
Report to Audit Committee

Date of Meeting: 29 April 2021

Subject: Standing Item – Risk Register

Report by: Lindsay Thomson, Senior Manager Legal & Governance

1.0 Purpose

- 1.1. This brief report provides members of the Audit Committee with a copy of the Council's Corporate Risk Register.

2.0 Recommendations

- 2.1. It is recommended that the Audit Committee notes, challenges and comments on the Corporate Risk Register.

3.0 Considerations

- 3.1. At its meeting on 4 February 2021 the Committee was given a comprehensive overview of the Council's approach to managing risk. As part of that paper the Committee reviewed the Council's Corporate Risk Register and agreed that this would form a standing item on the agenda of the Audit Committee for the foreseeable future.
- 3.2. This brief report provides the Committee with the current version of the Corporate Risk Register for its consideration. At the next meeting of the Audit Committee it is anticipated that there will be a further and more detailed report on the annual half year review of risk for the Audit Committee to consider.

4.0 Sustainability Implications

- 4.1. None

5.0 Resource Implications

5.1. Financial Details

- 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 X

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

5.4. *Staffing*

6.0 Exempt Reports

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

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 ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	<input type="checkbox"/>
Our families; children and young people will have the best possible start in life	<input type="checkbox"/>
Women and girls will be confident and aspirational, and achieve their full potential	<input type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	<input type="checkbox"/>

(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 X

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 X

10.0 Appendices

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

Appendix one – Corporate Risk Register as at 14 April 2021

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 **X**

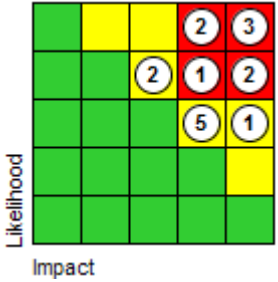
Author(s)

































NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Thomson	Senior Manager: Legal & Governance	2084

Approved by



NAME	DESIGNATION	SIGNATURE
Lindsay Thomson	Monitoring Officer	
Stuart Crickmar	Strategic Director Partnership & Performance	



Appendix A - Corporate Risk Log

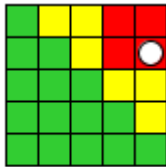
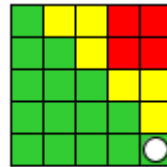
Summary of Changes	Distribution of Scores
<p>At the 2020/21 half year stage (out of a total of 16 risks):</p> <p>Status</p> <p>8 risks are red (7 in previous report – 2019/20 half year stage) 8 risks are amber (10 in previous report) No risks are green (1 in previous report) 2 risks were removed from the log after the previous report</p> <p>Approach</p> <p>13 risks are being Treated (14 in previous report) 3 risks must be Tolerated (4 in previous report)</p> <p>Change in Scores Since Last Review</p> <p>3 risks have increased 12 risks remain the same 1 risk has reduced No risks have been newly added to the log</p>	

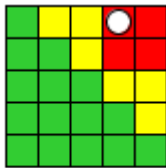
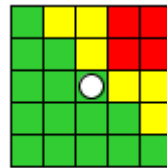
Code	Title	Score	Status	Approach	Change
COU CRR 005	Impact of Poverty, Inequality & Changing Demographics	20		Treat	
COU CRR 008	Insufficient Financial Resilience	25		Treat	
COU CRR 011	Harm to Child(ren)	20		Treat	
COU CRR 012	Health & Safety Breach	20		Treat	
COU CRR 022	Public Health Emergency	25		Tolerate	
COU CRR 033	Major Governance Failure	16		Treat	
COU CRR 034	Insufficient Pace and Scale of Organisational Transformation	25		Treat	
COU CRR 045	Unknown Terms of EU Withdrawal	20		Treat	
COU CRR 009	Information Not Managed Effectively	12		Treat	
COU CRR 031	Failure to Prepare for Severe Weather Events	12		Tolerate	
COU CRR 037	Failure to Address Serious Organised Crime	12		Treat	
COU CRR 038	Failure to Prevent Extremism and/or Radicalisation	15		Treat	
COU CRR 040	Failure of Public Utility Supply	12		Tolerate	
COU CRR 046	IT System Failure	12		Treat	
COU CRR 047	Inadequate Workforce Planning	12		Treat	
COU CRR 048	Increasing Attainment Gap	12		Treat	



