



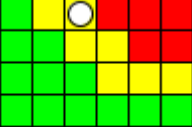
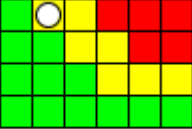


Risk Code	Risk Title	Current Risk Score	Residual Risk Score	Risk Owner	Risk Manager	LOIP Theme(s)
Gov-001	Scheme of Governance	12 	8 	Fraser Bell	Roddy MacBeath	Prosperous Place
Gov-002	Bond Governance	12 	8 	Fraser Bell	Vikki Cuthbert	Prosperous Economy

Code	GOV001	Compliance with the Scheme of Governance		
Definition	The Council should work in accordance with the Scheme of Governance to mitigate the risk of financial, reputational and/or legal challenge.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<p>Legal challenge of decisions taken at Council, Committee or under Powers Delegated to Officers</p> <p>Financial penalties imposed</p> <p>Lowering of Council's credit rating</p> <p>Increase in complaints about decision making failures which is costly and time consuming</p> <p>CIPFA Governance Mark of Excellence accreditation is not achieved</p> <p>Target Operating Model not implemented and LOIP outcomes not realised</p>	<p>Inadequate training and information to officers leading to a lack of understanding of requirements</p>	Effective advice and guidance and consultation arrangements are robust	Partially met	 <p>Likelihood</p> <p>Very Serious Low</p>
		Accurate, effective and timeous reports, decisions and minutes	Partially met	
	<p>Non-compliance through lack of due diligence.</p> <p>Failure to adhere to consultation requirements</p>	Training Programme in place for Scheme of Governance	Partially met	
		Scheme of Governance in place and regularly reviewed	Fully Effective	
	<p>Failure to meet statutory deadlines</p> <p>Failure to follow legal/procedural advice</p> <p>Poor quality Committee reports</p> <p>Failure to adequately resource in Governance</p>			
Risk Owner	Fraser Bell	Risk Manager	Roderick MacBeath	Residual Risk Assessment
Latest Note	Updated for submission to Committee.		15 th November 2018	 <p>Likelihood</p> <p>Very serious Very low</p>

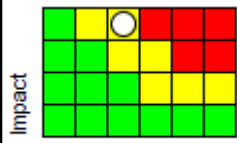
Control Actions

Action 1		Progress	Original Due Date	Amended Due Date
Deliver effective advice and guidance and ensure consultation arrangements are robust		95%	31 March 2019	31 March 2019
Description	We will make every effort to ensure that advice and guidance provided in relation to the Scheme of Governance is effective and consultation arrangements are robust. This will be done by putting in place a range of initiatives and control measures which will be reviewed continuously.			
Update	<ul style="list-style-type: none"> • Committee pages on the Zone continuously reviewed, annual survey of officers to be developed and issued (90%). • Engagement with leadership teams – e.g. clerks attend Leadership team meetings or equivalent briefings regularly (100%). • Optional debrief meetings being held with Conveners and Vice Conveners following Committee meetings (100%). • Compliance checked by clerks during consultation and via the committee report checklist, non-compliance challenged, and reports should not be going forward where the relevant consultation has not taken place. Message to be reinforced to report authors and senior officers at training sessions, via the forthcoming OIL course and at Leadership Team and equivalent meetings. (95%) 			
Assigned To	Stephanie Dunsmuir			

Action 2		Progress	Original Due Date	Amended Due Date
Ensure accurate, effective and timeous reports, decisions and minutes		95%	31 March 2019	31 March 2019

Description	We will put in place a range a range of initiatives and control measures to help ensure accurate, effective and timeous reports, decisions and minutes. This will be reviewed continuously and added to as and when required.			
Update	<ul style="list-style-type: none"> • Business Planners on agendas as required and being considered at Leadership Team meetings (100%). • Committee Report template continuously reviewed, annual review to be undertaken (100%). • Guidance for report authors continuously reviewed, annual survey to be developed and issued (90%). • OIL course or suitable alternative currently under development (90%). • Attendance at Committee training delivered quarterly with approximately 20 officers in attendance at each training session. This will be repeated on a rolling basis (100%). • Inaugural Committee cycle review meeting held for officers in Governance held in May 2018, second meeting in August 2018 and meetings to continue indefinitely (100%). • Draft decision sheets issued within 2 working days (100%). • Decision sheets published on Council website within 4 working days (100%). • Draft minutes published on Council website 3 weeks (95%). • Chief Officer – Governance will monitor quarterly statistics and escalate matters to CMT as appropriate, and will provide training to ECMT early in the New Year on processes (90%). 			
Assigned To	Martyn Orchard			

