

# Governance, Risk and Best Value Committee

10.00am, Thursday 3 April 2014

## CMT Risk Register

Item number	8.6
Report number	
Wards	

### Links

---

Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO25</a>
Single Outcome Agreement	All

### Alastair D Maclean

Director of Corporate Governance

Contact: Lorna Stewart, Risk Management

E-mail: [lorna.stewart2@edinburgh.gov.uk](mailto:lorna.stewart2@edinburgh.gov.uk) | Tel: 0131 469 3144

# Executive summary

## CMT Risk Register

### Summary

---

The attached risk register is the Corporate Management Team's (CMT) risk register as at 20 March 2014. It has been fully updated to reflect the current highest priority risks of the Council, the compensating controls and related action plans to mitigate these risks to a tolerable level.

The attached risk register has been challenged and scrutinised by CMT and a plan has been developed for further review and scrutiny.

The risk register is a dynamic working document and will be updated regularly to reflect the changing risks of the council.

### Recommendations

---

To review the attached risk register and invite relevant officers to discuss key risks as required.

### Measures of success

---

Fully embedded risk management practices should ensure that key risks of the Council are prioritised and relevant action plans are put in place to mitigate these risks to tolerable levels.

### Financial impact

---

None.

### Equalities impact

---

None.

### Sustainability impact

---

There is no direct sustainability impact arising from the report's contents.

## Consultation and engagement

---

- CMT
- All service area risk managers

## Background reading / external references

---

### Alastair D Maclean

Director of Corporate Governance

## Links



---













<b>Coalition pledges</b>	<a href="#">P30</a> - Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	<a href="#">CO25</a> - The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement Appendices</b>	All









# CMT Full Risk Register (by Current Risk Score)

Generated on: 24 March 2014

Ref	Category	Key Risks	Risk Owner	I	L	Inherent Risk	Key Controls in place	I	L	Current Risk	Approach to Risk	Further Actions
CMT 14	Financial	Inability to achieve savings would lead to failure to meet the Council's outcomes	CMT	5	5		Budgets reflecting agreed efficiency savings monitored monthly by CMT. BOLD program reports financial savings to CMT as program board.	4	3		Treat - Action Plan	Review effectiveness of budget setting and budget management
							CMT monitor procurement management information fortnightly					Introduce regular corporate oversight and monitoring of budget and performance management
							Specific risks managed through financial risk registers and reviewed and challenged at CMT					Review debt collection procedures
							Plans to reduce expenditure and Directorate contingency plans in place are monitored by CMT as part of their regular financial monitoring					Ensure robust governance arrangements are developed, trained and applied throughout the Council
CMT 01	Operational; Strategic	Welfare system changes, including Welfare Reforms, could lead to increased poverty, illness, homelessness and inequality for the citizens of Edinburgh and escalating demand for services	CMT	4	4		Key stakeholders are represented at strategic Council groups and Welfare Reform Strategic Planning Group	3	3		Treat - Action Plan	Budget and service planning to be poverty proofed, setting preventive targets with measurable outcomes
							The Welfare Reform Strategic Planning Group includes representatives from all areas of the Council and regularly reviews progress on its risk register					CPO to review and report back to CMT on progress
							HRA Business Plan reflects these risks and is monitored by CMT as part of their regular financial monitoring					Implement indicators and outcome monitoring for partnership working and client groups
												Develop a joint social care/housing protocol to assess/refocus service provision on health inequalities and the joint work required to address this
		Ensure WR Strategic Planning Group reports regularly to CMT										
CMT 02	Operational	Failure to meet the assessed needs of the people of Edinburgh would lead to lower than forecast outcomes and ineffective care and protection for the citizens of Edinburgh	CMT	4	4		Performance management framework (including review of partners and feedback from stakeholders) identifies underperformance and triggers corrective action	3	3		Tolerate - monitor	
							CMT monitor all 3rd party quality assurance reviews					
							Regular organisational review ensures resource is focussed on statutory responsibilities and service improvement					
							Feedback from partnership engagement (eg Council, voluntary sector, police) reviewed by CMT and actioned appropriately					

