

COMMITTEE Audit & Risk

DATE 8th June 2010

DIRECTOR Stewart Carruth

TITLE OF REPORT Risk Management Progress Update

REPORT NUMBER CG/10/098

1. PURPOSE OF REPORT

To update members of the Committee on the status of the Corporate Risk Register and to inform members of the Committee of progress within Services on implementing risk management processes.

2. RECOMMENDATION(S)

It is recommended that Committee:

- 1 Agrees that the Corporate Risk Register is a fair statement of the significant corporate risks within the Council (Attached as appendix to this report).
- 2 Notes progress to date in updating the Service Risk Registers.
- 3 Agrees the reporting and review periods.

3. FINANCIAL IMPLICATIONS

Provision of £20,000 is contained within the Corporate Risk Management Budget. Some of this provision, within the terms of the Financial Regulations, has been used to acquire external expertise and support, to improve Risk Management processes and facilitate development work. There are no further direct financial implications, but the mitigation of risk is a key element of managing costs.

4. SERVICE & COMMUNITY IMPACT

There are no specific service or community issues arising from this report.

5. OTHER IMPLICATIONS

There will be a staffing resource allocated to Risk Management i.e. a nominated risk representatives within each Service, to assist with the review, monitoring and development of Service Risk Registers, and the subsequent co-ordination of these by the Performance, Audit and Risk Manager.

6. REPORT

1. Corporate Risk Register

Following significant revision, the Corporate Risk Register was submitted to this Committee in December 2009 for agreement. The Committee approved the Corporate Risk Register and a timetable for its ongoing review. In line with that timetable the “Red Risks” in the Register have been reviewed at March 2010 and the Register is submitted now for the Committee’s consideration.




The current overview of risks within the Corporate Risk Register is detailed in the “Risk Heat Map” below.

Risk Heat Maps Explained: Each identified risk is evaluated using a matrix which scores the Likelihood of the risk from 1 to 6 (increasing in likelihood the higher the score) and the potential Consequences of the risk from 1 to 4 (increasing in severity the higher the score). This 6x4 matrix is shown below. The circled numbers show the number of risks which have been scored for each square in the matrix.

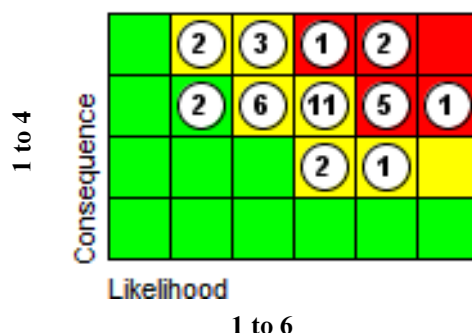
For example, the number 11 in the matrix below shows that 11 risks from the Corporate Risk Register are currently scored as:-

Likelihood = 4
Consequences = 3

Members viewing a hard copy of the circulated agenda will see the matrix as shaded rather than in colour. The undernoted key should assist:

-  Green Risks – Bottom / Left
-  Amber Risks – Middle
-  Red Risks – Top / Right

Corporate Risk Register Heat Map



As can be seen there are 9 “Red Risks” compared to 12 when the Committee last considered the report in December 2009. This indicates that actions have been put in place to mitigate the identified risks. The significant changes in the Corporate Risk Register since December 2009 are:-

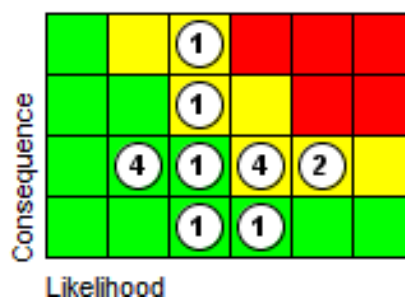
- i. **Risk 1** – “Failure to define corporate priorities” has been removed on the grounds that the Council has agreed an Interim Corporate Business Plan and a project has commenced to complete a 4 year costed Corporate Business Plan commencing 2011.
- ii. **Risk 8** – “Failure to comply with Health and Safety” has been reduced from a “Red Risk” to an “Amber Risk” on the grounds that a revised Health and Safety Policy detailing responsibilities and accountabilities was signed by the Chief Executive in February 2010.
- iii. **Risk 14** – “Failure to align service objectives with corporate objectives” has been reduced from a “Red Risk” to an “Amber Risk” on the grounds that Service Plans for the new Services have been, or are in the course of being, approved and that these explicitly align to the Interim Corporate Business Plan.
- iv. **Risk 28** – “Failure to identify a material risk facing the organisation” has been removed on the grounds that Risk Management arrangements have been improved and, following an audit conducted by Price Waterhouse Coopers, an improvement plan is in place.
- v. **Risk 34** – “Failure to realise the benefits of the new Development Plan and embrace the Structure Plan growth strategy through the new Local Development Plan” has been reduced from a “Red Risk” to an “Amber Risk” on the grounds that good progress has been made on a number of planning matters including the Structure Plan, Master Plans, Local Development Plan Main Issues report.

2 Service Risk Registers

Progress has been made in developing and embedding risk management arrangements across all Services since the Committee considered this issue in December 2009. The Corporate Policy and Performance Committee, at their meeting of 29th April 2010, agreed that as part of a consolidated approach to performance reporting that each Service Committee would receive and consider the appropriate Service Risk Register on a quarterly basis. A summary of progress and an overview of the Service Risk Registers is given below.

Office of Chief Executive

A Service Risk Register is in place for the Office of Chief Executive and the current overview of risks is detailed below.



