

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	25 th September
REPORT TITLE	Corporate Risk Register
REPORT NUMBER	GOV/018/076
CHIEF OFFICER	Fraser Bell
REPORT AUTHOR	Ronnie McKean
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

To present the Corporate Risk Register in accordance with the Risk Management Framework.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 note the Corporate Risk Register set out in Appendix A;
- 2.2 note that the Corporate Risk Register will be further developed to correlate risks with organisational outcomes and that this will be completed as the Local Outcome Improvement Plan is refreshed; and
- 2.3 note the progress being made with finalising Cluster Risk Registers for all Chief Officer areas and the proposed timetable for reporting these to relevant committees as set out in Appendix B.

3. BACKGROUND

Corporate Risk Register

- 3.1 The Audit, Risk and Scrutiny Committee is responsible for overseeing risk management on behalf of the Council and for receiving assurance that the Corporate Management Team (CMT) are effectively identifying and managing risks. Assurance on the strength of the system of risk management is a key role for the Committee.
- 3.2 The Council has a Corporate Risk Register (CRR) which captures the risks which pose the most significant threat to the achievement of our organisational outcomes and have the potential to cause failure of service delivery.

- 3.3 This is scrutinised by CMT each month after being updated by risk managers and owners. The Risk Management Framework approved by the Audit, Risk and Scrutiny Committee in February 2018 states that the CRR should also be reported here annually. The CRR was last reported to the Committee in September 2017. An updated version is attached to the report at Appendix A.
- 3.4 Committee is asked to note that the risks contained in the register are those which CMT considers the most significant at the time of writing. Risks are also monitored and managed through “Cluster Risk Registers” and may be escalated to the CRR where required.
- 3.5 The level of CMT scrutiny of the CRR has led to a number of improvements to the CRR:
- Accuracy of content has been addressed to ensure that risk owners, risk managers, due dates and residual risk assessments are more accurate;
 - The control actions in place to manage a risk have been reviewed to ensure that these are “SMARTer” (Specific, Measurable, Assignable, Realistic and Time-measurable) and have the potential to be fully effective if implemented.
 - An index has been placed at the front of the document providing an “at a glance” overview of the corporate risks and how effectively we are managing these
 - Steps have been taken to start establishing each risk with the relevant theme within the Local Outcome Improvement Plan (LOIP) to ensure that as an organisation we are clear on how achievement of better outcomes as envisaged by the LOIP may be threatened and how we minimise and manage that risk through the CRR.
- 3.6 The LOIP is being refreshed with a view to the fully revised Plan being reported to the Community Planning Aberdeen Board on 28th February 2019 and the Strategic Commissioning Committee on 28th March 2019. Linkages between the organisational outcomes in the LOIP and corporate risks will be fed into future iterations of the Corporate Risk Register.

Cluster Risk Registers

- 3.7 The previous “Directorate” risk registers have been replaced with “Cluster” Risk Registers. These are listed in Appendix B as part of the intended timetable for reporting these to Committees. The Terms of Reference approved by Council in March 2018 state that committees shall have oversight of the relevant risk registers in each case.
- 3.8 To this end, Governance is working with Chief Officers and Directors to ensure that Cluster Risk Registers are updated and more specifically that they:
1. accurately and proportionately reflect the risks being managed within Cluster areas by Chief Officers;
 2. include SMART actions to ensure that risk controls are fully effective;
 3. reflect the reallocation of responsibilities within the revised organisational structure;
 4. link to organisational outcomes as set out in the LOIP and future refreshed version;

5. identify links between Clusters – both in terms of controls and impacts. For instance, it is feasible that a positive control action within one Cluster will have a negative impact on another; and
6. operate to set criteria for escalating risks to the CRR and de-escalating to Cluster level.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report. The report deals with the highest level of risk 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 Corporate Risk Register serves to manage many risks with implications for the legal position and statutory responsibilities of the Council.

6. MANAGEMENT OF RISK

- 6.1 The report provides information on the Council’s system of risk management and the improvements designed to make the system robust and fit for the changing social, political and economic environment in which we exist. The system ensures that all risks attaching to the Council’s business and strategic priorities are identified and appropriately managed. Whilst the Corporate Risk Register records the most significant risks to the Council, the Committee is provided with assurance that from this there are effective controls identified. There are no risks arising from the recommendations in the report.

7. OUTCOMES

- 7.1 Each risk on the Corporate Risk Register is aligned to one or more of the themes within Local Outcome Improvement Plan. This will also be completed for the Cluster Risk Registers before they are reported to committees.

Design Principles of Target Operating Model	
	Impact of Report
Organisational Design	The completion of Cluster Risk Registers aligned to the interim transitional structure supports the principles of organisational design.
Governance	Reporting to Committee on the Corporate Risk Register and Cluster Risk Registers allows members to scrutinise the system of risk management to help ensure its effectiveness.
Process Design	In reviewing our risk management processes, there is an opportunity to make sure that the risk to the Council is mitigated.

Technology	It is anticipated that risk registers will be updated using digital methods in the medium term.
Partnerships and Alliances	Risks to the delivery of organisational objectives can at times be related to arms-length external organisations. These will be reflected in the appropriate risk register(s). Furthermore, risk is overseen by the Assurance Hub which reports to the Audit, Risk and Scrutiny Committee on a regular basis.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Full EHRIA not required
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

None

10. APPENDICES

Appendix A – Corporate Risk Register

Appendix B – Cluster Risk Registers – Committee Reporting Timetable

11. REPORT AUTHOR CONTACT DETAILS

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