

**FALKIRK COUNCIL**

**Subject: CORPORATE RISK REGISTER UPDATE**  
**Meeting: AUDIT COMMITTEE**  
**Date: 21 SEPTEMBER 2015**  
**Author: DIRECTOR OF DEVELOPMENT SERVICES**

**1. INTRODUCTION**

1.1 Members will recall that the Corporate Risk Management Policy and Framework includes a commitment that the Corporate Risk Register (CRR) will be monitored by CRMG and CMT, and reported to the Audit Committee and the Executive at least 6 monthly.

1.2 The total number of risks is outlined below:

	Very High	High	Medium
No. of Risks	3	18	26

1.3 The CRR is summarised in the following appendices:

Appendix 1: Corporate Risk Register;

Appendix 2: A summary of Appendix 1, by Risk Category and Current Risk Rating; and

Appendix 3: A summary of Appendix 1, by Portfolio Holder.

1.4 It should be highlighted that some risks do not have a Target Risk Level. This means that the lead officer for these risks considers that existing control mechanisms are adequate and that the risk level cannot reasonably be reduced further. However, risks which have a Current Risk Level of Very High do have a Target Risk Level, and additional actions are in place to reduce these risks to within the Council's risk appetite.

1.5 It should be noted that further work is being undertaken for risks associated with Children's Services, the Health & Social Care Partnership and Governance. A review of their service risks is being progressed. The CRR will be further developed to reflect the new structure arrangements and a service based risk register will be developed at this level.

## **2. RECOMMENDATIONS**

### **2.1 Members are asked to note the Appendices attached and:**

- a) Note that Appendix 1 (CRR) is the outputs of a review by CMT in Aug 2015;
- b) Note that Appendixes 2 and 3 are a summary of the information in Appendix 1;
- c) Note that services and partnerships aim to finalise their risk reviews as soon as possible; and
- d) Note that CRR updates will be provided c. 6 monthly

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**DIRECTOR OF DEVELOPMENT SERVICES**

Date: 09 September 2015

Ref:

## Appendix 1: Corporate Risk Register

### Introduction

The report is limited to the information advised by each Service and recorded on Covalent on 29 June 2015.

This report is divided into the 7 Corporate Risk Categories – assets, change, finance etc. - and for each there are 2 tables:

- Table A - A summary of the risks, controls and review mechanisms; and
- Table B - A list of specific risks - including a description, rating and ownership for each. This was previously called a 'schedule'.

The Lead Service / Officer for each risk is able to edit their individual risks within Covalent and each service have agreed a process for updating Covalent and recording more detailed information about each risk e.g. scoring and details of controls and additional actions to mitigate and manage risks.

The Lead Service / Officer have been adjusted, where necessary, to reflect the service re-design in Aug 2015, and these may need further review.

### Heat Map i.e. Total Number of Risks By 'Current Risk Level'

Impact					Likelihood
1	2	3	4	5	
	1		2	1	
	3		4		
		9	7	5	
			14	1	
					1

Low	Med	High	VH	Total
0	26	18	3	47

TABLE A: Summary for Corporate Risk Category:		ASSETS	Failure to properly manage assets.
Potential Outcomes		Potential Consequences	
Deterioration in assets resulting in: <ul style="list-style-type: none"> <li>• harm to others;</li> <li>• increased repairs and maintenance obligations;</li> <li>• loss of value if realised;</li> <li>• not fit for purpose;</li> <li>• not making best use of fixed assets (efficiency);</li> <li>• Environmental impact;</li> <li>• Failure to achieve SOA, Corporate and Service plan objectives;</li> <li>• Lack of capital to support identified improvement works;</li> <li>• Under-utilisation of assets;</li> <li>• Failure to comply with statutory obligations;</li> <li>• Failures in procurement governance;</li> <li>• Supplier failure;</li> <li>• Inaccurate Asset Valuations;</li> <li>• Increased property damage claims;</li> <li>• Failure to maximise recoveries from contractors;</li> <li>• Premises access &amp; evacuation restrictions (particularly in high rises).</li> </ul>		<ul style="list-style-type: none"> <li>• Failure to deliver core services;</li> <li>• Prosecution or other legal remedies;</li> <li>• Financial loss;</li> <li>• Unnecessary revenue and capital expenditure;</li> <li>• Assets not fit for purpose (poor quality service / delivery methods);</li> <li>• Increased running costs;</li> <li>• Failure to demonstrate / achieve good environmental governance;</li> <li>• Failure to demonstrate best value;</li> <li>• Shortfall in capital receipts leading to capital plan slippage;</li> <li>• Service inefficiency;</li> <li>• Damage to reputation;</li> <li>• Delays;</li> <li>• Service interruption;</li> <li>• Flawed financial information &amp; decision making;</li> <li>• Detrimental impact on costs &amp; availability of insurance;</li> <li>• Equalities issues – Disability Discrimination Act claims.</li> </ul>	
Risk Controls		Review Mechanisms	
<ul style="list-style-type: none"> <li>• Capital management – including risk considerations within Bids;</li> <li>• Premises managers' handbook, including fire risk assessments;</li> <li>• Inspection, repair and maintenance arrangements;</li> <li>• Maintenance schedules, inc Roads Winter Plan;</li> <li>• Customer service &amp; complaints monitoring;</li> <li>• Utilisation &amp; efficiency reviews, inc carbon/ energy management &amp; occupancy;</li> <li>• Sustainability Strategy, targets and impact assessments;</li> <li>• SOA, Corporate and Service Plans and Performance Reports;</li> <li>• Asset Management and Capital Programme alignment;</li> <li>• Statutory inspections and testing, inc PAT, engineering; SHQS &amp; Gas;</li> <li>• Procurement strategy &amp; guidance;</li> <li>• Business Continuity Policy (BCP) reviews &amp; testing;</li> <li>• Periodic &amp; appropriate Asset Valuations;</li> <li>• Claims management – eg. loss adjusting and contractor recoveries;</li> <li>• PFI high schools insurance premium adjustments &amp; recharge;</li> <li>• Impact assessments – inc environment, equalities &amp; poverty.</li> </ul>		<ul style="list-style-type: none"> <li>• CRMG, CMT and Member scrutiny;</li> <li>• Statements of Assurance – Premises &amp; Fleet;</li> <li>• Service management teams scrutiny and monitoring;</li> <li>• Timely and accurate management information;</li> <li>• Housing Participation Groups;</li> <li>• Corporate Working Group (CWG)s, inc assets, housing, capital &amp; sustainability;</li> <li>• Internal and External audit scrutiny and other inspections;</li> <li>• Investment Committee scrutiny and monitoring;</li> <li>• User Intelligence Meetings;</li> <li>• Inspection program and monitoring;</li> <li>• Procurement Board scrutiny and monitoring;</li> <li>• Council &amp; supplier BCP monitoring;</li> <li>• Internal &amp; external review of Asset Valuations;</li> <li>• Independent Broker PFI high school insurance premium calculations.</li> </ul>	