Enterprise Planning and Infrastructure

A Service Risk Register is in place for the Enterprise Planning and Infrastructure Service and the current overview of risks is detailed below.

		1	1	1	3	2
Consequence	1	3	4	8	4	5
	1	2		5	2	3
	8	1	1	5		1
	Likelihood					

Housing and Environment

A Service Risk Register is in place for the Housing and Environment Service and the current overview of risks is detailed below.

		1	2	4	2	
Consequence			2	2	13	4
	1	5	1	7	12	2
			2	1		
	Likelihood					

Corporate Governance

A Service Risk Register is in place for the Corporate Governance Service and the current overview of risks is detailed below. The Register was fully reviewed at the end of March 2010. In preparing the Service's Business Plan, a review of the Risk Register has been undertaken to ensure appropriate actions are included within the Plan to manage the risks.

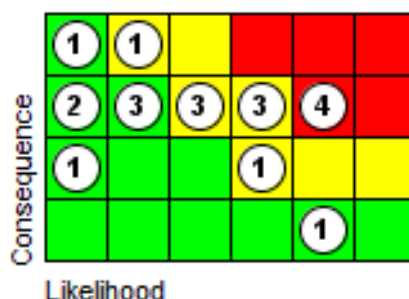
	2		2			
Consequence	3	7	7	1	2	
	2	1	5	9	3	3
	1	2	2	2		1
	Likelihood					

Education Culture and Sport

A Service Risk Register is in place for the Education, Culture and Sport Service. The Register is currently being imported into our electronic performance management system which will then generate a Risk Heat Map.

Social Care and Wellbeing

A Service Risk Register is in place for the Social Care and Wellbeing Service and the current overview of risks is detailed below. The Register was last reviewed in May 2010.



3 Review and Reporting Periods

As agreed by the Committee in December 2009, the Corporate Director of Corporate Governance will next report in full on risk management arrangements to this Committee in December 2010.

The annual programme for review of Corporate and Service risks for the remainder of 2010/11 is as undernoted:

June	–	Review Red and Amber Risks (Corporate Register)
August	–	Review Red Risks Only (Service Registers)
September	–	Review Red Risks Only (Corporate Register)
November	–	Full Review of all Risks (Service Registers)
December	–	Full Review of all Risks (Corporate Register)
February	–	Review Red Risks only (Service Registers)
March	–	Review Red Risks only (Corporate Register)

4. Internal Audit Report on Risk Management Process

The Committee is also considering, at this meeting, an Internal Audit report undertaken by Pricewaterhouse Coopers on the risk management process. It is worth commenting that the opinion of the audit recognizes that improvements have been made over the past 18 months and no “critical” recommendations have been made. Recent improvements over the last few months include:-

- Cross-referencing of Service Risk Registers to identify actions for Service Business Plan;
- Categorizing risks in line with Accounts Commission guidance as professional, financial, legal, physical, contractual, technological, environmental;
- As mentioned above, the agreement of the Corporate Policy & Performance Committee to put in place a single performance reporting model including

quarterly reporting to each service committee of PIs, actions, budgets and risks;

- Quarterly monitoring of risks by the Corporate Management Team and Services' Senior Management Teams;
- Inclusion of risk in 1-2-1 line management meetings;
- The completion of all Service Risk Registers;
- Work on revised competencies for managers which specifically include risk management.

The audit does highlight areas where further development is required and these improvements will form the basis of our improvement plan over the coming year.

7. AUTHORISED SIGNATURE

Stewart Carruth, Director of Corporate Governance

scarruth@aberdeencity.gov.uk

522550

8. REPORT AUTHOR DETAILS

Martin Murchie, Head of Performance Management & Quality Assurance

mmurchie@aberdeencity.gov.uk

522008

9. BACKGROUND PAPERS

Corporate Risk Register

Service Risk Registers

Corporate Risk Quarterly Report

Report Author: Martin Murchie
Generated on: 26 May 2010

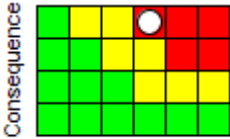
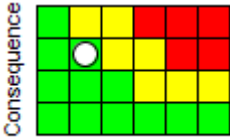
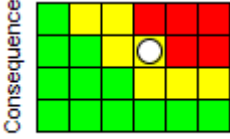