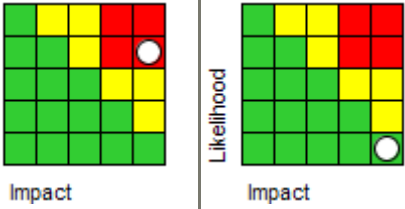
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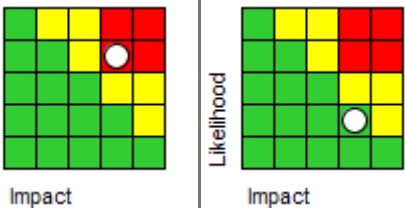
		Insufficient Financial Resilience	Senior Manager Finance & Revenues		Current Score	25	Target Score	5
Risk	The Council does not have a balanced budget to meet essential service demands, customer needs, or external agendas.				<div><div>Likelihood</div><div>Impact</div></div> <div><div>Likelihood</div><div>Impact</div></div>			
Potential Impact	Reputational and legal implications and severe, extended loss of service provision. Possibility of Alliance, Health & Social Care and other partners also experiencing budget pressures contributes to potential impact, given the interdependencies.							
Note	TThe cumulative funding gap to 2023 has been reduced from £20.5m to £14.5m as reported to Council in December 2020. Although this has reduced, there is a continuing need for service redesign to ensure service delivery. Given the significant savings already achieved, as well as impacts and costs relating to Covid, and challenges around national budget uncertainty, it is extremely challenging to identify new proposals. Significant priority is being given to progressing the Council's organisational redesign and transformational change.							
Related Actions	Audit of 2018/19 Accounts by Audit Scotland			COU EXA 189	Existing Controls	Budget Strategy & Monitoring		
	Use the agreed strategic change framework and organisational design principles to implement a whole organisation redesign			EXA BVA 1A0		Procurement Strategy		
	Balance the drive for savings with the need for sufficient officer time and skills to support change and consider how to make more use of external assistance to support improvement			EXA BVA 4F0		Change Management Board		



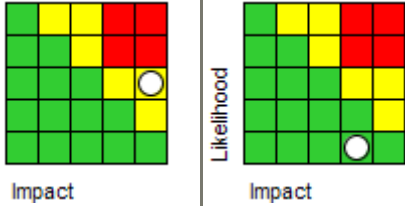
		Insufficient Pace and Scale of Organisational Transformation	Chief Executive		Current Score	25	Target Score	5
Risk	The Council fails to proactively drive the fundamental redesign of services and organisational planning/development with the speed required to address the funding gap due to ineffective change management.				<div><div>Likelihood</div><div>Impact</div></div> <div><div>Likelihood</div><div>Impact</div></div>			
Potential Impact	Failure to maintain the required level of provision for statutory services. The corporate business improvement programme does not establish sustainable service delivery and a sustainable cost base for the future.							
Note	There are still significant risks associated with the ongoing COVID-19 pandemic and the Council's ability to balance the need to continue to provide core service with the ability to resource transformation projects. Significant work has been undertaken since the summer to review the Transformation Programme, resulting in seven key priorities being identified. Further work is still required to prioritise the projects that sit within each priority. Key posts will soon be recruited into, including a Strategic Director (Transformation) and Project Managers and Business Analysts within the Council's PMO will increase the capacity dedicated to the Transformation Project. Once these are in post, and the priority projects have been identified this risk can be reviewed again.							
Related Actions	Be the Future Transformation Programme			COU BTF	Existing Controls	Be the Future Board		



