our communities are safer	Status		Change Since Last Review	
Head of Development and Environment	COU CRR 031			Current Score	12	Existing Controls	
Description	Inability to respond to impact of severe weather events on workforce or community due to lack of appropriate planning. This is most likely to include flooding from rainfall or coastal surges, hazardous winter weather or heatwaves (all of which, due to climate change, are likely to become more frequent and severe).			Likelihood 	Business Continuity Plans		
Potential Effect	Widespread community dislocation, damage to properties, businesses, roads and utility infrastructure (including telecoms or power loss), or inability of staff to get to workplace. Increased workload in Emergency Planning, Housing, Roads and Customer Services, resulting impact on service delivery, reputation and finances.				Forth Valley Local Resilience Partnership Winter & Flood Management Plans		
Public Health Emergency		Priority Outcome	7. Health is improving and health inequalities are reducing; 9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	
Head of Strategy & Customer Services	COU CRR 022			Current Score	12	Existing Controls	
Description	Significant numbers of Council staff and customers become ill due to the occurrence of a public health emergency, such as a flu pandemic.			Likelihood 	Business Continuity Plans		
Potential Effect	Depending on the nature of the health emergency, potentially short- and long-term health implications for members of the public and staff absence if either ill themselves or caring for family and/or friends. Substantial disruption to back-office support functions and front-line service provision, including to customer groups already considered vulnerable.				Pandemic Flu Plan Major Incident Operational Procedures		
Failure of Public Utility Supply		Priority Outcome	4. Our communities are safer; 5. Vulnerable people and families are supported	Status		Change Since Last Review	
Head of Strategy & Customer Services	COU CRR 040			Current Score	12	Existing Controls	
Description	Loss of gas, electricity, water or communications over a significant area due to failure of a provider's infrastructure as a result of a local or national event. The Council has limited capability to reduce the risk of failure or disruption of external provider's infrastructure, other than following best practice in excavation work.			Likelihood 	Major Incident Operational Procedures		
Potential Effect	Fatality, injury or health risk caused by escape of gas or loss of electrical supply. Requirement to evacuate areas and find alternative accommodation, including for vulnerable people. Disruption to local agencies and businesses in providing normal services. Failure of telecoms infrastructure preventing contact with health, care and emergency services.				Business Continuity Plans Emergency Response Plan		

Industrial Unrest		Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	-
Head of Resources & Governance	COU CRR 023			Current Score	8	Existing Controls	
Description	Industrial action by Council staff (including shared service staff employed by Stirling Council), partners or suppliers arises, normally in relation to local or national budget-related changes to terms and conditions, or restructuring.				Business Continuity Plans		
Potential Effect	Impact on staff morale and productivity with associated impact on service delivery, costs and reputation, as well as impact on customers dependent on services. In the case of partner or supplier strike action, we may decide not to complete all aspects of normal service delivery during strike action. Business Continuity & Resilience planning mitigate the impact of strike action to a tolerable level.				Forth Valley Local Resilience Partnership		
				Trade Union Communications Protocol			

Approach: Transfer




Inadequate Co-ordination of Partnerships		Priority Outcome	5. Vulnerable people and families are supported; 9. The Council is efficient, effective and recognised for excellence	Status		Change Since Last Review	R
Chief Executive	COU CRR 028			Current Score	20	Target Score	8
Description	Loss of influence and accountability through failure to effectively manage partnerships due to lack of clear purpose, delivery model, or arrangements for resource-sharing or performance management. Particular risk to major partnerships, such as Shared Services, Health & Social Care and Community Planning Partnership.						
Potential Effect	Failure to meet efficiency, customer or statutory needs/requirements, significant consequences for vulnerable groups and reputational implications. Need for further redesign, recruitment, retraining or retendering, reduced momentum for further integration and impact on staff morale and productivity.						
Latest Note	Risks around the 3 major partnerships mentioned above will be 'Transferred' for management via other risk logs (and, for Shared Services, will be 'Terminated' by the end of the 2016-17 financial year). A risk log for the separation of Shared Services has been developed, and Health & Care risks will now be managed via the Social Services and HSCI risk logs (all developed with advice from the Performance & Change Team). Community Planning risks (Community Empowerment and engagement, 3rd sector commissioning and public sector reform) have been assessed as less severe and/or being managed effectively, thus relevant elements will be reflected on service risk logs.						
Related Actions	Follow published timescales for ending Shared Services as per the Strategic Partnership Agreement	CRR STP 003	Existing Controls	Shared Services Programme Board			
	Deliver an approved business case that defines joint resourcing and service redesign by Clackmannanshire Alliance	SCS 15 007		Single Outcome Agreement			
	Finalise in conjunction with NHS FV the Strategic Plan for adult health and social care services	SOS SSS 053		Health & Care Integration Joint Board			