TABLE B: List of Corporate Risks for Risk Category:		ASSETS		Failure to properly manage assets.	
Risk Title	Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)	
Development Projects Management of the various risks identified within major projects; such as Roads, Helix and Town Centre Regeneration; is essential to effectively meeting the project goals and improving the local environment and economy. Each project has more specific and detailed Project Risk Registers.	High		DVS	Development Services DMT	
Asset Construction & Design (All Asset Types) Safe and efficient construction and design ensures that assets remain efficient and safe; compliant with equalities, building & planning regulations; and deliver efficiency objectives.	Medium		DVS	Development Services DMT	
Assets (excluding Housing): – Maintenance, Availability, Reliability Effective maintenance, availability, and reliability of assets ensures sufficient capacity and continuity to deliver effective and value for money services. This includes all asset types, including premises, utilities, fleet, roads, lighting and ICT. [Note that Housing is more appropriately covered under the heading 'Council Housing Standards'].	Medium		DVS	Head of Economic Development & Environmental Services	
Premises Management Premises Management: Effective / compliant processes minimise injury, protect assets (including data) and minimises financial costs and service interruptions which may be caused by repairs and claims.	Medium		CHS / DVS	Heads of Roads & Design, Economic Development & Environmental Services and HR & Business Transformation	
Council Housing Standards Providing and maintaining suitable, efficient, affordable and quality accommodation ensures reasonable living standards for tenants and compliance with H&S & SHQS regulations.	Medium		CHS	Head of Housing Services	
Affordable Housing Need Failure to meet (or to deliver) affordable housing needs could increase (or reduce) disadvantage, inequality, poverty, legal non-compliance, homelessness and damage to economic growth.	Medium		CHS	Head of Housing Services	
Environmental Risks: Energy, Waste and Sustainability. Effective environmental management controls minimise operating costs, damage to the environment and economy, fuel poverty and protects reputation. And there is a risk that if services don't abide by regulations when preparing Plans, Strategies and Programmes these could be challenged and delays /disruptions/ embarrassment caused. This includes SEA (Strategic Environmental Assessment) / EIA (Environmental Impact Assessment) and Climate Change regulations. The risks will be further detailed within a Climate Change Risk Register.	Medium		DVS	Development Services DMT	
Contaminated & Vacant Land Contaminated land management reduces the risk of it being disturbed; and minimises injury, clean up costs and damage to the local economy.	Medium		DVS	Head of Economic Development & Environmental Services	

TABLE A: Summary for Corporate Risk Category:		CHANGE	Failure to properly recognise, plan for, and manage significant change, both internal and external.
Potential Outcomes		Potential Consequences	
<ul style="list-style-type: none"> <li>• Missed opportunities / failure to maximise financial position;</li> <li>• Failure to engage &amp; obtain stakeholder buy-in;</li> <li>• Failure to support staff through significant change;</li> <li>• Failures in project governance;</li> <li>• Failure to respond to statutory changes (eg. equalities &amp; planning);</li> <li>• Failure to achieve SOA, Corporate. Service &amp; Project Plan objectives;</li> <li>• Failure to meet economic &amp; demographic changes;</li> <li>• Failure to maximise investment income eg. TIF;</li> <li>• Failure to respond to emergencies inc pandemic and severe weather;</li> <li>• Asset construction &amp; design is flawed or does not meet statutes;</li> <li>• Failure to respond to Council or Community emergencies;</li> <li>• Constitutional change.</li> </ul>		<ul style="list-style-type: none"> <li>• Financial or reputational damage by consequences of change;</li> <li>• Failure to achieve SOA, Corporate &amp; Service plan objectives;</li> <li>• Deterioration in morale and service &amp; increased stress;</li> <li>• Time/ cost / quality of project outcomes is compromised;</li> <li>• Prosecution or other legal remedy;</li> <li>• Failure to achieve and demonstrate best value;</li> <li>• Failure to meet increased demand for core services;</li> <li>• Failure to maximise economic benefits &amp; consequences thereof;</li> <li>• Interruption to core services &amp; impact on communities;</li> <li>• Harm to users (eg. due to poor ventilation or access);</li> <li>• Detrimental impact on partner organisations;</li> <li>• Financial loss.</li> </ul>	
Risk Controls		Review Mechanisms	
<ul style="list-style-type: none"> <li>• Corporate risk management arrangements;</li> <li>• Participation &amp; engagement plans &amp; strategies;</li> <li>• Employee communications, training &amp; succession planning;</li> <li>• Project management framework;</li> <li>• Horizon scanning for changes to risks, legislation and service demand;</li> <li>• SOA, Service Planning and performance monitoring;</li> <li>• Demand planning, aligned with capital, revenue &amp; assets;</li> <li>• Project management of strategic projects;</li> <li>• BCP &amp; Emergency Response (Resilience) plans;</li> <li>• Contractor and Council insurance requirements;</li> <li>• Media communications and engagement;</li> <li>• Public Sector Improvement Framework (PSIF) reviews;</li> <li>• Participation in Government consultation exercises;</li> <li>• CWG monitoring and scrutiny – inc Improvement Governance Board &amp; Best Value.</li> </ul>		<ul style="list-style-type: none"> <li>• Member &amp; CMT scrutiny via established committee structure;</li> <li>• Internal and External audit scrutiny and other inspections;</li> <li>• Training evaluations;</li> <li>• Project status reports and monitoring by Project Boards;</li> <li>• Liaison with Central and Local Government partners;</li> <li>• Internal and External audit scrutiny and other inspections;</li> <li>• Review of economic &amp; population census information;</li> <li>• Monitor partnership and project funding &amp; spend;</li> <li>• BCP monitoring and Regional Resilience Partnership scrutiny and monitoring;</li> <li>• Ongoing review of legal requirements &amp; best practice standards;</li> <li>• Scottish Public Services Ombudsman (SPSO) reviews.</li> </ul>	

