ABERDEEN CITY COUNCIL

COMMITTEE	Staff Governance Committee
DATE	26 June 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Cluster Risk Register and Assurance Map
REPORT NUMBER	CUS/23/185
DIRECTOR	Andy MacDonald, Director - Customer
CHIEF OFFICER	Isla Newcombe, Chief Officer – People and Organisational Development
REPORT AUTHOR	Isla Newcombe, Chief Officer – People and Organisational Development
TERMS OF REFERENCE	8.4

1. PURPOSE OF REPORT

1.1 To present the Cluster Risk Registers and Assurance Maps in accordance with Staff Governance Committee Terms of Reference to provide assurance that risks are being managed effectively within the People and Organisational Development Cluster.

2. RECOMMENDATION

That the Committee:-

2.1 Note the Cluster Risk Register and Assurance Map set out in Appendices A and B.

3. CURRENT SITUATION

3.1 The Audit, Risk and Scrutiny Committee is responsible for overseeing the system of risk management and for receiving assurance that the Extended Corporate Management Team (ECMT) are effectively identifying and managing risks. Reviewing the strength and effectiveness of the Council's system of risk management as a whole is a key role for the Committee.

3.2 The Risk Management Policy Framework states that all other committees should receive assurance on the risk management arrangements which fall within their terms of reference. This is provided through the risk registers for the relevant Clusters which fall within the remit for this Committee:

- People and Organisational Development

Risk Registers

3.3   The Council's Risk Registers are tools used by Functions and Clusters to capture and manage the risks which could prevent achievement of organisational outcomes and service delivery.

3.4   The Council's Corporate Risk Register (CRR) captures the risks which pose the most significant threat to the achievement of the Council's organisational outcomes and have the potential to cause failure of service delivery. The CRR is scrutinised annually by the Audit, Risk and Scrutiny Committee.

3.5   The Cluster Risk Register set out in appendix A reflects the risks which may prevent the Cluster from delivering on organisational outcomes and services, these risks may be escalated to the CRR where deemed necessary.

3.6   The risks contained within the Risk Register for the Cluster are grouped below by risk category and show the Council's corresponding risk appetite for each category as set within the Council's Risk Appetite Statement (RAS) which was approved by the Audit, Risk and Scrutiny Committee in March 2023.

The Cluster is working towards a target risk score which aligns with the risk appetite.

Risk Category	Risk Title	Target Risk Appetite	Aligned with RAS
Compliance	P&OD Service Delivery	Averse	Yes
Operational	Industrial action impacts on delivery of council services and on wider workforce capacity	Averse	No

3.7   The Cluster Risk Register provides the organisation with the detailed information and assessment for each risk identified including;

- **Current risk score** – this is the current assessment of the risk by the risk owner and reflects the progress percentage of control actions required in order to achieve the target risk score.
- **Target risk score** – this is the assessment of the risk by the risk owner after the application of the control actions. This is aligned with the risk appetite for this particular category of risk.
- **Control Actions** – these are the activities and items that will mitigate the effect of the risk event on the organisation.
- **Risk score** – each risk is assessed using a 4x6 risk matrix as detailed below.

The 4 scale represents the impact of the risk and the 6 scale represents the likelihood of the risk event.

Impact	Score						
Very Serious	4	4	8	12	16	20	24
Serious	3	3	6	9	12	15	18
Material	2	2	4	6	8	10	12
Negligible	1	1	2	3	4	5	6
Score		1	2	3	4	5	6
Likelihood		Almost Impossible	Very Low	Low	Significant	High	Very High

3.8   Development and improvement of the Cluster Risk Register and associated risk management processes has continued since the Cluster Risk Register was last reported to Committee:

- The Council's Risk Appetite Statement (RAS) was reviewed and updated.
- "Managing Risk" pages were published on the Council's intranet pages which contain information and links for officers and elected members on the Council's RAS, Risk Management Policy, Guidance and Training. This supports the further embedding of our risk management culture and ensures that everyone knows the part they play in managing risks within the wider system.
- Training was provided to officers on the updated Committee report template risk sections that were reviewed and updated to reflect the RAS, ensuring that officers fully align their proposals to elected members with the Council's agreed risk appetite statement.
- Risk owners and leads continue to review and update risk registers to improve monitoring and reporting across the organisation. These are mechanisms which reflect the day-to-day business of assessing and mitigating the risks and opportunities inherent in delivering public services.