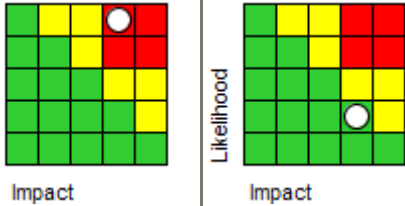
		Impact of Poverty, Inequality & Changing Demographics	Chief Executive	Current Score	20	Target Score	5
Risk	Services are not appropriately redesigned based on changing needs in relation to the ageing population, health, complexity of care or socio-economic factors, specifically poor outcomes associated with welfare reform, poverty and/or inequality.						
Potential Impact	Inappropriate allocation of resources & assets, misalignment of corporate objectives to need, inability to demonstrate Best Value, and possible financial and reputational consequences of responding to unplanned situations.						
Note	The LOIP sets out partnership outcomes, based on demographic & demand analysis. While 8 local priorities in the Health & Care Strategic Plan will strengthen community & place-based services. Key priorities are to reduce children living in poverty; to develop inclusive growth and to empower families and communities in Clackmannanshire. Plans and actions are in place, or are developing, to address these key priorities, including significant activity with a range of partners on City Region Deal, Community Wellbeing and Community Wealth Building. Data. Research and evidence based approaches routinely informs decision-making, and work is ongoing to develop plans from the Clacks Effect research completed in late 2018. The rating for this risk has been increased to reflect local planning assumptions arising from EU withdrawal, as well as the impact of the Covid pandemic.						
Related Actions	Clackmannanshire Alliance Local Outcome Improvement Plan 2017-27			CPP LOI	Existing Controls	Customer Consultation & Engagement	
	Implement Health & Care Partnership Strategic Delivery Plan			CRR HSC SDP		Budget Strategy & Monitoring	



		Unknown Terms of EU Withdrawal	Chief Executive	Current Score	20	Target Score	9
Risk	The Council is unable to prepare for the potential impact of Brexit due to uncertainty around the terms of withdrawal, future relationships with European Union nations, or the timing of withdrawal (possible extension of Article 50 period).						
Potential Impact	Inability to assess/mitigate/prepare for impact on migration, trade, regulation, security, or wider impacts across sectors (see Brexit Update to Council, 25-Oct-18). Also differing geographical impacts for Clacks (economic resilience) and Scotland (food/drink) than UK. Local impact most likely workforce, economy/procurement & value/funding of goods & services.						
Note	Work is ongoing to assess and monitor the potential impacts of EU withdrawal based on the Scottish and UK planning assumptions. Information has been shared with employees, elected members and with communities on potential impacts and to plan mitigations. Information for employees and communities has been shared on the Council website. Work in partnerships with resilience partners, COSLA and SOLACE is ongoing. The Councils resilience planning and preparations for Business Continuity have been further developed and enhanced in recent months.						
Related Actions					Existing Controls	Brexit Update Reports to Council	



		Health & Safety Breach	Chief Executive			Current Score	20	Target Score	5
Risk	Incident or statutory breach results in injury or death of staff member or customer due to lack of awareness or non-compliance with policies and procedures. Incidents may also arise from third parties actions, outwith Council control.					<div><div>Likelihood</div><div>Impact</div></div>			
Potential Impact	The effects on individuals and their families, financial penalties (including Health & Safety Executive intervention fees), criminal proceedings, adverse publicity, increased insurance or damage to Council assets.								
Note	H&S development work has been interrupted as the team has been heavily involved in establishing safe working arrangements in light of the Covid 19 pandemic. During the 3 months to December 2020, 48 building assessments and 422 individual risk assessments were completed, with a range of control measures introduced.								
Related Actions	Health & Safety action plan, based on recommendations from Gallagher Bassett				CRR P&P HR1	Existing Controls	Health & Safety Management System		
	Governance improvement actions across all services				CRR P&P LD1		Health & Safety Handbook for Managers		



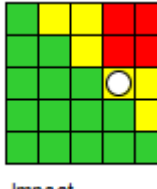
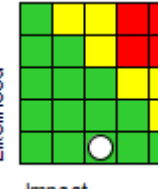
		Major Governance Failure	Senior Manager Legal & Governance			Current Score	16	Target Score	8
Risk	A significant failure of compliance with statutory duties due to a lack of awareness or understanding of corporate policies or codes of conduct, or through non-adherence, including through management or elected member override of controls.					<div><div>Likelihood</div><div>Impact</div></div>			
Potential Impact	Significant reputational damage, injury or loss of life, legal action, financial loss or disruption to service delivery. Staffing changes and re-design reaffirm need to closely monitor & manage compliance with statutory requirements & good practice.								
Note	The role of the Audit Committee should be further developed in order to ensure appropriate levels of scrutiny								
Related Actions	Audit of 2018/19 Accounts by Audit Scotland				COU EXA 189	Existing Controls	Scheme of Delegation		
	Annual Internal Audit & Fraud Programme				COU IAF		Governance & Audit Processes		
	Governance improvement actions across all services				CRR P&P LD1		Committee Structures & Remits		