TABLE B: List of Corporate Risks for Risk Category:		CHANGE	Failure to properly recognise, plan for, and manage significant change, both internal and external.		
Risk Title	Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)	
Corporate Transformational Change	Very High		CMT	Corporate Management Team	
Effective management of change / transformation is necessary to deliver savings, efficiencies and ensure we meet changing customer needs in an effective and planned approach. There should be Project Risk Registers in place for each change program/ project, and these should detail the risks to the achievement of objectives for individual projects, and these should be monitored by Project Boards.					
Welfare Reform	Very High		CHS	Director of Corporate & Housing Services	
Welfare Reform will substantially impact on the Council, citizens, the economy; and affect a variety of groups including employees, landlords and partners; resulting in an estimated reduction in the Falkirk area economy of £48m per annum. The risks associated with WR are detailed in a Risk Schedule developed by the Welfare Reform Governance Group. The scale of change requires more flexible and innovative approaches to change & decision making, and being too ‘risk averse’ and slow to implement change could increase the risks.					
Health & Social Care Integration	Very High	Medium	HSCP	Chief Officer, Health & Social Care Partnership	
A Project Risk Register (covering project delivery, Strategic Risk Register (covering risks to HSC Partnership once established) and Strategic Risk Management Policy and Guidance is being developed jointly by Forth Valley HSC Partners. In addition to the Project Risk Register there will be a Strategic Partnership and Unit Risk Registers.					
Integration of Education & Social Work Services to create Children's Services, following service re-design	High	Medium	CS	Director of Childrens Services	
<u>To be populated once Children's Services DMT review their risk register.</u> The risks / challenges include:– a) Ensuring that functional areas of service delivery are mapped out; b) Senior management accountabilities are assigned; c) Senior management is recruited; and d) Relationships with the new integrated health board are embedded in the service delivery approach.					
Children & Family Services Review	High		CS	Head of Children, Families & Criminal Justice	
Specific, measurable risks are set out within Service, Unit and Project Risk Registers. <u>To be reviewed as part of CS risk register review.</u>					
Self-Directed Support Reforms	High	Medium	CS	Chief Social Work Officer	
SDS will substantially impact on the Council, our partners and vulnerable people – in particular, the elderly, the young and those with physical, mental and learning disabilities. The risks include uncertainty around the capacity to deliver change due to resources, skills and budgets; financial, information and governance risks – including IT changes, loss of charging incomes, and potential increased fraud. The risks & actions associated with this project are detailed within the SDS Project Risk Register.					
Criminal Justice Review	High		CS	Head of Children, Families & Criminal Justice	
Specific, measurable risk registers are to be developed at Service, Unit and Project levels. <u>To be reviewed as part of CS risk register review.</u>					

Resilience: Business Continuity Management	Medium		DVS	Director of Development Services
Effective BCM protects services, reputation, finances and people, especially the most vulnerable. The threats to continuity include loss of people (due to e.g. pandemic flu); Council assets (due to e.g. severe weather or fire); and key suppliers or data (due to e.g. supplier closure and barriers to sharing information).				
Resilience: Emergency Planning / Civil Contingencies	Medium		DVS	Director of Development Services
Effective resilience and emergency response plans (including severe weather, pandemic, utilities, Grangemouth and vulnerable people) limits non-compliance with the Civil Contingencies Act (CCA); and aims to reduce avoidable harm and costs to the Council, vulnerable citizens & communities.				
Pensions Reform	Medium		CHS	Chief Finance Officer and Head of HR & Business Transformation
An effective response to the implementation of the revised LGPS and STSS schemes is required as this could impact on staff pensions and if not achieved appropriately, could result in a statutory breach.				



TABLE A: Summary for Corporate Risk Category:		FINANCIAL	Failures in proper financial management
Potential Outcomes		Potential Consequences	
<ul style="list-style-type: none"> <li>• Breach of statutory duty to achieve best value;</li> <li>• Material mis-statement of financial position;</li> <li>• Inability to fulfil financial and policy obligations;</li> <li>• Failure to collect all income due from debtors;</li> <li>• Failure to pay invoices timeously;</li> <li>• Flawed borrowing or investment related decision making;</li> <li>• Fraud / irregularity;</li> <li>• Failure to plan for economic climate and budget challenges;</li> <li>• Failure to achieve SOA, Corporate and Service plan objectives;</li> <li>• Qualification of Annual Accounts or criticism from External Auditor;</li> <li>• Failure to manage the impacts of welfare reform;</li> <li>• Exposure to Serious Organised Crime.</li> </ul>		<ul style="list-style-type: none"> <li>• Failure to achieve and demonstrate best value;</li> <li>• Prosecution or other legal remedy;</li> <li>• Failure to deliver core services to stakeholders;</li> <li>• Financial leakage;</li> <li>• Detrimental impact on partners &amp; risk to future supply chain;</li> <li>• Compromised medium to long term financial position;</li> <li>• Financial loss;</li> <li>• Compromise the financial position of partners;</li> <li>• External intervention / control;</li> <li>• Damage to reputation;</li> <li>• Greater demand for other Council services.</li> </ul>	
Risk Controls		Review Mechanisms	
<ul style="list-style-type: none"> <li>• CMT commitment to good financial governance and achievement of best value;</li> <li>• Clear and up to date Standing Orders and Financial Regulations;</li> <li>• SOA, Corporate and Service Plans and Performance reporting;</li> <li>• Debt Recovery Policy;</li> <li>• Reliable financial IT systems, with appropriate automated controls &amp; BCPs;</li> <li>• Investment Policy;</li> <li>• Adherence to CIPFA Code of Practice for Treasury Management;</li> <li>• Anti-fraud arrangements;</li> <li>• Community planning priorities defined and monitored;</li> <li>• Internal and external scrutiny;</li> <li>• Complaints procedure;</li> <li>• Anti-Poverty Strategy.</li> </ul>		<ul style="list-style-type: none"> <li>• Member scrutiny via established Committee structure, inc. Audit Cttee;</li> <li>• Service management team scrutiny and monitoring;</li> <li>• SPSO reviews;</li> <li>• Debtors monitoring &amp; Performance Indicator (PI)s;</li> <li>• BCP reviews &amp; testing;</li> <li>• Pensions Committee scrutiny;</li> <li>• CWG scrutiny and monitoring e.g. Capital Review;</li> <li>• Following the Public Pound (FPP) monitoring, inc. Peer Reviews;</li> <li>• Internal and External audit scrutiny and other inspections;</li> <li>• Financial reporting &amp; monitoring.</li> </ul>	