 Low - 9 or below  Medium - 10 to 15  High - 16 or above

I Increased score  Consistent score **D** Decreased score **N** New risk **R** Remove from log

150

Appendix B – Statement of Preparedness 2015/16

Risk, Score & Assessment	Impact Category	Consequence Description & Scale		Internal Controls	External Controls
Severe Storms and Gales  12 Developing	Social	<ul style="list-style-type: none"> Care for People Service Delivery Travel dislocation 	High	<ul style="list-style-type: none"> LRP Travel Plans Business Continuity Plans Emergency Response Plan Major Emergency Operational Procedures LRP & volunteer training using Clacks scenarios, and in Airwave Communications Testing of LRP Voluntary Sector Coordinating Group and Single Point of Contact system. Recruitment of Incident Assistance Team from 3 FV Councils for large-scale incidents Recruitment of Vulnerable Persons Team 	<ul style="list-style-type: none"> RRP Transport plan for Forth bridge LRP Emergency Response Framework LRP Resilience & Preparedness Framework LRP/RRP Mass Fatalities Framework LRP Public Communications Framework Strong links with utility companies Tried and tested working and exercising LRP Exercise winter 2015 Recent events, such as FRB closure have provided knowledge & experience
	Health	<ul style="list-style-type: none"> Persons cut off from outside Loss of utility e.g. power 	High		
	Economic	<ul style="list-style-type: none"> Loss productivity Loss of communications 	High		
	Environment	<ul style="list-style-type: none"> Damage to trees 	Med		
	Co-ordination/Communication	<ul style="list-style-type: none"> Severe co-ordination issues from loss of web and phone services 	High		
Flooding due to abnormally intense rainfall and/or coastal flooding from high tides and tidal surges  12 Developing	Social	<ul style="list-style-type: none"> Care for people Property Service delivery 	High	<ul style="list-style-type: none"> Roads & Flood management plans Business Continuity Plan Emergency Response Plan Major Emergency Operational Procedures LRP & volunteer training using Clacks scenarios, and in Airwave Communications Testing of LRP Voluntary Sector Coordinating Group and Single Point of Contact system. Recruitment of Incident Assistance Team from 3 FV Councils for large-scale incidents Recruitment of Vulnerable Persons Team 	<ul style="list-style-type: none"> LRP Emergency Response Framework LRP Resilience & Preparedness Framework Care for People Framework LRP/RRP Communications Framework LRP Voluntary Sector Coordinating Group and Single Point of Contact RRP Resilient Telecoms working group Adoption of Resilience Direct LRP Flood plan (focus on fuel supply) Understanding by Flood managers and EP staff of coastal flood causes
	Health	<ul style="list-style-type: none"> Primary Care Casualties or fatalities 	Med		
	Economic	<ul style="list-style-type: none"> Local Economy Business Continuity 	High		
	Environment	<ul style="list-style-type: none"> Environmental damage Clean up 	High		
	Co-ordination/Communication	<ul style="list-style-type: none"> Public information Multi-agency/central govt 	Med		
Flu pandemic  12 Developing	Social	<ul style="list-style-type: none"> Care for People Service delivery 	High	<ul style="list-style-type: none"> National Flu Pandemic Plan Business Continuity Plan Emergency Response Plan Major Emergency Operational Procedures Manager Resilience Training and Exercising at local and national level. Continual local and RRP vigilance on diseases - Bird flu outbreak in Fife 2015 Exercising in regard to multi agency work - Exercise Coal Tip - March 2016 in Alloa. Recruitment of Vulnerable Persons Team 	<ul style="list-style-type: none"> LRP Care for People Framework NHS Planning Framework LRP/RRP Mass Fatalities Framework LRP/RRP Communications Framework Scotland-wide 5 month exercise - 'Silver Swan' (2015) and follow-up with outside care providers Animal Health Plans and exercising
	Health	<ul style="list-style-type: none"> Primary Care Public Health Fatalities 	Very High		
	Economic	<ul style="list-style-type: none"> Business Continuity Impact on local economy 	High		
	Environment	<ul style="list-style-type: none"> Environmental damage Clean up 	Low		
	Co-ordination/Communication	<ul style="list-style-type: none"> Public information Multi-agency/central govt 	Very High		