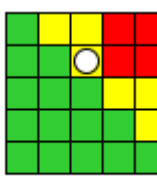
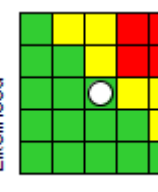
		Failure to Prevent Extremism and/or Radicalisation	Senior Manager Partnership & Transformation			Current Score	15	Target Score	4
Risk	Radicalisation of someone from the area results in terrorist incident (or other malicious attack), causing physical or financial harm to individuals or groups (here or elsewhere), or fear of such an incident affects quality of life.								
Potential Impact	Casualties/fatalities, property/infrastructure damage, need for evacuation/temporary housing or wider economic damage. Financial harm to individuals, businesses or the Council. Disruption to services or reputational/legal implications.								
Note	Continue to implement CONTEST delivery plan through work with our partners. Internal audit was completed in 2018 with substantial assurance provided. Training on Prevent Professional Concerns and development workshops delivered by Scottish Government attended by key staff in March 2019.								
Related Actions	Actions from Internal Audit of CONTEST, Prevent & Serious Organised Crime Readiness			CRR P&P SP2	Existing Controls	Forth Valley Local Resilience Partnership			
						CONTEST Delivery Plan & Working Groups			
						WRAP Training (High Priority Staff)			



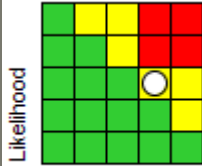
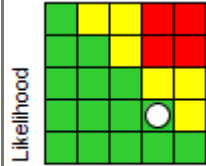
		Harm to Child(ren)				Current Score	20	Target Score	8
Risk	A lack of capacity or stability in key roles reduces the Council's ability to fulfil statutory requirements and intervene to prevent the serious harm of a child/children.								
Potential Impact	Effects of injury or death on individual, family, friends & staff members, reputational & legal implications, with associated costs, as well as impact of reputational damage & negative publicity on morale, workforce development and sustainability.								
Note	New Strategic Director appointed in Sep 20. Planning and measures being put in place to address staffing, leadership, assurance and improvement plan. Quarterly reports will go forward to People Committee. Work has started on mapping for The Promise. New Public Protection Framework is being developed. New Interim CSWO will take up post in March 21.								
Related Actions	Develop and Implement a new Corporate Parenting Strategy for 2018/2021			LOI LP1 102	Existing Controls	Child Protection Procedures			
	Children's Services Plan 2017-2020			PPL CSP		Public Protection Forum			
	People Directorate Business Plan			PPL DBP		Child Protection Committee			

		Increasing Attainment Gap	Improving Outcomes Manager - Senior Phase		Current Score	12	Target Score	8
Risk	The Council fails to reduce the educational attainment gap between pupils from more and less deprived areas due to financial pressures, workforce issues, or wider economic, demographic and poverty-related issues.				<div><div>Likelihood</div><div>Impact</div></div>		<div><div>Likelihood</div><div>Impact</div></div>	
Potential Impact	Reputational damage, implications for inspection & funding, and continued poor school leaver destinations, participation & young people reaching potential, longer-term impacts on social mobility, poverty, life chances and economic growth.							
Note	The educational impact of the Covid-19 pandemic, subsequent closure of schools, and reliance on home learning is being assessed now the children have returned to school. Any remedial, catch-up education to improve attainment will be planned and provided, with each school having a Covid-19 recovery plan approved by Education Scotland. Schools will be supported by the IO Principal Teachers, specific government funding for additional staff, provision of digital learning resources and equipment and a greater focus on outdoor learning across all sectors. Health and wellbeing impacts are being addressed and supported by Educational Psychology and partner agencies.							
Related Actions	People Directorate Business Plan			PPL DBP	Existing Controls	Education Senior Management Team		
	Covid-19 Education Recovery Plan			PPL EDU CRP		Scottish Attainment Challenge		
	Scottish Attainment Challenge Action Plan 2020/21			PPL EDU SAC		National Improvement Framework		