TABLE B: List of Corporate Risks for Risk Category:		FINANCIAL			Failures in proper financial management	
Risk Title	Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)		
Budget, Economic & Demographic Pressures	Very High	High	CHS	Chief Finance Officer		
Government funding cuts; reduced investment returns and capital income; inflation and interest rates; and economic and demographic pressures leads to sustained cut-backs. This needs to be balanced with protecting vulnerable people.						
Major Investment: TIF & Regeneration	High	Medium	DVS	Head of Economic Development & Environmental Services		
Failure (or opportunity) to maximise funding, or withdrawal of the TIF scheme by the Scottish Government, improves opportunities for future investment and economic growth. These risks are detailed within Project Risk Schedules.						
Financial Controls	Medium		CHS	Chief Finance Officer		
Failures in (or effective) spend and income management limits (or protects) financial loss and capital/ funding to meet SOA./ Service Plan commitments; greater scrutiny & challenge; and protects reputation.						

TABLE A: Summary for Corporate Risk Category:		GOVERNANCE	Failures in governance, leadership, accountability and decision making.
Potential Outcomes		Potential Consequences	
<ul style="list-style-type: none"> <li>• Failure to demonstrate best value;</li> <li>• Members / Officers unclear/ unsure of duties and responsibilities;</li> <li>• Poor quality decisions;</li> <li>• Members lack the skills to make effective decisions;</li> <li>• Breakdown in relations between Members &amp; Officers;</li> <li>• Lack of strategic vision, direction and outcomes;</li> <li>• Failure to comply with statutory duties;</li> <li>• Lack of information to support decisions making;</li> <li>• Failure to deliver multiple &amp; simultaneous elections;</li> <li>• Failure to protect vulnerable people from harm;</li> <li>• Negligent Professional Advice e.g. legal &amp; planning;</li> <li>• Failure to monitor &amp; replicate best practice;</li> <li>• Failures in risk management.</li> </ul>		<ul style="list-style-type: none"> <li>• Failure to achieve SOA, Corporate and Service plan objectives;</li> <li>• Failure of Members / officers to fulfil responsibilities;</li> <li>• External intervention and criticism (and consequences thereof);</li> <li>• Unworkable organisation;</li> <li>• Failure to deliver core services;</li> <li>• Prosecution and other legal action;</li> <li>• Financial loss;</li> <li>• Ineffective decision making;</li> <li>• Re-run of elections and consequences thereof;</li> <li>• Injury and civil claims;</li> <li>• Flawed decision making;</li> <li>• Poor Quality Services;</li> <li>• Failure to identify and/or to communicate risks appropriately.</li> </ul>	
Risk Controls		Review Mechanisms	
<ul style="list-style-type: none"> <li>• SOA, Corporate and Service Plans, inc PI's;</li> <li>• Clear &amp; up to date job descriptions for Officers;</li> <li>• Democratic process;</li> <li>• APDS for Members and Officers;</li> <li>• Code of conduct;</li> <li>• Standing orders via scheme of delegation;</li> <li>• Legal and risk implications included in Committee reports;</li> <li>• Annual Governance Statement;</li> <li>• Corporate consultation on draft committee reports;</li> <li>• BCPs;</li> <li>• Officials indemnity insurance for Officers &amp; Members;</li> <li>• Professional indemnity insurance for professional advisors;</li> <li>• Policy, guidance &amp; monitoring;</li> <li>• PSIF &amp; REFLECT reviews;</li> <li>• CRM Policy and Framework, inc risk registers.</li> </ul>		<ul style="list-style-type: none"> <li>• CRMG and CMT scrutiny;</li> <li>• Member scrutiny via defined Committee Structure;</li> <li>• Standards Commissioner;</li> <li>• Internal and external audit and other inspections;</li> <li>• SPSO reviews;</li> <li>• Service management team scrutiny and monitoring;</li> <li>• Horizon scanning for legal changes;</li> <li>• Internal and External Audit and other inspections;</li> <li>• Monitoring Officers;</li> <li>• CWG scrutiny and monitoring inc. CAPSG, MAPPA &amp; BVWG;</li> <li>• Review of lessons learnt from previous events;</li> <li>• Reviews of corporate working groups schedule inc. role and risks.</li> </ul>	