Business Risks

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP03	Failure to provide effective governance arrangements	Unable to ensure that the Council is doing things right, in the correct way, for the right people in a timely, inclusive, open, honest and accountable manner Lack of procedures, systems, culture and values to enable engagement with the community	Lack of vision and outcomes for the citizens of the city - no engagement No common purpose and clearly defined functions and roles for Members and Officers - lack of effectiveness Lack of informed decisions which are transparent and subject to scrutiny	All party Leadership Board set up to oversee the review, development and updating of the City Council's Local Code of Corporate Governance Officers to produce reports which outline policy options Members to attend appropriate training		6	Chief Executive to bring forward to Council a series of reports in 2009 refreshing the Council's governance arrangements.	None	Ciaran Monaghan	19 Nov 2009
CORP07	Failure to deliver Best Value	Lack of clear programme of Best Value Service Reviews (review work may not be recognised as such) Potential reluctance to challenge the	Services which are not delivering value for money.	Agreement and implementation of rolling programme of Best Value Service Review; Systematic self-assessment of services embedded within planning cycle. Assess use of Audit		9	Agree corporate approach to self-assessment. Presentation to CMT in October 2009. Agree programme of Best Value Service Reviews (incorporating	Positive Audit of Best Value & Community Planning	Paul Fleming	09 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		existing ways of doing things Partial data on which to quantify/measure Best Value and test competitiveness.		Scotland BV Toolkits in advance of BV2 (depends on outcomes of national Pathfinders)			extensive ongoing review work). Guidance on Best Value Service Reviews to be reviewed. Continue development of benchmarked performance including unit costs and customer satisfaction.			
CORP10	Failure to satisfy the requirements of the Inspectorates improvement Plans	Failure to comprehend the role and authority of Regulatory bodies Failure to respond adequately to a critical report	External parties brought in to assist the Council Reputation damage Impact on service delivery	Make sure the Council is aware of all regulatory involvement for the organisation e.g. SWIA, HMIE, Care Commission, Food Standards Agency, Audit Scotland, Housing Regulator Ensure robust preparation mechanisms in place Ensure all Statutory PIs are robust Clear lines of responsibility at Head of Service level		12	Priority to be given to delivery on improvement plans. Council to work closely with Audit Scotland and other inspection agencies in jointly assessing and agreeing risks ahead of further audit activity.	None	Ciaran Monaghan	19 Nov 2009
CORP12	Failure of Chief Officers and Managers to manage the Council	Lack of skills, experience and credibility Political Mandate - Freedom to act Existence of control and authority mechanisms such as Financial Regulations Leadership	Change difficult to achieve Reduction in performance Effect of reducing workforce = loss of skills Reputational damage External input - not locally responsive Loss of skilled and committed staff	Rigorous Selection Process Performance Monitoring Regime - internal and regulatory Performance Appraisal Effective use of Performance Management System Focus - Direction, Governance		12	New team of Directors working with the Chief Executive to set out clearly the expectations of management within the Council. Recruitment of a new team of Heads of Service to be	None	Ciaran Monaghan	19 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		Direction - delegated powers Too much direction - lack of focus	Recruitment difficulties Morale of staff affected	Appointment of Chief Executive Effective Governance Effective Communication			completed by the start of 2010.			
CORP13	Failure to produce and utilise effective management information	People do not know extent of available information Data available not properly interpreted Information overload Failure to produce effective and robust information Failure to use this information appropriately	Poor decision making Capacity to improve diminished Poor value for money	Ensure production of effective management process Feedback mechanisms in place Lead Officer to undertake the issues Further develop performance information at local level to enable comparison between areas of and with the performance of each service overall		12	Subject to review for clarification of intent	None	Paul Fleming	19 Mar 2010
CORP14	Failure to align service objectives with corporate objectives	Failure to engage stakeholders in the corporate decision making process. Corporate Policy is not driven by Service delivery needs. Failure to implement agreed policies and procedures. Ineffective communication processes so that Services do not always know what is required. Objectives not clearly prioritised and communicated as such. Communication of	Resources not deployed to achieve corporate priorities. Failure to achieve corporate priorities. Inconsistent service delivery. Employees not "connected" to corporate sense of purpose.	Corporate objectives are clearly defined within the Corporate Plan and are agreed following appropriate engagement. Corporate objectives reflect service needs and capabilities. "Golden Thread" clearly in place from corporate objectives to Service, Team and individual level.		12	Corporate Interim Business was approved by Council in December 2009 following extensive consultation. Service Planning guidance approved by CMT. New Service Plans to be in place for beginning of 2010/11. Resident Survey completed to feed into Service Planning.	Service Plans are in place, are accepted and understood by members and officers, are clearly linked to the Corporate Plan and are known to be deliverable through allocation of resources	Paul Fleming	19 Feb 2010