Ref	Category	Key Risks	Risk Owner	I	L	Inherent Risk	Key Controls in place	I	L	Current Risk	Approach to Risk	Further Actions
CMT 09	Strategic	Insufficient capital funding to ensure sufficient school places to respond to rising rolls and deterioration of the Council's physical and cultural infrastructure would damage the Council's reputation and economic benefit to the City	CMT	4	4		Asset maintenance programme targeted at priority sites	3	3		Treat - Action Plan	Identify additional investment
							Investment requirements routinely reviewed and subject to Council approval					Delivery of the actions set out in the Economic Development Operational Plan 2012-15
							Corporate Asset Management Plan regularly reviewed					
CMT 12	Strategic	Agreement between NHS Lothian and the Council on health and social care integration may not be reached and the Council may not be able to deliver safe care and protection services	CMT	3	4		Joint Core Team and Integration Leadership Group meet regularly to ensure all parties involved, up to date and approving progress	3	3		Treat - Action Plan	Detailed programme of engagement planned
												Public engagement planned
												Workstreams to be set up
CMT 15	Financial	Under funding the Lothian Pension Fund could lead to upward pressure on employer contributions	CMT	3	3		Regular actuarial evaluations and review of funding strategy including longevity assessment	3	3		Treat - Action Plan	Appraise Hutton Review and Pensions Bill for possible changes to scheme
							Regular asset liability studies					Explore future contribution stability mechanism ahead of 2014 actuarial valuation
							Frequent performance assessment by Investment Strategy Panel					
CMT 21	Strategic	Need to monitor closely the design and implementation of the Health and Social Care integration model when regulations are finalised	CMT	4	4		Joint director established and in post for many years	4	2		Treat - Action Plan	Chief Executive continuing to provide oversight through the leadership group
							Project manager and team appointed with detailed project plan using Prince 2 methodology					
							Shadow partnership in place to provide oversight and scrutiny					
CMT 10	Operational	IT system failures including delays in upgrade, interface development and mobile working opportunities could lead to business disruption, children and adults exposed to harm and inefficient use of resources	CMT	4	4		BT contract and SLA actively reviewed	4	2		Treat - Action Plan	ICT strategy to be reviewed
							Continuous monitoring of service PIs					Gaps in BCPs at operational service level to be identified and addressed
							Business continuity plans in place: essential activities prioritised and aligned with BT					
CMT 04	Integrity / Hazard; Operational	Internal control deficiencies could result in loss, fraud, legal action and inefficiencies	CMT	4	4		Corporate policies and procedures and arrangements in place are reviewed annually	3	2		Treat - Action Plan	Centralise roll out of further corporate policies and procedures and arrangements to monitor compliance
							Annual Assurance exercise prompts and evidences directorate adherence to policies					Undertake gap analysis to ensure policies and training complete, reviewed and updated
							CEC Strategic Plan linked to departmental Service Plans and to Team plans evidence operational objectives					Ensure PRDs are linked to Team Plans to ensure outcomes are achieved
							IT re-procurement					Introduce and implement training on internal controls