Assurance Maps

3.9   The risk registers which are reviewed by the Council's Committees detail the risks identified within each of the relevant Functions and Clusters and provide detail of the risk, the potential impact and consequence of the risk materialising and the control actions and activities required to manage and mitigate the risk. Assurance Maps provide a visual representation of the sources of assurance associated with each Cluster so that the Committee can consider where these are sufficient. Sources of assurance are controls which are fully effective, following the completion of control actions. Presentation of each Cluster's assurance map provides full sight of the defences we have in place as an organisation to manage the risks facing local government.
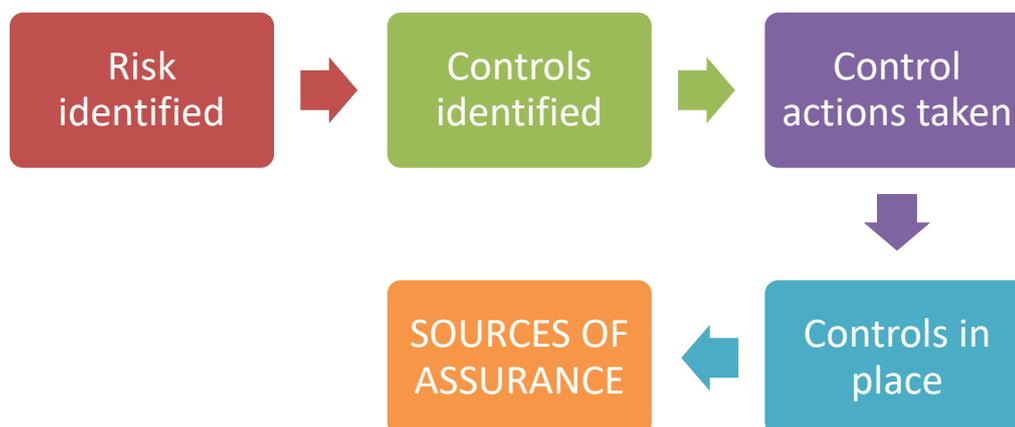
3.10 The Assurance Map provides a breakdown of the sources of assurance within "three lines of defence", the different levels at which risk is managed. Within a large and complex organisation like the Council, risk management takes place in many ways. The Assurance Map is a way of capturing the sources of assurance and categorising them, thus ensuring that any gaps in sources of assurance are identifiable and can be addressed:

First Line of Defence "Do-ers"	Second Line of Defence "Helpers"	Third Line of Defence "Checkers"
The control environment; business operations performing day to day risk management activity; owning and managing risk as part of business as usual; these are the business owners, referred to as the "do-ers" of risk management.	Oversight of risk management and ensuring compliance with standards, in our case including ARSC as well as CMT and management teams; setting the policies and procedures against which risk is managed by the do-ers, referred to as the "helpers" of risk management.	Internal and external audit, inspection and regulation, thereby offering independent assurance of the first and second lines of defence, the "do-ers" and "helpers", referred to as the "checkers" of risk management.

Risk Overview

3.11 Our workforce risk has been reviewed and updated in light of committee approval of our workforce delivery plan in service of TOM 1.2.

3.12 Our Industrial relations risk is regularly reviewed in light of the national position and is de-escalated or escalated between corporate and operational.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report. This report deals with risk management at Cluster level and this

process serves to identify controls and assurances that finances are being properly managed.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report. The Council's Risk Registers serve to manage many risks with implications for the legal position and statutory responsibilities of the Council.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 There are no risks arising from the recommendations in this report. The Committee is provided with assurance that the risks presented within the Cluster Risk Register are those that may affect achievement of organisational outcomes and delivery of services for each Cluster are identified, appropriately managed and that the Council's activities are compliant with its statutory duties.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	The council is required to have a management system in place to identify and mitigate its risks.	The council's risk management system requires that risks are identified, listed and managed via Risk Registers.	L	Yes
Compliance	As above.	As above.	L	Yes
Operational	As above.	As above.	L	Yes
Financial	As above.	As above.	L	Yes
Reputational	As above.	As above.	L	Yes
Environment / Climate	As above.	As above.	L	Yes

8. OUTCOMES

8.1 The recommendations within this report have no direct impact on the Council Delivery Plan however, the risks contained within the Council's risk registers could impact on the delivery of organisational outcomes.

9.   IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not applicable

10.   BACKGROUND PAPERS

10.1   None

11.   APPENDICES

11.1   Appendix A– Cluster Risk Register – People and Organisational Development

11.2   Appendix B – Cluster Assurance Map – People and Organisational Development

12.   REPORT AUTHOR CONTACT DETAILS

Name	Isla Newcombe
Title	Chief Officer – People and Organisational Development
Email Address	inewcombe@aberdeencity.gov.uk
Tel	01224 053487