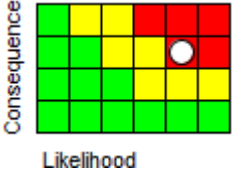
No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		priorities not undertaken.								
CORP15	Failure to plan for business continuity	Failure to accept that a Business Continuity plan is required Failure to recognise the impacts arising from loss of staff, systems and/or facilities. Failure to recognise and reduce risks which may lead to loss of the above. Failure to ensure that there is a properly resourced Emergency Planning function	Inability to provide critical services. Service disruption at a higher and longer level than would be the case with planning. Lack of ability to react to a crisis. Failure to identify internal and external dependencies.	Production of Council Business Continuity Policy and Procedures document. Production of Business Continuity Plans at functional level. Implementing, testing, exercising and maintenance programme for all plans	 <p>Likelihood</p>	16	Ensure Business Continuity plans are in place throughout the organisation with the priority being on functions deemed most critical in terms of: welfare and the environment; finance; statute; reputation and emergency response.	None	Pete Leonard	13 Oct 2009
CORP16	Failure to establish and maintain appropriate structures to maximise service delivery	Failure to understand or correctly interpret, the corporate priorities Distributed/Central ised, Functional/Geographic, In-House/Contracted	Inefficiencies Poor customer service	Revised Directorate structure with a key focus on supporting front-line service delivery.	 <p>Likelihood</p>	6	Directors and Chief Executive working on Heads of Service structures to be taken to Council in October/November 2009 with a view to recruitment being completed by the start of 2010.	None	Ciaran Monaghan	19 Nov 2009
CORP17	Inefficient and Ineffective processes, leading to duplication and lack of appliance	Failure to provide an internal regulatory framework eg Scheme of Delegation, Financial Regulations, Standing Orders etc Failure to	Inefficiencies Illegal activity Uncontrolled activity	Internal/External Audit Business Process Re-Engineering Capacity to hold procedures and policies in The Zone and available to all.	 <p>Likelihood</p>	12	Review policies and procedures Process redesign	Policies and Procedures have been requested from the Services and collated Checks have been made for duplicates The indexing is complete for all electronically available Policies and	Paul Fleming	31 Mar 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		monitor compliance with the regulatory framework using PIs, Internal Audit. Processes are not efficient						Procedures A paper has been presented to Director of CG MT in September 2009 for decision on the next stage		
CORP22	Failure to put in place effective crisis and emergency management practices	Tendency to put daily work pressures and commitments to top of priority list. Lack of appreciation of the benefits of a preplanned framework of crisis/emergency response.	An increased level of damage to the council's reputation and a reduced capability to manage the effects of emergencies on the council, the community and the infrastructure of the city. Failure to comply with the Civil Contingencies Act 2004	Maintenance of the Emergency Planning Unit. Production and maintenance of the Emergency Planning Policy & Procedures document. Maintenance of Business Continuity arrangements.		15	Review Emergency Planning and Business Continuity Policy documents to reflect change in council structure. Develop service incident management plans and provide training to those involved.	None	Pete Leonard	13 Oct 2009
CORP23	Failure to deliver improvement programmes, including efficiencies	Inadequate corporate direction and accountability for delivery Abilities / skills / experience of key personnel Lack of clarity in the objectives Inadequate determination of activity required for delivery of improvement and / or efficiencies	Damage to credibility of the Council Services are not efficient, effective, and responsive Staff are not properly managed Lack of communication and understanding of aims of the Council Failure to respond to external audits and inspections Cost savings and efficiencies not achieved; Insufficient capacity or	Planning and delivery of improvement and / efficiency projects Creation of Efficiencies - 2% per year Ensure the Council's priorities drive continuous improvement and secures Best Value across all service areas Secure more consistent service improvement through performance management to demonstrate improvement Develop strategic resource		9	Research and benchmarking to identify real improvement / efficiency opportunities; Diagnostic Pathway to identify efficiency / shared service opportunities; Development of business case building to provide sound base for achieving improvements; Challenge being provided to proposed improvements to	Moved to a structured strategic approach - Corporate Improvement Plan. Change Managers now allocated to each Service and are working to fulfillment of corporate objectives with their allocated service. Also working with allocated service for in-service change. Corporate approach being taken to ensure all budget savings over £300k properly set up for timely delivery. Focused working by	Paul Fleming	31 Mar 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
			capability to deliver improvement / efficiencies	management to support the improvement / efficiency programme & develop, a long-term financial strategy			ensure that they are real, are required re service delivery standards, and are achievable;	SDD with each Service to ensure delivery of the Efficiency projects which individually and collectively will create significant change across the Council services. Other specifics will follow.		
CORP24	Failure to deliver major projects	Budget restrictions Political Commitment, change of Leadership- change of priorities Resources implications, lack of skills and experience Government imposed constraints - procurement process may not offer best value e.g. 3R's project PPP	Timing dictated by constraints and not operational needs Impact on other regeneration opportunities Status of the city will suffer; projects not delivered or delivery takes too long and is therefore unnecessary drag on resources;	Good project management skills Good scrutiny practices, prior to Project Commitment Ensure that a project risk register is in place Option appraisals Client element of all projects to understand and accept their role in the delivery; clear and agreed deliverables from outset of project; dedication of required resource to the project for its duration;		12	Development of Project Management Skills Project reviews; review of project management guidelines to simplify process but strengthen focus on crucial elements of project planning and delivery; Internal Audit team to put review in place.	Property resources Project Management teams to ensure delivery. New Heads of Service to review Organisation of Project Teams in EP&I	Gordon McIntosh	18 Mar 2010
CORP27	Failure to deliver an effective fraud prevention strategy	Failure to recognise the need for a strategy Lack of awareness of Fraud techniques Lack of a fraud prevention policy	Losses Audit criticism Poor press coverage Reputational damage - soft touch Fraud encourages others to do the same	Anti-Fraud and Corruption Strategy in place Good basic controls Whistleblowing policy Awareness of Fraud techniques Good information sharing protocols Updating Money Laundering Policy		12	Review and update Anti-Fraud and Corruption Strategy Include controls in Annual Internal Audit Plan	None	Barry Jenkins	11 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP38	Failure to Manage Performance Effectively	Lack of sufficient and effective measures within the Service to drive performance improvements	Failure to deliver Service Performance Improvements	Review current performance monitoring and reporting processes and procedures		9	Refinement of Performance management systems which focus on key areas.	Under Review	Annette Bruton	20 Nov 2009

Social Risks

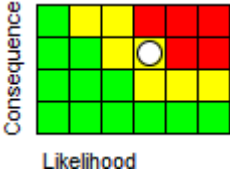
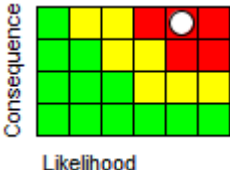
No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP33	Failure to deliver agreed regeneration strategies and opportunities	Lack of funding Failure of clear objectives Failure of knowing roles and responsibilities Failure to identify regeneration needs Failure to engage across services Failure to deliver agreed strategies and opportunities Failure to engage with partners	Widening gap between communities degrading quality of life for Citizens within the City. City status and reputation will decline, increase in crime, poverty, unemployment, homelessness, educational performance, and associated costs will rise.	Regeneration strategy review. Fairer Scotland Fund programme, and themes. Focus on the regeneration areas/build profile of planned and prioritised actions. Stakeholder involvement. Neighbourhood planning and local partnerships.		15	Revised regeneration strategy identify resources Identify responsibilities agree priorities City Centre Framework. Project Director Economic Development, community regeneration to focus on 7 areas, reassess post simd release in Oct 09. Mainstream services to set stretch re SOA.	Reduction in the 0-15% data zones. Improved quality of life indicators in the regeneration areas	Gerry Brough	09 Nov 2009

