

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Operational Delivery Committee
<b>DATE</b>	18 <sup>th</sup> November 2021
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Cluster Risk Registers and Assurance Maps
<b>REPORT NUMBER</b>	CUS/21/277
<b>CHIEF OFFICER</b>	Derek McGowan, Jacqui McKenzie, Martin Murchie, Mark Reilly, Steve Roud, Graeme Simpson
<b>REPORT AUTHOR</b>	Chief Officers
<b>TERMS OF REFERENCE</b>	1.1.4

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### 1. PURPOSE OF REPORT

To present the Cluster Risk Registers and Assurance Maps in accordance with Operational Delivery Committee Terms of Reference to provide assurance that risks are being managed effectively within each Cluster.

### 2. RECOMMENDATION(S)

That the Committee note the Cluster Risk Registers, Cluster Assurance Maps and Cluster Risks Grouped by Category set out in Appendices A, B and C.

### 3. BACKGROUND

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 Clusters which fall within the remit for this Committee. These are:-

- Early Intervention & Community Empowerment
- Customer Experience
- Data & Insights
- Operations and Protective Services

- Digital & Technology
- Integrated Children’s Services

### 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 Cluster Risk Registers are set out in Appendix A and reflect the risks which may prevent each Cluster area from delivering on strategic outcomes.
- 3.5 The risks contained within the Risk Register for each Cluster are grouped by risk category in Appendix C and show the Council’s corresponding risk appetite for each category as set within the Council’s Risk Appetite Statement (RAS)
- 3.6 The Cluster Risk Register provides the organisation with the detailed information and assessment for each risk identified including;
- **Current risk score** – this is 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
  - **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		Impossible	Almost Very Low	Low	Significant	High	Very High

- 3.8 Development and improvement of the Cluster Risk Register and associated processes has continued since the Cluster Risk Registers were last reported to the Committee:

- The Cluster Risk Registers have been reviewed and updated in accordance with the updated Risk Management Policy and supporting documentation approved by Audit Risk and Scrutiny Committee in December 2019.
- The format of the Council’s risk registers was updated to create a risk category to allow alignment of each risk with the Council’s Risk Appetite Statement which was approved by the Audit Risk and Scrutiny Committee in December 2020.

## Assurance Maps

- 3.9 The Assurance Maps (Appendix B) provide a visual representation of the sources of assurance associated with each Cluster. This evidences the breadth and depth of assurance sources, so that the Committee can determine where these are insufficient, whereas the Cluster Risk Register demonstrates how effectively risk is being managed through the controls which flow out of those sources of assurance.
- 3.10 The Assurance Maps provide a breakdown of the “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 these and categorising them, thus ensuring that any gaps in sources of assurance are identified and 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 AR&SC 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.

- 3.11 There are no cluster level risks identified for the Data & Insights Cluster. It should be noted, however, that the Chief Officer – Data & Insights is the risk owner for a Corporate Risk for information governance. This corporate risk, its controls and mitigating actions, are regularly reviewed and reported with the Corporate Risk Register.

## 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 Council's 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 that the risks presented within the Cluster Risk Register affecting the strategic priorities and service delivery for each Cluster are identified and that the risks are appropriately managed in compliance with the Council's duties under legislation. There are no risks arising from the recommendations in the report.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	The Council is required to have a management system in place to identify and mitigate its risks	L	The Council's risk management system requires that risks are identified, listed and managed via risk registers
<b>Compliance</b>	As above	L	As above
<b>Operational</b>	As above	L	As above
<b>Financial</b>	As above	L	As above
<b>Reputational</b>	As above	L	As above
<b>Environment/Climate</b>	As above	L	As above

## 7. OUTCOMES

7.1 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 objectives.

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
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<b>Impact Assessment</b>	Full impact assessment not required
<b>Data Protection Impact Assessment</b>	Not required

## 9. BACKGROUND PAPERS

None.

## 10. APPENDICES (if applicable)

Appendix A – Cluster Risk Registers for Customer Experience, Digital & Technology, Early Intervention & Community Empowerment, Integrated Children’s Services and Operations and Protective Services

Appendix B – Cluster Assurance Maps

Appendix C – Cluster Risks Grouped by Category

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