TABLE B: List of Corporate Risks for Risk Category:		GOVERNANCE			Failures in governance, leadership, accountability and decision making.
Risk Title	Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)	
Prohibitions & loss of licences – e.g. Operator Licence for vehicles	High	Medium	DVS	Head of Operational Services	
Prohibitions could have significant impacts on essential services (e.g. loss of or curtailment of Operator Licence could stop the use of refuse collection and roads vehicles) and the service, reputational and financial impacts could be very high.					
Shale Gas Extraction by INEOS	High		DVS	Director of Development Services	
The risk here is dependent upon developments associated with exploitation of natural energy resources by INEOS at Grangemouth. The risk is likely to focus upon the role of the Council in maintaining its statutory and other obligations in a situation which may attract significant national attention, including the possibility of a protest camp and other associated protest activity. A report will be submitted in the near future to CRMG to highlight the implications for the Council.					
Harm to vulnerable people (risk managed by Council and Partners)	High		CS	Chief Social Work Officer and Director of Childrens' Services	
Protecting vulnerable people from harm minimises compensation claims; prosecutions/negative inspections & external intervention; and damage to reputation. Also, multiple reforms raises significant resource planning, skills and budget challenges, including Child & Adult Protection, Criminal Justice & NHS Integration.					
Equalities	Medium		CHS	Head of Policy & ICT Improvement	
Failure (or opportunity) to comply with equalities duties (including access to housing, education & training and employment matters) may lead to (or reduce) disadvantage, poverty, inequality and welfare dependency; and associated reputational, safety, legal and financial consequences thereof.					
GIRFEC	High	Medium	CS	Head of Education	
To be populated once Children's Services DMT review their risk register. The risks / challenges include:– a) Implementing "named person" responsibilities (GIRFEC); b) Regulatory compliance in regard to ASN (Additional Support Needs); c) Completing the inclusion review; and d) Work associated with the Children's Services inspection.					
Closing the gap in attainment	High	Medium	CS	Head of Education	
To be populated once Children's Services DMT review their risk register. The risks / challenges include:– a) Increasing positive destinations/ outcomes; b) Meeting attainment targets; c) Improving pupil attendance; and d) Delivering zero tolerance on literacy & numeracy.					

Leadership, Decision Making & Scrutiny	Medium		CE	Chief Executive
A breakdown in relationships and/or arrangements could inhibit delivery of strategic objectives; lead to a lack of accountability for decisions and inappropriate spend. This could result in litigation; external intervention; lack of BV; financial loss & reputation damage. Includes Effectiveness & Implementation of Standing Orders, Governance Arrangements and Member Training.				
External Appointments & Conflicts of Interest	Medium		CHS	Chief Governance Officer and Head of HR & Business Transformation
Extra-Mural Employment and External Appointments of both Members and Officers may lead to conflicts of interest, particularly where Members/ Officers sit on board's of external organisations. There is also a potential conflict in relation to receipt/ acceptance of Gifts and Hospitality.				
Audit Assurance	Medium		CHS	Chief Finance Officer
Failure to complete planned Internal / External Audit work, provide a balanced assurance, and make / implement pragmatic and proportionate recommendations could lead to compromised internal control, external criticism, and breach of statutory duty.				
Procurement & Commissioning	Medium		CHS	Head of Resources & Procurement
Failure (or opportunity) to implement procurement best practice may adversely (or positively) impact on Council service provision; may adversely (or positively) impact on achieving Council's priorities in relation to matters such as sustainability and employment; and may result in failure to deliver best value and legal challenges, with consequential costs and reputational damage.				
Investment strategy is inconsistent with Political & Social Policies	Medium		CHS	Chief Finance Officer
Failure (or opportunity) to ensure that our investment strategy supports our corporate policies could lead to (or reduce) criticism from stakeholders and failure to achieve stated objectives.				
Fraud / Corruption / Serious Organised Crime	Medium		CHS	Chief Finance Officer
Failure to minimise the risk of fraud / corruption (via opportunism, insider threat, SOC, etc) could lead to legal recourse, financial loss, or reputational damage.				
Regulatory Enforcement	Medium		DVS	Heads of Economic Development & Environmental Services and Planning & Transportation
Inadequate monitoring and enforcement of planning, building, environmental and trading standards legislation creates risks to public safety and buildings, and could results in reputational damage and legal action against the Council.				

TABLE A: Summary for Corporate Risk Category: HUMAN RESOURCES Failures in human resource management	
Potential Outcomes	Potential Consequences
<ul style="list-style-type: none"> <li>• Insufficient staff;</li> <li>• Recruitment and retention problems;</li> <li>• Absence;</li> <li>• Non performing staff,;</li> <li>• Not properly qualified;</li> <li>• Not properly supported;</li> <li>• Not properly trained;</li> <li>• Not properly paid;</li> <li>• Injured / sick staff;</li> <li>• Inequitable treatment of staff;</li> <li>• Failure to achieve SOA, Corporate and Service plan objectives;</li> <li>• Failure to carry out suitable disclosure checks;</li> <li>• Challenge of severance decisions/ sustainability;</li> <li>• Failure to manage safety &amp; control claims spend;</li> <li>• Exposure to Serious Organised Crime (SOC);</li> <li>• Pay inequality;</li> <li>• Negative impact of changes resulting from budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to deliver core services;</li> <li>• Damage to reputation – unable to recruit /retain skilled workforce;</li> <li>• Cost of absences – direct &amp; indirect, inc. sick pay &amp; morale;</li> <li>• Cost of identifying and rectifying human errors;</li> <li>• Cost of covering vacant posts;</li> <li>• Reduced staff morale;</li> <li>• Reduced Performance / Failure to achieve full potential;</li> <li>• Industrial relations disputes;</li> <li>• Prosecution or other legal remedy;</li> <li>• Tribunals &amp; civil claims;</li> <li>• Failure to demonstrate best value;</li> <li>• Prosecution or other legal remedy;</li> <li>• Attract too many / too few people for retirement; or union disputes;</li> <li>• Detrimental impact on cost &amp; availability of insurance.</li> </ul>
Risk Controls	Review Mechanisms
<ul style="list-style-type: none"> <li>• Appropriate management and accountability structures;</li> <li>• Adequate and appropriate staff establishments;</li> <li>• Occupational Health &amp; associated services;</li> <li>• Clear and robust HR policies and procedures;</li> <li>• Clear and up to date job descriptions for Officers;</li> <li>• APDS &amp; Employee Development Bulletin;</li> <li>• Complaints &amp; Quality Monitoring Processes;</li> <li>• BCPs, inc staff absence and ICT failure;</li> <li>• Health &amp; safety policies and arrangements, inc PMH;</li> <li>• Equality Impacts Assessment included in committee reports;</li> <li>• Timely and accurate management information;</li> <li>• Appropriate Disclosure Checks &amp; Manager Guidance;</li> <li>• Consultation and engagement process;</li> <li>• Incident reports, investigations and manager reports;</li> <li>• Joint Trade Union/Officer Grading Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Service management teams scrutiny and monitoring;</li> <li>• Service Based Forums;</li> <li>• CRMG and CMT scrutiny;</li> <li>• Internal and External audit scrutiny / inspections;</li> <li>• External accreditation, inc liP;</li> <li>• Staff Satisfaction Surveys;</li> <li>• CWGs scrutiny and monitoring, inc Safety @ Work;</li> <li>• Benchmarking of terms &amp; conditions of service;</li> <li>• Statements of Assurance (Premises &amp; Fleet);</li> <li>• Review of Staff Satisfaction Surveys;</li> <li>• Member scrutiny via established committee structure inc. JCC;</li> <li>• Safer Recruitment Working Group scrutiny and monitoring;</li> <li>• Monitoring severance (including savings achieved);</li> <li>• Audits &amp; lessons learnt – inc accidents and claims reviews.</li> </ul>

