

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Staff Governance Committee
<b>DATE</b>	31 January 2019
<b>REPORT TITLE</b>	Cluster Risk Registers
<b>REPORT NUMBER</b>	RES/19/165
<b>DIRECTOR</b>	Steve Whyte
<b>CHIEF OFFICER</b>	Isla Newcombe
<b>REPORT AUTHOR</b>	Chief Officer
<b>TERMS OF REFERENCE</b>	General 7.4

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### 1. PURPOSE OF REPORT

- 1.1 To present Cluster Risk Registers in accordance with the Risk Management Framework and Committee Terms of Reference.

### 2. RECOMMENDATION

- 2.1 That the Committee note the Cluster Risk Register presented and the actions identified to control the risks contained therein.

### 3. BACKGROUND

#### **Committee Roles and Responsibilities**

- 3.1 The Audit, Risk and Scrutiny Committee is responsible for overseeing the system of risk management and for receiving assurance that the Corporate Management Team (CMT) are effectively identifying and managing risks. To this end, it reviews the Council's Corporate Risk Register annually, as well as an annual report on the system of risk management which is included in the Annual Governance Statement.
- 3.2 The Risk Management 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 Cluster which falls within the remit for this Committee. This is:-
- People and Organisation

#### **Risk Registers**

- 3.3 The Corporate Risk Register 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.

- 3.4 The previous “Directorate” risk registers have been replaced with “Cluster” Risk Registers. These are set out in appendix A and reflect the risks which may prevent each Cluster area from delivering on strategic outcomes.
- 3.5 Chief Officers and Directors have sought to ensure that Cluster Risk Registers meet the following requirements in terms of presentation and content:
1. Reflect the reallocation of responsibilities within the revised organisational structure
  2. Include SMART (Specific, Measurable, Assignable, Realistic, Time-measurable) actions to ensure that risk controls are fully effective;
  3. Link to organisational outcomes as set out in the LOIP and future refreshed version.
- 3.6 Over the coming twelve months, further work will be done to:-
- ensure that actions are SMART and capable of becoming fully effective within a specified timescale
  - identify links between Cluster areas, both in terms of controls and impacts, and
  - identify gaps through assurance mapping.

The registers will also aim to demonstrate clear linkages with the Internal Audit Plan to ensure a risk-based approach to the Council’s audit programme.

### Risk Scoring Process

- 3.7 In order to apply an assessment rating (score) to a risk, the Council implements a 4x6 risk matrix.
- 3.8 The 4 scale represents the impact of a risk and the 6 scale represents likelihood of a risk event occurring.

**Impact**

**Score**

<b>Very Serious</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>12</b>	<b>16</b>	<b>20</b>	<b>24</b>
<b>Serious</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>12</b>	<b>15</b>	<b>18</b>
<b>Material</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>12</b>
<b>Negligible</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Score</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

**Likelihood**

**Very High**  
**High**  
**Significant**  
**Low**  
**Very Low**  
**Almost Impossible**

3.9 Risk registers include an assessment of both current and residual risks. Current risk represents the risk if no controls are in place. Residual risk represents the remaining risk if the controls identified are effective.

3.10 The assessment of the risk includes establishing the potential impacts (consequences) of a risk as well as the likelihood of occurrence. The two multipliers produce the score and assessed level of risk.

#### **4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report. The report deals with risk to the achievement of strategic outcomes 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. Cluster Risk Registers serve to manage many risks with implications for the legal position and statutory responsibilities of the Council.

#### **6. MANAGEMENT OF RISK**

6.1 The Committee is provided with assurance from the Cluster Risk Registers presented that there are effective controls identified to manage the risks which would present achievement of strategic outcomes relevant to its terms of reference. There are no risks arising from the recommendations in the report.

#### **7. OUTCOMES**

7.1 Each risk on the Cluster Risk Registers is aligned to one or more of the themes within Local Outcome Improvement Plan.

<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Organisational Design</b>	The completion of Cluster Risk Registers aligned to the interim transitional structure supports the principles of organisational design.
<b>Governance</b>	Reporting to Committees on the Corporate Risk Register and Cluster Risk Registers allows members to scrutinise the system of risk management to help ensure its effectiveness. The registers also provide a tool by which to better manage achievement of our strategic outcomes.
<b>Process Design</b>	In reviewing our risk management processes, there is an opportunity to make sure that the risk to the Council's achievement of the strategic objectives, including those which external organisations and

	other stakeholders contribute to, is appropriately managed and mitigated.
<b>Technology</b>	It is anticipated that risk registers will be updated using digital methods in the medium term and in the longer term they will become integrated within a wider Assurance Framework.
<b>Partnerships and Alliances</b>	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

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

## 9. BACKGROUND PAPERS

None

## 10. APPENDICES

Appendix A – People and Organisation Risk Register

## 11. REPORT AUTHOR CONTACT DETAILS

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