Risk, Score & Assessment	Impact Category	Consequence Description & Scale		Internal Controls	External Controls
		Description	Scale		
Utility Failure (Loss of Electricity Gas and Water)  12 Developing	Social	<ul style="list-style-type: none"> Service access limitations Loss of Social Media Feelings of insecurity 	High	<ul style="list-style-type: none"> Business Continuity & Emergency Response Plans, Major Emergency Op. Procedures LRP & volunteer training using Clacks scenarios, and in Airwave Communications Testing of LRP Voluntary Sector Coordinating Group and Single Point of Contact system Recruitment of Incident Assistance Team from 3 FV Councils for large-scale incidents Power supply backups at Kilncraigs Ongoing work to import other resilient systems through voluntary sector Of Note Clacks has LOST a resilient system with the ending of the fleet VHF radio network LRP Transport Plan 	<ul style="list-style-type: none"> LRP Emergency Response Framework LRP Resilience & Preparedness Framework LRP/RRP Mass Fatalities Framework LRP Public Communications Framework Resilient telecoms work on potential outside systems Scottish Government Resilience Office well practiced in recent events and has experience through FRB closure RRP structure improving mutual aid RRP Developing transport plan
	Health	<ul style="list-style-type: none"> Home & residential care Hygiene issues from lack of water (or ability to heat) Cold food storage failure 	High		
	Economic	<ul style="list-style-type: none"> Loss of productivity Loss of food outlets due to lack of cold food storage 	High		
	Environment	<ul style="list-style-type: none"> Leaks of damaging products from system loss 	Low		
	Co-ordination/Communication	<ul style="list-style-type: none"> High information demand Resilient systems required 	High		
CONTEST Prepare thread (anti-extremism)  10 Developing	Social	<ul style="list-style-type: none"> Fear & uncertainty Need for local leadership 	High	<ul style="list-style-type: none"> Business Continuity Plan Emergency Response Plan Major Emergency Operational Procedures LRP & volunteer training using Clacks scenarios, and in Airwave Communications Testing of LRP Voluntary Sector Coordinating Group and Single Point of Contact system Recruitment of Incident Assistance Team from 3 FV Councils for large-scale incidents Recruitment of Vulnerable Persons Team Power supply backups at Kilncraigs Ongoing work to import other resilient systems through voluntary sector COMAH Exercise of March 2016 	<ul style="list-style-type: none"> LRP Emergency Response Framework LRP Resilience & Preparedness Framework LRP/RRP Mass Fatalities Framework LRP Public Communications Framework Adoption of Resilience Direct Resilient Telecoms Plans Tried and tested working and exercising
	Health	<ul style="list-style-type: none"> Casualties & fatalities Medical facility capacity 	High		
	Economic	<ul style="list-style-type: none"> Effect on industry/consumer confidence Disruption of transport/fuel supplies (if Grangemouth) 	Low		
	Environment	<ul style="list-style-type: none"> Permanent loss of facility (if CBRN incident) Council must lead long-term RECOVERY phase 	Low		
	Co-ordination/Communication	<ul style="list-style-type: none"> Massive requirement for communication with public 	High		
Negative impact of climate change  9 Developing	Social	<ul style="list-style-type: none"> Care for people Property Service delivery 	High	<ul style="list-style-type: none"> Sustainability & Climate Change Strategy Local Biodiversity Action Plan Carbon Management Plan Energy Strategy Flood Management Plan Roads Asset Management Plan Business Continuity Plan Emergency Response Plan Major Emergency Operational Procedures Recruitment of Vulnerable Persons Team 	<ul style="list-style-type: none"> LRP Care for People Framework NHS Planning Framework LRP Emergency Response Framework LRP Resilience & Preparedness Framework LRP/RRP Mass Fatalities Framework LRP Communications Framework LRP Flood plan focussing on Grangemouth and fuel supply Improved staff understanding of causes
	Health	<ul style="list-style-type: none"> Primary Care Casualties or Fatalities 	Med		
	Economic	<ul style="list-style-type: none"> Local Economy Business Continuity 	High		
	Environment	<ul style="list-style-type: none"> Environmental damage 	High		
	Co-ordination/Communication	<ul style="list-style-type: none"> Public information Multi-agency/central govt 	High		