Customer/Citizen Risks

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP11	Failure to provide appropriate customer service standards	Lack of clarity and consistency across the City on key standards Pockets where a customer focused culture is not embedded	Customer expectations not met Reputation of the Council affected	Customer Service Strategy prepared. Organisational structure to mitigate inconsistency of standards. Complaints procedure in place. Corporate and Service level standards in place. Customer Service Standards Leaflets published. Customer First Toolkit. Customer Contact Centre. Customer Access points. Incorporate citizen satisfaction measures within performance reporting arrangements.	<p>Consequence</p> <p>Likelihood</p>	8	Area based organisational structure has changed and inconsistency of standards will be minimised Corporate Standards published within Customer Service Strategy New Services will review standards Customer feedback will be consistently gathered through a corporate consultation, again this is included in the Customer Services Strategy. Customer Service Strategy - Draft prepared for wider consultation	Service Standards are agreed and understood by members and officers based on systematically assessed user needs. Customers tell us they know what standards they can expect and they accept these are appropriate.	Paul Fleming	20 Nov 2009
CORP31	Failure to communicate effectively with key stakeholders	Failure to identify who the stakeholders are Failure to engage openly with them - balanced relationship Failure to maintain good lines of communication	Lack of co-operation Unwillingness to deal with the Council - negative effect on delivering projects/partnership activities Public criticism from disaffected	Effective external communications Community Plan Links with Business Community and Voluntary Sector compacts Effective use of "City Voice" Consultation and	<p>Consequence</p> <p>Likelihood</p>	12	Chief Executive prioritising communication with all relevant stakeholders while at the same time ensuring that the Council's planning hierarchy from National Outcomes	None	Ciaran Monaghan	19 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		Failure to make clear Aberdeen CC / Stakeholder relationships - managing expectations	stakeholders Loss of potential external funding opportunities Reputational damage Loss of potential match funding opportunities	Community engagement used Promote a responsive culture Implement protocols for key specific service users Links with Govt - e.g. External Support Group/COSLA Increase level of challenge to existing ways of doing things to ensure that services are designed around the needs of users			to individual work plans is clear and understood.			

Financial Risks

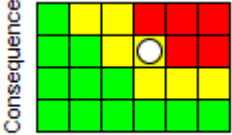
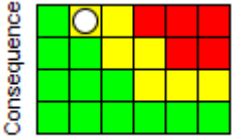
No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP21	Failure to carry out a proper risk analysis when entering into a financial commitment	No full understanding of the nature of the commitment Lack of skill and experience on the part of the Council Lack of understanding of the role of all the parties	Failure to deliver expected outcomes Additional costs May incur a long term contingent liability	Option appraisals Embedded Risk culture/optioning exercise Effective Project Management Life Cycle costing		12	Undertake: Option appraisals Embedded Risk culture/optioning exercise Extend Life Cycle costing	None	Barry Jenkins	20 Nov 2009
CORP25	Failure to deliver the budget	Poor leadership within services Lack of proper budget setting processes Lack of proper budget monitoring Failure to recognise and plan for demand led pressures on the budget Service standards higher than necessary, or higher than those on which the budget was based Economic climate resulting in reduced income levels or higher than predicted costs or inflation levels	Reputational damage Forced service cuts Reactive management and potential external intervention Staffing implications - recruitment, retention and morale Voluntary severance and early retirement - loss of skills and strain on Pension Fund	Budget processes have been made more robust The interim functional structure facilitates the setting of priorities and identification of efficiencies Option appraisal is now considered at earlier stage of budget setting Rigorous budget and out turn scrutiny by officials and members Extensive work done to support the transformation programme and develop a long-term financial strategy Savings are built into future budgets. The revised service		20	Enhance Member and Officer challenge on budget proposals React quickly and appropriately to unavoidable overspends Explore early warning systems to identify any budgetary impact arising from the economic down turn. Meetings with Directors and appointed Heads of Service to clarify detailed budgets and cost centres allocated Further review training requirements of	Members have received Scrutiny and Local Government Finance Training Finance Briefings for Budget Holders undertaken in Oct/Nov 09. Roles & Responsibilities of Budget holders clarified along with monitoring and use of financial planning tool to assist in budget monitoring, planning and forecasting to clarify budget position Accountancy staff assigned to services, and attend SMT meetings. Service Committee structure now included direct	Barry Jenkins	31 Mar 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		Significant staff changes and lack of clear lines of accountability and handover procedures		structure aligns Director responsibility and service committee reporting. Developing a new budget monitoring tool - Financial Planning - for budget holders. Ongoing review of this tool by user group chaired by Corp Accounting Manager. Looking at spend trends to give early warnings Plan is that all schools will be off the BOSS feeder system and on to eFinancials by 31 March 2010.			budget holders and budget managers in relation budget monitoring tool (CP)	accountability of each appropriate service including performance on budget		