Ref	Category	Key Risks	Risk Owner	I	L	Inherent Risk	Key Controls in place	I	L	Current Risk	Approach to Risk	Further Actions
CMT 20	Operational	Failure to manage contracts with key suppliers of the Council effectively leads to poor service performance and increased costs	CMT	3	3		CPO audits of major projects	3	2		Treat - Action Plan	Introduction of an overarching framework on contract management
							Benefits tracking of the procurement projects					
CMT 11	Operational	Ineffective cost control and contract management would impact the delivery of major projects leading to reputational damage	CMT	3	3		CPO reviews major projects and provides assurance to CMT and Council	3	2		Treat - Action Plan	Introduce monitoring/review to ensure all contracts managed consistently and appropriately across the Council
CMT 07	Operational; Strategic	Ineffective communications with stakeholders (staff and councillors) through periods of change could lead to negative impacts on service delivery and morale	CMT	3	3		Operational plans and planned changes approved by relevant Committees	3	2		Treat - Action Plan	New corporate system of internal communication and engagement with staff to be developed and rolled out
							Regular comms with staff via Magnet and the Orb					OD action plan being reviewed
CMT 03	Integrity / Hazard	Non compliance with Health & Safety legislation would lead to regulatory fines and/or employee injury	CMT	3	3		Council-wide Health & Safety Policy with supplementary policies and procedures is in place and training available	3	2		Treat - Action Plan	Adopt a corporate approach to Health & Safety management and review
							Council Health & Safety team reports regularly to CMT					Implement recommendations from Health & Safety reviews to further strengthen current controls
							CMT to ensure each SMT review controls frequently					Report Health & Safety near misses and breaches to CMT for corporate perspective and action
CMT 08	Integrity / Hazard	Sensitive and confidential data security breaches could result in regulatory fines and damage to the Council's reputation	CMT	3	4		Corporate information asset register maintained and subject to audit checks	2	2		Tolerate - monitor	
							Council-wide laptop and media encryption					
							Security awareness training programme and training available for all staff					
							Regular reports to CMT					
CMT 06	Operational; Staff	Ineffective workforce planning to manage, train and retain staff would compromise service efficiency and performance	CMT	3	3		Corporate Leadership and Development programme targets key staff for further skills development	2	2		Treat - Action Plan	OD transformational projects re induction training
							Corporate L&D and Workforce Planning Group report to CMT regularly					Future skills matrix development to support succession planning
							Monthly management information on recruitment scrutinised by all SMTs and 3rd Tier Managers					Monitor compliance with training and development programmes
							Workforce management procedures ensure regular report to CMT. New Head of HR and OD being recruited to deal with this. Workforce planning developed over past 12 months for implementation in June.					

Ref	Category	Key Risks	Risk Owner	I	L	Inherent Risk	Key Controls in place	I	L	Current Risk	Approach to Risk	Further Actions
CMT 18	Operational	Failure to embed critical policies throughout the organisation and maintain an adequate control framework can expose the Council to regulatory, financial, operational and reputational damage	CMT	3	3		Internal audit run a risk based review program to review key risk areas of the Council. Reports are reviewed by Directors and the CMT	2	2		Treat - Action Plan	Meta Compliance Monitoring to ensure staff have completed appropriate training
												Governance reviews and spot checks
CMT 16	Integrity / Hazard	Corporate resilience plans fail leading to loss of essential services and other service disruption	CMT	4	2		Collaborative and internal plans in place are regularly reviewed and updated	4	1		Treat - Action Plan	Service continuity arrangements to be further developed within departments
CMT 17	Operational; Strategic	Carbon Reduction Commitment recycling and landfill targets are not met which would have an unsustainable impact upon the environment and lead to financial penalties	CMT	2	3		Action plans, air quality plan and monitoring programme regularly reviewed and monitored	2	2		Treat - Action Plan	Implement education and engagement campaign
							Waste and recycling strategy in place					Implement proposals for improved redesign of recycling services
							Recycling and landfill targets regularly reviewed					
CMT 19	Operational	Failure to manage Council companies leads to adverse financial impact and poor service delivery	CMT	3	3		Shareholder agreements are in place with all Council Companies. Each Council company is the responsibility of the relevant service area Director who will escalate any issues to CMT.	2	2		Treat - Action Plan	

**Likelihood**

	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
<b>Impact</b> Catastrophic 5	5	10	15	20	25
Major 4	4	8	12	16	20
Moderate 3	3	6	9	12	15
Minor 2	2	4	6	8	10
Negligible 1	1	2	3	4	5