TABLE B: List of Corporate Risks for Risk Category:		HUMAN RESOURCES			Failures in human resource management	
Risk Title		Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)	
Vacancy Management		High		CHS	Head of HR & Business Transformation	
Effective vacancy management enables the Council to ensure it has the right people, in the right place, at the right time. It assists in maintaining the morale, motivation and overall well-being of employees, whilst simultaneously assisting with workforce costs, ensuring that all expenditure on workforce spend is essential. In turn, this ensures service delivery demands can be delivered at appropriate levels.						
HR Management / Workforce Planning		Medium		CHS	Head of HR & Business Transformation	
Ineffective; legally non-compliant policies and practices in relation to recruitment, pay, equalities, performance and training / development issues causes employee dissatisfaction and leads to Industrial Action / Union Disputes and Legal Action. All of these factors have a significant impact on service delivery and could lead to financial loss, inefficiency & reputational damage; and may also cause in Harm to Vulnerable People.						
Absence		High		CHS	Head of HR & Business Transformation	
Pro-active management of absence by Managers can help to reduce absence, resulting in lower costs from absence and a reduced impact on service delivery. The effective management of absence can also have a positive impact on the health, morale, motivation and performance of employees, resulting in better and more efficient services being delivered by the Council.						
Health & Safety		Medium		CHS	Head of HR & Business Transformation	
Failure (or opportunity) to protect the well-being of staff could result in (or reduce) illness, poor morale, financial costs and reputational damage. This includes risk from premises; fleet; and the public; and risks and actions identified within various HR and H&S Policies, Risk Assessments & Audits.						
Payroll & Pension Payment Failures		Medium		CHS	Chief Finance Officer and Head of HR & Business Transformation	
Payroll & Pension Failures: Failure to pay the correct amount and on time to employees and pensioners could lead to distress and financial hardship to individuals, lack of trust and morale, and damage to reputation.						

TABLE A: Summary for Corporate Risk Category:		INFORMATION	Failures in proper information management (availability, integrity and security).
Potential Outcomes			Potential Consequences
<ul style="list-style-type: none"> <li>• Information / data loss;</li> <li>• Information / data corruption;</li> <li>• Compromised decision making;</li> <li>• Breach of statutory duty e.g. DPA &amp; Public Records;</li> <li>• Inappropriate use of Council ICT equipment;</li> <li>• Breach of confidentiality, compromising staff, public, or other stakeholders;</li> <li>• Flawed decision-making or reporting;</li> <li>• Failure to achieve SOA, Corporate and Service plan objectives;</li> <li>• Inefficient / sub-optimal systems;</li> <li>• Systems breakdown / failure;</li> <li>• Failure in ICT contract management;</li> <li>• Exposure to Serious Organised Crime;</li> <li>• Loss of PSX / GSX Accreditation;</li> </ul>			<ul style="list-style-type: none"> <li>• Prosecution/ other legal remedy;</li> <li>• Financial loss resulting from reliance on flawed or incomplete data;</li> <li>• Failure to deliver core services;</li> <li>• Failure to provide evidence for inspections, regulators etc;</li> <li>• Damage to reputation;</li> <li>• Risk of harm to data subjects e.g. offenders;</li> <li>• Detrimental impact on partner organisations;</li> <li>• Failure to deliver best value services;</li> <li>• Costs of reinstatement/ additional costs of working;</li> <li>• Dependence on suppliers and risks of their failure;</li> <li>• Unable to access key ICT systems eg remote working;</li> </ul>
Risk Controls			Review Mechanisms
<ul style="list-style-type: none"> <li>• Data loss reporting to SPSO;</li> <li>• Compliance with relevant legislation e.g. Data Protection;</li> <li>• Clear ICT strategy and supporting policy &amp; procedures;</li> <li>• Clear records management policy &amp; procedures;</li> <li>• Acceptable Use of the internet and email policy;</li> <li>• Data sharing protocols with partners inc Info Audit &amp; logging of info transfers;</li> <li>• CMT commitment to good information governance;</li> <li>• SOA, Corporate and Service Plans (including PI's);</li> <li>• Investment – alignment of ICT, Service &amp; Asset Strategies;</li> <li>• BCPs;</li> <li>• Contract Monitoring Framework for critical systems;</li> <li>• Systems &amp; buildings security inc access controls, encryption &amp; virus checking;</li> <li>• Property damage &amp; business interruption insurance, including increased cost of working;</li> <li>• Privacy Impact Assessments;</li> <li>• Information Asset Register.</li> <li>• Project management of PSX, inc consultants;</li> </ul>			<ul style="list-style-type: none"> <li>• SIC (info. Commissioner);</li> <li>• CWGs inc Improvement Governance Board monitoring &amp; scrutiny;</li> <li>• CWG sub-group monitoring, inc FOI, Records Management &amp; RIPSAs*;</li> <li>• Service Management Teams scrutiny and monitoring;</li> <li>• Public Records Statement of Assurance;</li> <li>• ICT Controls &amp; Monitoring e.g. internet use &amp; email scanning;</li> <li>• Internal and External audit scrutiny and other inspections;</li> <li>• CRMG &amp; CMT scrutiny;</li> <li>• Member scrutiny via established committee structure;</li> <li>• Tendering &amp; best practice monitoring;</li> <li>• BCP reviews &amp; testing;</li> <li>• Contract Monitoring Officers;</li> <li>• Systems Administrators;</li> <li>• RIPSAs* Working Group (Regulation of Investigatory Powers) monitoring;</li> <li>• Reviews of Project Plans and Business Impact Assessments;</li> </ul>



