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| <b>Report To:</b>       | <b>Audit Committee</b>  | <b>Date</b>        | <b>21 April 2015</b>   |
| <b>Report By:</b>       | <b>Corporate Director Environment,<br/>Regeneration &amp; Resources</b> | <b>Report No:</b>  | <b>AC/05/15/AF/APr</b> |
| <b>Contact Officer:</b> | <b>Andi Priestman</b>   | <b>Contact No:</b> | <b>01475 712251</b>    |
| <b>Subject:</b>         | <b>Risk Management Progress Report</b>                                  |                    |                        |

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### 1.0 PURPOSE

- 1.1 The purpose of this report is to update members on progress made with regard to risk management since the Audit Committee on 21 October 2014. The report aims to support members in discharging their responsibility for reviewing the effectiveness of risk management across the organisation.
- 1.2 Progress on risk management requires to be monitored because of its importance to the Council's Corporate Governance Framework.

### 2.0 SUMMARY

- 2.1 Since the last audit committee a review of the Council's Risk Registers has been undertaken which has involved discussions with relevant officers to update existing risks as appropriate and capture any new or emerging risks.
- 2.2 There are currently 4 key corporate risks which have been identified which sit above the risk appetite line:

| <b>Risk Category</b>  | <b>Risk Description</b>   |
|-----------------------|---|
| People/Capacity Risk  | The risk that we fail to identify, develop and deploy sufficient workforce capacity to achieve the required outcomes which may result in resources being spread too thinly.   |
| Financial Risk        | The risk that the Council will not manage the significant funding restrictions over 2015/2019 appropriately which may lead to unnecessary and ad hoc front line service reductions. This also impacts on service budget planning as it is more difficult to forward plan where only a one year budget has been set. |
| Legal/Regulatory Risk | The risk that the Council may fail to discharge its Health and Safety responsibilities.   |
| Operational Risk      | The risk that we do not achieve our absence management strategy due to high absence rates and controls not being used by managers.  |

- 2.3 Mitigations are in place for each risk which will be reviewed on an ongoing basis by the relevant management teams.
- 2.4 Business Continuity Plans have also been reviewed and table top exercises for services have been organised for June 2015.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Members agree to note the progress on risk management in the period since the Audit Committee meeting in October 2014.

**Aubrey Fawcett**

**Corporate Director Environment, Regeneration and Resources**

## 4.0 BACKGROUND

- 4.1 There have been increasing pressures for public sector bodies to adopt formalised approaches to risk management.
- 4.2 In its Code of Practice, Audit Scotland makes it clear that the audited bodies are responsible for developing systems of internal control, including risk management, and for conducting annual reviews of the effectiveness of the system of internal control.
- 4.3 The Council has developed a Risk Management Strategy which will deliver a consistent, effective framework and approach for managing risks across the organisation at all levels and support the achievement of the corporate outcomes.

## 5.0 CURRENT STATUS

- 5.1 Since the last audit committee a review of the Council's Risk Registers has been undertaken which has involved discussions with relevant officers to update existing risks as appropriate and capture any new or emerging risks.
- 5.2 There are currently 4 key corporate risks which have been identified which sit above the risk appetite line:

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- 5.4 Business Continuity Plans have also been reviewed and table top exercises for services have been organised for June 2015.

## 6.0 IMPLICATIONS

### 6.1 Finance

There are no direct financial implications arising from this report.

### 6.2 Legal

There are no direct legal implications arising from this report.

### 6.3 Human Resources

There are no direct HR implications arising from this report.

#### **6.4 Equalities**

There are no direct equalities implications arising from this report.

#### **6.5 Repopulation**

There are no direct repopulation implications arising from this report.

### **7.0 CONSULTATIONS**

7.1 Relevant officers have been consulted during the review and update of risk registers.

### **8.0 LIST OF BACKGROUND PAPERS**

8.1 Corporate, Directorate and Service Risk Registers. Copies available from Andi Priestman. Chief Internal Auditor.