Action 3	Progress	Original Due Date	Amended Due Date
Training programme	95%	31 March 2019	31 March 2019
Description	We will deliver training on all documents within the Scheme of Governance, to elected members and officers. This will be repeated annually, and on a rolling basis, as updates are made to the documents.		
Update	<ul style="list-style-type: none"> • Initial training on the Scheme of Governance was delivered to Councillors and External Members in March 2018 - three sessions were held. 16 out of 45 Councillors attended. 7 out of 7 External Members attended. Follow up training to be developed following Council meeting of 4 March 2019 (100%). • Separate training sessions on the Procurement Regulations and Financial Regulations took place in March/April 2018 - confirmation of attendance required. Follow up training to be developed following Council meeting of 4 March 2019 (100%). • Scheme of Governance session held on 16 March 2018 for ECMT and the Third Tier Network with approximately 50 officers in attendance - feedback was positive. Follow up session to be arranged following Council meeting of 4 March 2019 (100%). • 8 training sessions held to date on Member Officer Relations Protocol. More sessions to be arranged following Council meeting of 4 March 2019 (100%). • OIL course or suitable alternative currently under development (90%). • Attendance at Committee training delivered quarterly with approximately 20 officers in attendance at each training session. This will be repeated on a rolling basis (100%). 		
Assigned To	Allison Swanson		

Code	GOV002	Risk that Bond governance arrangements are ineffective		
Definition	Ineffective governance arrangements may lead to the lowering of the Council's credit rating and / or lead to the Council, members / staff breaking the law.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> Financial penalties. Investors may request the full repayment of their investment. The Council would have to identify other sources of funding which may be more expensive. The Council may not have ready access to finance to support its capital projects as and when required resulting in a delay to the delivery of key projects. Legal action against the Council. Reputational damage. Inability to raise additional capital through issue of further bonds Imprisonment 	<ul style="list-style-type: none"> Not maintaining accurate and comprehensive Insider Lists & associated protocol. Failure to notify the London Stock Exchange of major notifiable events. Unauthorised disclosure of inside information. Staff and members not being aware of the Council's statutory duties flowing from the credit rating and bond issue. 	Bond Governance Project Board develops, monitors and implements a Bond Governance Action Plan	Fully Effective	 <p>Likelihood</p>
		Communications Protocol supports active consideration of information disclosure to meet regulation compliance	Fully Effective	
		ALEOs provide quarterly trading accounts in advance of quarterly reporting of group accounts to FP&R Committee	Fully Effective	
		Insider List in place with members and relevant officers aware of responsibilities and restrictions on disclosure.	Fully Effective	
		All relevant members of staff, members and third parties receiving training	Partially Effective	
		Economic Policy Panel who will actively monitor the local and regional economic position, reporting independently in support of annual credit rating review.	Fully Effective	
		Scheme of Governance updated to reflect Bond governance requirements	Fully Effective	
		Contracts with third parties reflective of Bond	Fully Effective	
		Major contracts reflective of Bond	Fully Effective	
		Bond Protocol in place	Fully Effective	
		Deal-specific events insider lists	Partially Effective	
			Low	
Risk Owner	Fraser Bell	Risk Manager	Vikki Cuthbert	Residual Risk Assessment

Latest Note	Updated for submission to Committee.	15 th November, 2018	
			Very serious
			Very Low

Control Actions

Action 1	Progress	Original Due Date	Amended Due Date
Deal specific events	70%	30-Sept-2018	31-Dec-2018
Description	Preparation of Insider Lists in respect of deal-specific events		
Update	Additional detailed guidance being developed to support officers in developing deal specific insider lists.		
Assigned To	Deirdre Nicolson		

Action 2	Progress	Original Due Date	Amended Due Date
Training	95%	31-Jul-2017	31-Dec-2018
Description	Develop and deliver a training programme for all Insider List staff, elected members and ALEOs to raise awareness of the Council's statutory duties, new policies and procedures.		
Update	All elected members have been trained, and all ALEOs with the exception of Aberdeen Performing Arts. Staff training is ongoing with additional sessions held recently. Will be complete when all ALEOs training has been delivered. Bond video has been completed.		
Assigned To	Dorothy Morrison		

Assurance Actions

Action	Progress	Original Due Date	Amended Due Date
Internal Audit of Bond Trust Deed	40%	14-Feb-2019	14-Feb-2019
Description	To provide assurance that the Bond Trust Deed is sufficiently robust.		
Update	Audit to be submitted to the Audit, Risk and Scrutiny Committee on 14 th February 2019. Report deadline is 14 th January. Report will be circulated for management responses in Nov/Dec. Meeting held with Internal Audit to begin to scope the work. Trust Deed terms and conditions have been categorised and Internal Audit will confirm scope over the coming weeks.		
Assigned To	Deirdre Nicholson		