TABLE B: List of Corporate Risks for Risk Category:		INFORMATION			Failures in proper information management (availability, integrity and security).
Risk Title	Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)	
<p>MI: Availability, Reliability &amp; Fitness For Purpose (including ICT Business Continuity)</p> <p>Reliability and effectiveness of ICT to ensure continued service delivery.</p>	High	Medium	CHS	Head of Policy & ICT Improvement	
<p>Barriers to Sharing Data</p> <p>Barriers to Sharing Data: This applies to data shared both within the Council &amp; with our Partners Many of the barriers – especially internal barriers – are 'artificial'; meaning they are not based on an accurate interpretation of Data Protection laws. In addition to the risks highlighted under 'Data Protection', this risk may have a serious impact on the Council and our Partners ability to identify and offer appropriate (targeted) support to vulnerable people. It also affects service improvement/ efficiency and the quality of decisions, and therefore service outcomes. Also, multiple and incompatible internal systems creates additional costs and resource implications.</p>	High	Medium	CHS	To be confirmed by Director of CHS	
<p>Data Protection</p> <p>Data Protection: Employees may not adhere to Corporate Information Policies &amp; Guidance and this could compromise the security of data, and result in unauthorised access and/or data loss. The consequences may include fines from the ICO; costs of correcting the error; threats to data subjects and reputation.</p>	High		CHS	To be confirmed by Director of CHS	
<p>ICT – PSN Compliance</p> <p>In addition to the risks highlighted under 'Data Protection', there are significant costs &amp; time pressures of complying with changes to government ICT security requirements. Access to PSN (government systems where we exchange information) could be cut off. Potential for unauthorised access and/or compromise to confidential data; service interruption (particularly to home/ remote working) and significant costs &amp; time pressures of complying with changes.</p>	High		CHS	Head of Policy & ICT Improvement	
<p>PCI DSS (Payment Card Industry Data Security Standards) Compliance</p> <p>The Council has a duty to comply with the Payment Card Industry Data Security Standards (PCI DSS). At present the Income Management system is managed by Capita which already has the Gold standard for compliance, however, the Council must adhere to the regulations before the card data is received in the system. This includes physical hardware which must be PCI DSS compliant with constant visual checks and the ICT infrastructure including networks and firewalls. An annual questionnaire must be completed and submitted, and quarterly review audits need to be carried out. Whilst the Council is non-compliant we could be subject to charges relating to each month non-compliant and fines if there is a data breach based on the number of card details processed and could be subject to the breach. A questionnaire must be completed for each Merchant Number in use within the Council and the Community Trust.</p>	High	Low	CHS	Chief Finance Officer and Head of Policy & ICT Improvement	
<p>Public Performance Reporting and Engagement</p> <p>Need to ensure our customer and stakeholders have information on the performance of Council services and opportunities to feedback on those services. This information is then used to change and improve services where appropriate.</p>	High	Medium	CHS	Head of Policy & ICT Improvement	

TABLE A: Summary for Corporate Risk Category:		PARTNERSHIPS	Failures in partnerships or contracts with external bodies.
Potential Outcomes		Potential Consequences	
<ul style="list-style-type: none"> <li>• No delivery mechanism for plan/ project;</li> <li>• Failure/ deteriorating performance of partners;</li> <li>• Interruption to supply chain;</li> <li>• Failure to achieve aims of partnership or contract;</li> <li>• Failure to prioritise partner funding effectively;</li> <li>• Harm to service users;</li> <li>• Failures in procurement &amp; partnership governance.</li> </ul>		<ul style="list-style-type: none"> <li>• Failure to deliver core services;</li> <li>• Financial loss;</li> <li>• Customer service issues &amp; consequences thereof;</li> <li>• Failure to achieve SOA, Corporate and Partnership objectives;</li> <li>• Detrimental impact on partner organisations;</li> <li>• Prosecution or other legal action;</li> <li>• Time/ cost / quality of project outcomes is compromised.</li> </ul>	
Risk Controls		Review Mechanisms	
<ul style="list-style-type: none"> <li>• SOA, Corporate, Service &amp; Partnership Plans;</li> <li>• JWA's (Joint Working Agreements);</li> <li>• FPP (Follow the Public Pound) &amp; supplier monitoring;</li> <li>• Suppliers/partners BCPs and monitoring;</li> <li>• Measuring return on investment / impact of funding;</li> <li>• Partnership Agreement and Contracts, with legal input;</li> <li>• PSIF;</li> <li>• Surety eg. Performance &amp; Parental Guarantee / insurance;</li> <li>• Procurement Policies, inc appointment of consultants;</li> <li>• Make payments in arrears to partners, where appropriate.</li> </ul>		<ul style="list-style-type: none"> <li>• CMT &amp; Member scrutiny via established committee structure;</li> <li>• CWGs, inc. Community Planning Partnership, Procurement Board and Best Value;</li> <li>• Review and testing of key supplier BCPs;</li> <li>• Internal and External Audit and other inspections;</li> <li>• Scrutiny and monitoring by Peer Review Groups;</li> <li>• Evidence of surety gathered as part of contract monitoring;</li> <li>• SLA monitoring.</li> </ul>	