Legislative Risks

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP08	Failure to comply with Health and Safety requirements	Lack of acknowledgement or need for a H&S culture Failure to issue a clear policy or guidelines Failure to allocate sufficient resources	Avoidable death and injury Unsafe workplace Reputational damage to the Council Prosecution Payment of damages or compensation	Corporate Health & Safety Policy Service Health & Safety Policy Health & Safety Training Adequate Resources	<p>Consequence</p> <p>Likelihood</p>	12	Knowledge of Health & Safety Projects. Also need to ensure that health and safety responsibilities in the new structure are clarified, agreed and communicated	Health and safety policy detailing responsibilities and accountabilities signed by Sue Bruce on 9/2/2010 available on the Zone. Services must detail their arrangements on how they will implement the corporate policy. Local arrangements will be required for establishments. This information must be relayed to employees. Director involvement training available for all 4th tier and above.	Ewan Sutherland	25 Mar 2009
CORP09	Failure to provide a corporate framework which promotes and supports compliance with Freedom of Information requirements /Data Protection legislation/ RIPSA	Failure to understand the requirements of the Acts Failure to handle data appropriately - retention of documents as required Failure to get data approved by the Regulator	Criticism by the regulators Criticism by the public, press, private sector Damage to businesses or individuals by an illegal data release	Effective Records Management.	<p>Consequence</p> <p>Likelihood</p>	9	All Services to be required to identify DPLOs and FOIOLs (as a consequence of current restructuring exercise). All Services to be reminded of the need for effective records management.	None	Jane MacEachran	12 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP26	We have recently implemented a pay and grading system which is demonstrably free from bias. If this system is not maintained then it maybe necessary to re-do the work in the future.	The Equal Pay Act 1970, provides employees and trade unions with a mechanism for challenging rates of pay applied to the post they currently work in. In addition to this "no-win-on-fee" lawyers have been equally active in Scotland seeking out clients who think thaw should be earning more money. Since the implementation of the new pay grades on the 1st May 2009, the Council has a defence against challenge. However as the organisation changes and evolves, if any job achieves a pay level, higher than the job evaluation outcome would suggest, this could be used as the basis of the challenge.	The consequence of even one Equal Pay claim going against the Council on at tribunal, could be financially devastating ultimately running to possibly tens of millions of pounds. It may also result in new job evaluation outcomes being imposed on the Council by a Tribunal appointed JE expert.	All new jobs in the Council, should be subjected to formal job sizing prior to being filled. Further any changes to existing jobs need to be monitored to ensure that the existing JE outcome is still valid Schools to move from BOSS feeder to Efinancials by end of March	<p>The Risk Matrix is a 4x4 grid. The vertical axis is labeled 'Consequence' and the horizontal axis is labeled 'Likelihood'. The grid is color-coded as follows: <ul style="list-style-type: none"> Column 1 (Low Likelihood): All cells are Green. Column 2 (Medium Likelihood): All cells are Yellow. Column 3 (High Likelihood): All cells are Red. Column 4 (Very High Likelihood): All cells are Red. A white circle is located in the top-right cell (High Consequence, Very High Likelihood).</p>	20	All business cases and Committee reports need to be consulted with HR.	Bi-annual pay review to be undertaken and Equal Opportunities SPI produced annually	Ewan Sutherland	17 May 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP29	Failure to ensure that the Council's activities are within its legal powers	Failure to identify key risk areas - where we are most likely to break the law Failure of Chief Officers to acknowledge their legal responsibilities Poor training Failure to identify and respond to changes in legislation	Litigation - sued/fined Liability for compensation Reputational damage Harm to persons or organisations	Standing Orders Procurement procedures Delegated powers Democratic Process City Solicitor is Council Monitoring Officer Effective Records Management	 <p>Consequence</p> <p>Likelihood</p>	12	Services to undertake training in new Standing Orders	None	Jane MacEachran	12 Nov 2009
CORP36	Inconsistent interpretation and application of the Protection of Children (Scotland) Act 2003	Lack of a consistent approach across the Service	Children may be put at risk from unsuitable individuals having access to them	Guidelines and processes in place for Council Employees	 <p>Consequence</p> <p>Likelihood</p>	8	Review of Guidance and analysis of failures	Under Review	Annette Bruton	20 Nov 2009

Partnership Risks


No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP30	Failure to implement Community Plan and work effectively with community partners	Lack of understanding of the key aims of the plan Lack of direction from CMT Failure to agree on priorities and targets Failure to align to budgets Failure to deliver on Single Outcome Agreement	Lack of progress in achieving improvements for the city and it's citizens Reputational damage to the City and the Council Loss of potential future funding	Produce revised Corporate Plan, Redraft Community Plan as narrative to the SOA 2009 , with regular reviews and updating built in to SOA performance report to TACA, When preparing the new community plan, ensure that it sets out clear responsibilities among the various partners for delivering specific priorities and that priorities are aligned to budgets, TACA to redesign agendas to consider a theme within the SOA at each of its meetings to be lead by the lead partner or forum to consider the wider partnership and partners contribution to achieving priority outcomes, TACA priorities defined and agreed as to where TACA can add value to the work of the wider forums in the achievement of		9	Feed in as part of the councils corporate plan/service plans/team plans etc demonstrate the golden thread.		Paul Fleming	10 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
				specific outcomes by Jan 2010.						
CORP32	Failure to engage in Shared Services agenda	Failure to acknowledge the benefits of Shared Services Protectionist attitude - fear of losing control No funds if investment required No one given any primary control to kick start an initiative Adopting an overly risk averse approach when speed and flexibility in decision making is necessary	Failure to realise potential savings May be forced upon the Council Lack of progression and development	NE Scotland shared services board Delivery of shared service projects Review scheme of delegation to enable empowerment of managers decision making		8	Shared service activity to be included within job specification and objectives and Head of Service training slots Shared services to be implemented before year end Modernisation fund available to pump prime shared service spend to save initiatives Profile of shared services raised through CMT/Shared Services Board Clear lead for activity to be given to the accountable service director(s) and to be monitored through the 1:1 corporate process		Stewart Carruth	12 Nov 2009