Way Ahead

1. Short life multi-agency sub-group has been established through LRP to identify more efficient and effective processes for partner agencies to identify "persons at risk" focussing on data sharing and data quality. Agreement has now been reached with Forth Valley NHS and the 3 Councils to pre-prepare data for this purpose. Update - still ongoing with trials run in Falkirk with FVNHS.
2. NHS Forth Valley developing local framework in consultation with Category 1 member organisations.
3. RRP Resilience and Preparedness Sub group are currently reviewing the generic recovery framework following national exercise in November 2013 - ALBAN TARGE
4. Communication Framework being reviewed in light of outcomes from national exercise
5. Clackmannanshire will contribute as a Category 1 member to these national frameworks and continue to review local plans and revise as appropriate
6. A number of Senior Managers have undergone Tactical Managers Training.
7. Over 30 staff trained in Multi Agency table top exercise 2016 to increase knowledge and capacity within the organisation to prepare, respond and recover from the impact should these risks be realised.
8. Exercise Silver Swan supported by Council Managers who gained appreciation of mass illness implications
9. Gales and flooding of 2015 has led to Scotland wide re appraisal of risk and response models
10. Recent Exercising 'good practice' was achieved in full in March 2016

Capability Maturity Levels - Defined

Developing	Not all risk critical elements of the capability to meet the required response are in place. Further capability development to achieve the required response will be progressed locally and/or part of the multi agency LRP/RRP capability development programme.
Achieving	All capability development to meet the risk critical elements of the response has been undertaken. Areas to improve the response have been identified and will be progressed locally and/or as part of the LRP/RRP capability development programme.
Maintaining	The LRP/RRP has a fully mature capability and in addition to this an active programme of monitoring and reviewing is in place to progress lessons identified and learnt at appropriate intervals. Further to this, maintenance of skills programme for responders has been developed and implemented.

Additional Information

Given the restructuring of Police and Fire Services in Scotland the restructure to Local Resilience Partnerships (LRPs) are now well established having locally directly replaced the LRP in Tactical matters. The Forth Valley LRP has now met for real in numerous situations and by teleconference for others.

Whilst the member organisations which constitute category 1 responders remain as before geographical and administrative changes to structure and deployment are being implemented.

the larger Regional Resilience Partnership is still developing although its work streams are well established and give a wider area view on developments and processes

Appendix C – External Audit Actions

(Please note that some actions cannot be marked complete until the following year's audit)

2014/15 Audit

Total of 4 actions identified in Deloitte UK's audit of 2014/15 accounts, 1 complete – overall progress:

Priority 2 (Amber) - Potential to become high risk if not addressed promptly

Property, plant & equipment revaluations - modern equivalent asset		Chief Accountant	COU EXA 404	
Recommendation	With regard to MEA considerations for land, we recommend that the valuer should, where possible, determine the land value reflecting an appropriate site size for a MEA facility and if possible determine a site value reflecting least cost to replace basis.		Due Date	30-Jun-16
			Progress	<input type="text" value="0%"/>
Latest Note	21-Apr-16	This will be covered in any future engagement with valuers, related to COU EXA 403 which is expected to be completed by the target date.	Expected Outcome	

Priority 3 (Green) - Other risk factor noted

Accrued expenses - post year-end invoice reflection in accounts		Chief Accountant	COU EXA 401	
Recommendation	Invoices received after year-end of low value are not always reflected in the year-end accounts. We recommend that all post year end invoices relating to pre year end are accounted.		Due Date	30-Jun-16
			Progress	<input type="text" value="0%"/>
Latest Note	21-Apr-16	Expected completion within target.	Expected Outcome	

Property, plant & equipment revaluations - management & challenge of advice		Chief Accountant	COU EXA 403	
Recommendation	We recommend that the Council ensure there is an experienced internal contact who can manage and challenge the advice of externally sourced valuation.		Due Date	30-Jun-16
			Progress	<input type="text" value="0%"/>
Latest Note	21-Apr-16	Action expected to be completed by target date.	Expected Outcome	

2013/14 Audit

Total of 13 actions identified in Deloitte UK's audit of 2013/14 accounts, 12 complete – overall progress:

Priority 2 (Amber) - Potential to become high risk if not addressed promptly

Clackmannanshire Council Sundry Trust Funds – appointment of independent trustee		Head of Strategy & Customer Services	COU EXA 303	
Recommendation	We recommend that consideration is given to the appointment of an independent trustee to the Board of each charity. This would remove the formal audit requirement under Section 106 of the Local Government (Scotland) Act 1973.		Due Date	31-Mar-15
			Progress	<input type="text" value="80%"/>
Latest Note	04-May-16	Four trusts remain on the Councils Sundry Trust Fund Accounts with a number removed as a result of the appointment of an Independent representative to their Board of Trustees. We are reviewing how these remaining trusts are currently administered and considering options for community councils to take an active role where there is a clear geographic focus.	Expected Outcome	

Will complete within target Will complete outwith target Will fail to complete

✔ Will complete within target ⚠ Will complete outwith target ✖ Will fail to complete