TABLE B: List of Corporate Risks for Risk Category:		PARTNERSHIPS			Failures in partnerships or contracts with external bodies.	
Risk Title		Current Risk Level (after Controls)	Target Risk Level (after Actions)	Corporate Lead (or Sponsor)	Chief Officer Lead (or Sponsor)	
Community Planning Partnership		Medium		CHS	Head of Policy & ICT Improvement	
The Council is required to actively participate in community planning to ensure the delivery of the vision and outcomes for our communities is achieved and that all public resources are used efficiently and effectively in achieving said vision and outcomes.						
Following the Public Pound		Medium		CHS	Head of Policy & ICT Improvement	
Failure (or opportunity) to manage relationships with partners and to ensure that external funding is safe; delivers best value and meets the needs of our customers could result in (or reduce) financial loss; reputation damage and increased demand for Council services.						
Falkirk Community Trust		Medium		CE	Chief Executive	
This includes risks to both the Trust (i.e. failure to deliver the Trust Service Plan) and the Council (i.e. failure to deliver the Council's Corporate Plan and SOA). Failure to meet KPI's or manage risks may result in poor service to customers, inefficiency and risks to various parties. Also, poor performance by the Council may result in the Trust commissioning alternative providers – and this would reduce Council income & create surplus resources.						
Economy and Training		Medium		DVS	Head of Economic Development & Environmental Services	
Failure (or opportunity) to retain and attract funding, and to meet the objectives agreed with partners and funders, could minimise financial claw back, unemployment, reputational damage, and lack of opportunities. This may increase (or reduce) welfare dependency and costs.						

## Appendix 2: CRR - Summary by Risk Category

Risk Category / Risk Title	Current Risk Level	Target Risk Level	Risk Category / Risk Title	Current Risk Level	Target Risk Level
<b>Assets</b>			<b>Governance</b>		
Development Projects	High		Prohibitions & loss of licences (eg VOSA licence)	High	Medium
Asset Construction & Design (All Asset Types)	Medium		Shale Gas Extraction by INEOS	High	
Assets (excluding Housing): Maintenance, Availability, Reliability	Medium		GIRFEC	High	Medium
Premises Management	Medium		Closing the gap in attainment	High	Medium
Affordable Housing Need	Medium		Leadership, Decision Making & Scrutiny	Medium	
Council Housing Standards	Medium		External Appointments & Conflicts of Interest	Medium	
Environmental Risks: Energy, Waste and Sustainability.	Medium		Audit Assurance	Medium	
Contaminated & Vacant Land	Medium		Fraud / Corruption / Serious Organised Crime	Medium	
<b>Change</b>			Investment strategy is inconsistent with Political & Social Policies	Medium	
Corporate Transformational Change	Very High				
Health & Social Care Integration	Very High	Medium	Equalities	Medium	
Welfare Reform	Very High		Procurement & Commissioning	Medium	
Integration of EDU & SWK Services to create Children's Services	High	Medium	Regulatory Enforcement	Medium	
Self-Directed Support Reforms	High	Medium	<b>Human Resources</b>		
Children & Family Services Review	High		Absence	High	
Criminal Justice Review	High		Vacancy Management	High	
Resilience: Business Continuity Management	Medium		HR Management / Workforce Planning	Medium	
Resilience: Emergency Planning / Civil Contingencies	Medium		Health & Safety	Medium	
Pensions Reform	Medium		Payroll & Pension Payment Failures	Medium	
<b>Financial</b>			<b>Information</b>		
Budget, Economic & Demographic Pressures	Very High	High	MI: Availability, Reliability & Fitness For Purpose	High	Medium
Major Investment: TIF & Regeneration	High	Medium	Data Protection	High	
Financial Controls	Medium		Barriers to Sharing Data	High	Medium
<b>Partnerships</b>			ICT – PSN Compliance	High	
Community Planning Partnership	Medium		PCI DSS (Payment Card Ind. Data Sec. Stand.) Compliance	High	Low
Following the Public Pound	Medium		Public Performance Reporting and Engagement	High	Medium
Falkirk Community Trust	Medium				
Economy and Training	Medium				

### Appendix 3: CRR - Summary by Portfolio Holder

Portfolio Holder / Risk Title	Current Risk Level	Target Risk Level	Portfolio Holder / Risk Title	Current Risk Level	Target Risk Level
<b>Leader of the Council</b>			<b>Education / Childrens' Services</b>		
Welfare Reform	Very High		Children & Family Services Review	High	
Absence	High		Closing the gap in attainment	High	Medium
Vacancy Management	High		GIRFEC	High	Medium
Prohibitions & Loss of Licences (e.g. Vehicle Operators Licence)	High	Medium	Integration of Edu & SWK Services to create Children's Services	High	Medium
Public Performance Reporting and Engagement	High	Medium	<b>Health &amp; Social Care</b>		
Leadership, Decision Making & Scrutiny	Medium		Health & Social Care Integration	Very High	Medium
External Appointments & Conflicts of Interest	Medium		Self-Directed Support Reforms	High	Medium
Audit Assurance	Medium		<b>Housing</b>		
Fraud / Corruption / Serious Organised Crime	Medium		Affordable Housing Need	Medium	
HR Management / Workforce Planning	Medium		Council Housing Standards	Medium	
Health & Safety	Medium		<b>Public Protection</b>		
Equalities	Medium		Criminal Justice Review	High	
Asset Construction & Design (All Asset Types)	Medium		Shale Gas Extraction by INEOS	High	
Assets (exc. Housing): Maintenance, Availability, Reliability	Medium		Resilience: Emergency Planning / Civil Contingencies	Medium	
Premises Management	Medium		<b>Resources</b>		
Community Planning Partnership	Medium		Budget, Economic & Demographic Pressures	Very High	High
Following the Public Pound	Medium		Corporate Transformational Change	Very High	
Procurement & Commissioning	Medium		Barriers to Sharing Data	High	Medium
Regulatory Enforcement	Medium		Data Protection	High	
<b>Culture, Leisure and Tourism</b>			ICT – PSN Compliance	High	
Falkirk Community Trust	Medium		MI: Availability, Reliability & Fitness For Purpose (inc ICT BCP)	High	Medium
<b>Economic Development</b>			PCI DSS (Payment Card Ind. Data Sec.Standards) Compliance	High	Low
Development Projects	High		Financial Controls	Medium	
Major Investment: TIF & Regeneration	High	Medium	Investment strategy is inconsistent with Political & Social Policies	Medium	
Economy and Training	Medium		Payroll & Pension Payment Failures	Medium	
Environmental Risks: Energy, Waste and Sustainability.	Medium		Pensions Reform	Medium	
Contaminated & Vacant Land	Medium		Resilience: Business Continuity Management	Medium	