People Risks

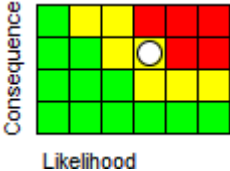
No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP18	Failure to maintain good industrial relations	Failure to engage meaningfully and usefully with the Trade Unions Reliance on formal mechanisms as opposed to informal Failure to reflect union perspectives in management proposals Failure to capitalise on the positive contribution Trade Unions can make to organisational initiatives	Confrontation and potential disputes/industrial action Poor press Reputational damage	Engage with unions both formally and informally Ensure adequate consultation processes are in place and that consultation itself is meaningful Address and seek resolution of issues of concern as soon as is practicable		18	Weekly meetings established in relation to EP & M implementation ongoing. Service UMCS established Regular dialogue between Senior Managers within Services, HR and Trade Union Reps	Completion of EP&M Job Evaluation Appeals by mid 2011. Number of disputes registered by Trade Unions on failure to consult	Ewan Sutherland	25 Mar 2010
CORP19	Failure to have effective communication processes (internal and external)	Failure to recognise the need for effective communication Culture of secrecy Failure to train staff and elected members in key communication skills Failure to deal effectively with media enquiries Failure to communicate to staff key messages	The Council and it's work is not effectively promoted Staff do not receive essential information which may lead to mistrust Public attitudes to the Council become increasingly negative So much in press before going through management	Dedicated Communications Team to deal with internal and external communication Team Talk issued monthly to staff 1-2-1 Appraisals carried out Intranet for staff information - The Zone Team Plans in place Elected members and Senior staff receive training on handling the media Council website		9	Regularly monitor communications and ensure communications strategies are in place	None	Ciaran Monaghan	19 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
			channels	regularly updated and other communication methods used to make contact with key stakeholders Council to promote a positive image of the Council Build the reliability of internally produced communications Create on line internal collation of and response to press comments						
CORP20	Failure to engage effectively with staff (morale and motivation)	Lack of Communication Lack of training Not recognising staff values Poor management Lack of face to face meetings and team meetings	Poor performance Lack of motivation Higher absenteeism	Effective feedback process in place to gauge implications of current situation Effective HR policies Employee Engagement Know what type of employer we want to be - e.g. Staff Opinion Surveys/suggestion schemes/Team Talk Visibility of Senior Management 1:1's Appraisals Corporate Decathlon Training Raise staff morale, and foster greater engagement with the improvement programme Staff Survey - take on board feedback via these - establish and	<p>Consequence</p> <p>Likelihood</p>	15	Ensure all Risk control measures are fully operational	People Dimension Group established and meeting regularly to review morale, engagement and people aspects of Council initiatives; Flexible Working policy introduced; Successful Recruitment policy; teamtalk replaced by informal staff newsletters and regular management briefs; senior manager conferences replaced by line manager briefings including a wider management audience; 360 appraisals introduced for 1st to 3rd tier; 1-2-1s introduced for 1st to 4th tier;	Ewan Sutherland	01 Apr 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
				utilise effective mechanisms Use made of staff suggestions or if not used make clear reason why				Corporate Decathlon participation for last 3 events; development programmes introduced for managers and employees including development centres, mentoring, external accreditation and eLearning; measures taken to improve engagement including ACE ideas scheme, managers and employee handbooks on Zone, engagement toolkit on Zone, Recognising Achievement Ceremonies, employees invited to contribute views via Shaping Services exercise		
CORP35	People Protection	Unpredictability of human behaviour	Serious harm to public Death Loss of reputation for Council	Competence in assessment intervention and care planning skills Controls operating effectively but not fully Adult protection arrangements now up and running	 <p>Consequence</p> <p>Likelihood</p>	15	Comprehensive assessment framework to be taken forward in children services Strengthen role of Aberdeen child protection sub-committee and strategic planning arrangements for integrated childrens services Integrated (joint futures) management	None	Fred McBride	26 May 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
							arrangements with health are being reviewed Quality assurance mappa exercise to be undertaken via Northern Criminal Justice Authority			
CORP37	Difficulties in recruiting appropriate staff to Senior positions within the EC & S Service	Impact on the effective and efficient operation of the Service	Effective Management of the Service will be undermined	Review recruitment process to make packages more attractive to potential applicants		15	Analyse and review reasons for low response to Senior posts which are advertised.	Under Review	Annette Bruton	20 Nov 2009

Physical Risks



No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP34	Failure to realise the benefits of the new Development Plan and embrace the Structure Plan growth strategy through the new Local Development Plan.	Lack of housing, commercial and industrial development Inability of market to deliver Unwillingness to accept the required scale of development and identify appropriate locations.	Areas of deprivation Continued migration out of the city Lack of economic growth Impact on Council finances Imbalanced population structure Increased congestion Lack of developer contributions for affordable housing, infrastructure and other services Lack of critical population mass to support services and facilities	Implement recently approved Structure Plan, including the strategy for growth, through the Local Development Plan. Monitor planning permissions and completions (retail, hotels, housing, employment) and availability of housing and employment land. Determine planning applications in accordance with the Development Plan. Prepare master plans for major allocations (including delivery plans). Continue to work with ACSEF and the private sector to improve the planning process, including embracing the culture change required for the effective implementation of the new Planning Act. Continue to liaise with house builders on the current economic situation.		12	Monitor the current Local Plan to help inform the next Local Development Plan Progress preparation of new Local Development Plan in accordance with the approved Development Plan Scheme, including actively engaging with Elected Members and communities to ensure an understanding of the growth strategy and also ensuring a corporate approach across the Council Continue to work with developers and the private sector to embrace the culture change, improve the planning process and encourage investment Consider options for the Council proactively facilitating development (through, for example, land acquisitions and infrastructure	Structure Plan submitted on time and approved by Scottish Ministers in August 2009. Master plan process approved by Planning Committee and now being implemented. Master plans prepared, or in preparation for some key sites. Work continuing with ACSEF on culture change and improving the planning process. Housing Land and Employment Land Audits for 2009 completed. Retail and hotel monitoring report to presented to Planning Committee. Local Development Plan Main Issues report approved for public consultation for October to December 2009. Work continuing and on target to provide next committee progress update	Gordon McIntosh	17 Mar 2010