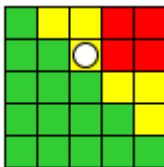


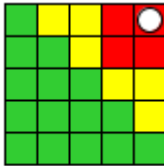
		Failure to Address Serious Organised Crime	Senior Manager Partnership & Transformation		Current Score	12	Target Score	8
Risk	Public bodies fail to address organised crime involving drugs, violence, fraud, corruption, money laundering and/or human trafficking (with women and girls particularly vulnerable), due to a lack of preventative processes or information sharing.				<div><div>Likelihood</div><div>Impact</div></div>		<div><div>Likelihood</div><div>Impact</div></div>	
Potential Impact	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.							
Note	Situational awareness and monitoring of significant developments or intelligence is ongoing. Web pages for staff have been updated with the latest advice on cyber crimes and keeping safe.							
Related Actions	Serious Organised Crime action plan, based on Police Scotland self-assessment			COU SOC	Existing Controls	Serious Organised Crime Delivery Plan		
	Implement Council CONTEST Delivery Plan, based on the Government's CONTEST Strategy			CRR P&P SP1		Let Scotland Flourish Strategy		
	Actions from Internal Audit of CONTEST, Prevent & Serious Organised Crime Readiness			CRR P&P SP2		National Fraud Initiative		



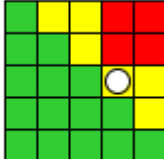
		Inadequate Workforce Planning	Senior Manager HR & Workforce Development	Current Score	12	Target Score	3
Risk	Due to lack of workforce planning the Council fails to ensure sufficient capacity/resource to deliver key Council service or fails to adequately develop its workforce to ensure that skills, knowledge and structures are appropriate, sustainable financially viable and compatible with our corporate vision.			<div>Likelihood</div>  <div>Impact</div>		<div>Likelihood</div>  <div>Impact</div>	
Potential Impact	Loss of key staff from posts identified as single points of failure, including statutory officers, leading to inability to delivery key functions and lack of adequate professional advice to Council Officers/Elected Members.						
Note	Council approved the Strategic Workforce Plan (2019-22) in June 2019. This identifies the key workforce development priorities for the Council, and establishes a detailed plan of work for the next three years (via the annexed workforce development delivery plan). As we move through the implementation of this plan, the likelihood of this risk occurring will reduce.						
Related Actions	Implement the Workforce Plan 2019-22			CRR P&P HR3	Existing Controls	Strategic Workforce Plan	

		IT System Failure	Senior Manager Partnership & Transformation	Current Score	12	Target Score	9
Risk	Full or partial loss of network/hardware/software/telecoms technologies (temporary or prolonged) due to cyber attack/other emergency, failure to manage maintenance/backups/suppliers/contracts, or lack of investment in systems/staff/training (i.e. failure of IT services to uphold priorities of Confidentiality, Integrity and Availability).			<div>Likelihood</div>  <div>Impact</div>		<div>Likelihood</div>  <div>Impact</div>	
Potential Impact	Financial impact from loss of productivity, service disruption (inc. statutory/vulnerable groups), inability to communicate, harm to staff/customers (access to records/Potentially Violent Persons register) & legal/regulatory/reputational implications.						
Note	large programme to facilitate remote working has been rolled out, with investment in new IT kit and existing kit re-provisioned to meet immediate needs and ensure continuity of service delivery. Council agreed to the procurement of Microsoft 365, which will ensure ongoing business efficiency, compliance with national security standards and continuity in the face of a period of uncertainty. An annual Cyber Security report is being introduced to the Audit Committee forward plan to enable closer scrutiny of the Council's arrangements.						
Related Actions	Develop & deliver the Council's Digital Transformation Strategy			CRR P&P IT1	Existing Controls	Business Continuity Plans	
	Complete actions from IT Asset Management Plan			CRR P&P IT2	Existing Controls	Service Level Agreements & Contracts	

		Information Not Managed Effectively	Senior Manager Legal & Governance			Current Score	12	Target Score	8
Risk	Information is not protected due to lack of compliance with information sharing, data protection, records management or IT principles/protocols (Confidentiality, Integrity & Availability), or poor management of information leads to inefficiency (duplication across multiple systems) and decisions based on poor quality/inaccurate business intelligence. Falure to use information to properly manage performace and plan responses								
Potential Impact	Legal/reputational/financial implications from breaches, inefficiencies costing time/money, non-completion of (possibly statutory) duties. Loss of productivity, impacting morale, or uninformed decision-making if information not available/used.					Likelihood		Likelihood	
Note	Opportunities arsiing from implementation of MS 365 but this will need an implamentation plan whihc includes records management					Impact		Impact	
Related Actions	GDPR Implementation Project Plan			COU GDP	Existing Controls	Data Sharing Agreements			
	Develop & deliver the Council's Digital Transformation Strategy			CRR P&P IT1		GDPR Guidance & Training			
	Develop a programme of digitisation to support redesign and service change			EXA BVA 1A4		Records Management Working Group			

Approach Tolerate

		Failure of Public Utility Supply	Strategic Director - Partnership & Performance	Current Score	12	Existing Controls
Risk	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.					Business Continuity Plans
Potential Effect	Fatality, injury or health risk, requirement to evacuate & find alternative accommodation, including for vulnerable people. Disruption to businesses, with potentially large costs, and impact on contact with health, care and emergency services.					Major Incident Procedures
Note	Risk reduced slightly due to planning and preparations but remains a concern due to infrastructure & power interdependencies, particularly black start outage recovery time (now believed to be minimum 7 days). Priority for the Resilience community, particularly due to Councils' duty of care. Planning & work ongoing, regular testing of plans, lessons learned from previous incidents and quarterly meetings with resilience partners including SPEN, SGN and Scottish Water.					Emergency Response Plan
		Public Health Emergency	Chief Executive	Current Score	25	Existing Controls
Risk	Significant numbers of Council staff and customers become ill due to the occurrence of a public health emergency, such as a flu pandemic, with spread potentially exacerbated through failure to vaccinate or follow hygiene protocols.					Business Continuity Plans
Potential Effect	Short- & long-term health implications for public & staff (inc. absence if ill or caring for others). Disruption to support & front-line services, inc. to already vulnerable groups. Consideration required of minimal service provision requirements.					Pandemic Flu Plan
Note	The Covid 19 pandemic is an ongoing live issue. The Council's Incident Management Plan was implemented on the 9 March, 2020 and Major Emergency Operating Procedures (MEOPs) were agreed and enacted. All Business Continuity plans have been reviewed and we are actively involved in response planning with the Forth Valley Resilience Partnership. Continuity of crucial services has largely been achieved, but the current and predicted increasing transmission rates is giving significant cause for concern and the risk score has been increased accordingly.					Major Incident Procedures

		Failure to Prepare for Severe Weather Events	Strategic Director of Place	Current Score	12	Existing Controls
Risk	Inability to respond to severe weather events due to lack of appropriate planning & equipment (e.g. 4x4 vehicles). Most likely flooding from rain/coastal surge, winter weather or heatwave (increasing frequency & severity due to climate change).			<div><div>Likelihood</div><div><div>Impact</div></div></div>		Business Continuity Plans
Potential Effect	Widespread community dislocation, damage to property, businesses, roads & utility infrastructure (inc. telecoms & power), or inability of staff to get to workplace. Increased workload in numerous services, impact on delivery, reputation & finances.					Winter & Flood Management Plan
Note	During the 3 months to December 2020, we have evacuated properties following flooding in Hillfoots. 2 new flood resilience groups were established in Alva and Dollar Discussions are also taking place with Police Scotland on how to improve community resilience response for flooding e.g road closures on minor roads.					Forth Valley Local Resilience Partnership