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
							provision and a City Development Company). 17/3/10 Careful watch on economic conditions continuing.			

Political Risks

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP02	Failure of Elected Members to lead, or provide scrutiny of the Council	Lack of understanding of their role Tensions between political role and leadership role Failure of officers to provide accurate information to members to assist them in their role Councillors are overstretched Failure of officers to submit reports timeously	Lack of clear direction which affects the decision making process Loss of accountability from poor scrutiny Insufficient time to scrutinise because of late submission of reports	Rigorous induction process - ongoing training in matters such as scrutiny and performance issues Opposition chaired scrutiny panel Effective committee support - focus and targeted information Develop performance scorecards to committees focusing on improvements in customer satisfaction measures, unit costs and benchmarking Clear option appraisals on policy Fewer late reports submitted to meetings	<p>Consequence</p> <p>Likelihood</p>	8	The Audit and Risk Committee chaired by an opposition councillor has now been established and meets each cycle Training on scrutiny has been provided to a number of members via CIPFA and further sessions are planned	Establishment of Audit and Risk Committee and approval of remit Training for Convenor and Vice Convenor on changing the scrutiny function Training of all Councillors in scrutiny, ongoing via CIPFA Successful implementation of methodology for referring items for scrutiny Since introduction of new committee structures, there has been a significant reduction in the number of late reports submitted to members.	Jane MacEachran	20 Nov 2009

Technological Risks

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
CORP04	Failure to deliver a Corporate Asset ICT Management Plan	No commitment to Asset Management planning process Skills not available within the Council to undertake this	Investment decisions tend to be reactive rather than pro-active Declining standards - inhibits re-generation Reputation damage Ineffective Capital/Revenue programmes Depreciation of asset base beyond requirements for modern technology requirements Inefficient levels of productivity and increasing cost of service maintenance IT not able to support core objectives of Services	Produce and deliver against a Corporate ICT Asset Plan Ensure a proper structure in place and resource to manage Corporate ICT Asset Plan Co-ordinate the production from Services of an Annual inventory check	 <p>Consequence</p> <p>Likelihood</p>	10	Following a review of the ICT Technical Strategy during summer of 2009, produce a Corporate ICT Asset Management Plan linked to capital revenue programmes	ICT Business Strategy and ICT Technical Strategy in place. Being worked with as core to the production of a Corporate Asset (ICT) Plan. Recording of assets improving.	Paul Fleming	09 Nov 2009
CORP05	Failure to maximise the benefits arising from new technology	Lack of skills Lack of innovative thinking regarding the application of technology to work processes and requirements Budget restrictions Risk averse - comfort zone approach Little or	Inefficient and ineffective service delivery Poorer customer service delivery Higher costs of inefficient service delivery due to not utilising new technology	Foster a culture which encourages innovation Performance Management/Benchmarking Identify and adopt practices making use of technology differently from us for the same services Review of	 <p>Consequence</p> <p>Likelihood</p>	12	Identify and adopt practices making use of technology differently from us for the same services Maximum utilisation of existing applications and systems	This requires two approaches. First the utilisation of technology by clients in their business delivery. This is being progressed through the work of the project leaders working with services on bringing in and	Paul Fleming	09 Nov 2009

No.	Risk Description	Causes/Scope	Potential Consequences of Risk	Risk Control Measures	Risk Matrix	Risk Score	Action Now Proposed	Critical Success Factors	Managed By	Date of Last Review
		no acceptance of technological change Failure to see uses for technology beyond the primary reason		market from perspective of poor performance to seek solutions Maximum utilisation of existing applications and systems ICT Asset Strategy				better using existing applications. Secondly there needs to be better utilisation of the actual technology available and this is being progressed through various means, e.g. server virtualisation. Linked to and driven by the creation of the new data centre		
CORP06	Failure to protect IT data and infrastructure	Failure to identify and implement an effective IT security strategy Complacency and lack of discipline including laptops / Blackberrys out of office use, data transferred via mail Failure of staff to adhere to security arrangements Disregard of legal requirements under Data Protection Act	Loss of data Service interruption Embarrassment Reputational damage	ICT Security protocol DATA Protection Legislation/Freedom of Information Act Awareness & Compliance "For your eyes only" training package on security requirements which is available to staff	<p>Consequence</p> <p>Likelihood</p>	12	Review of market from perspective of poor performance to seek solutions. Review of potential breaches is conducted daily with extensive spam and other unwanted access being monitored. Any specific issues noted from daily monitoring are followed up.	This is an ongoing matter and is subject to daily activity as well as timed, frequent reviews of the overall provision of security. In addition any potential weak spots are researched and suitable guidance given to the Council. The "For your eyes only" training package on security is available and being heavily promoted. Deadline of 27/3/09 for all staff to have completed.	Paul Fleming	09 Nov 2009