Brief Headline Report on Corporate Risks

Midlothian

MC01-01 People risks

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-01	Potential sub risk areas include:- 01 - health and safety - duty of care over employees 02 - difficulties recruiting the right staff 03 - retaining quality staff 04 - low skill levels 05 - low morale, especially during change 06 - non compliance with policy and procedure 07 - ageing work force and 08 - high absence rates There is currently a further group of threats that are impacting on the Council and its employees and these are external factors: public sector pay freeze, pension reforms, industrial action, public sector reform, reduction in household incomes, reduced ability to retire, limited job opportunities	Marina Naylor	01 - Main internal controls centre on the approved People Strategy and supporting initiatives and Action Plan. 02 - HR related policies regularly reviewed 03 - Management of external factors that affect staff 04 - Significant stress awareness campaign 05 - Competency Framework 06 - Various initiatives to keep staff informed of change 07 - Absence Monitoring/Reporting. 08 - Health and Safety Risk Management/pro-action to Internal Audit recommendations/use of risk consultants for surveys/updating policies and link to PIs and day-to-day practice/specific improvements underway in driver training, down to casual users 09 - Adoption and management of a BT Project Risk Register, reviewed/updated quarterly 10 - Non-redundancy policy aimed at keeping employee base stable	1	4	✓

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01 -A01-1	Policy Review program	**Q2 15/16**: The Policy review work well underway with key policies being revised e.g. Discipline & Grievance, Attendance Management and Organisational Change.	Marina Naylor	31-Mar-2016	▶
MC01-A01-2	Health & Safety Management Arrangement Development	**Q2 15/16**: Management Arrangement development program is progressing positively with the following arrangements developed: First Aid, Incident Reporting & Investigation, Control of Substances Hazardous to Health, Personal Protective Equipment, Hand Arm Vibration, Smoke Free, Manual Handling & Display Screen Equipment.	Chris Lawson	10-Jul-2016	▶

MC01-02 Governance and Standards in Public Life

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-02	Potential sub risks include:- 01 Macro governance at the top – failure in openness, accountability, clarity; 02 Micro governance in services, partnerships and projects and outcomes not achieved 03 Non compliance with codes of conduct and reduction in standards in public life	Internal Audit; Elaine Greaves; Alan Turpie	Potential sub risks include:- 01 Macro governance at the top – failure in openness, accountability, clarity; 02 Micro governance in services, partnerships and projects and outcomes not achieved 03 Non compliance with codes of conduct and reduction in standards in public life	3	4	⚠️

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A02	International Governance Standards	**Q2 15/16**: Working Group to be established to review current governance arrangements against new International Governance standard developed by CIPFA and the International Federation of Accountants.	Alan Turpie	31-Mar-2016	▶️

MC01-04 Internal Control Environment

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-04	Potential risks include:- 01 - Fraud 02 - Waste and 03 - Error caused by inadequate internal control, residual risk and poor governance at macro and micro levels.	Internal Audit; Elaine Greaves	Potential risks include:- 01 - Fraud 02 - Waste and 03 - Error caused by inadequate internal control, residual risk and poor governance at macro and micro levels.	3	3	⚠️

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A04	Audit	**Q2 15/16**: Audit team progressing with 2015/16 Audit Plan to test a range of internal controls as agreed ad approved by Audit Committee.		31-Mar-2016	⚠️

MC01-05 Balancing Budgets in future years/Impact of Budget Cuts/Financial Strength of Council

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-05	Potential sub risks include:- 01 - Slow realisation of savings 02 - Improvements to services cannot be financed as a result of budget cuts 03 - Poor collection performance in income streams 04 - Unforseen commitments	Gary Fairley	Potential sub risks include:- 01 - Slow realisation of savings 02 - Improvements to services cannot be financed as a result of budget cuts 03 - Poor collection performance in income streams 04 - Unforseen commitments	4	4	🔺

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A05-1	Finalise 2016/17 base budget	**Q2 15/16**: The Accountants are completing detailed budget review.	Gary Fairley	15-Dec-2015	▶
MC01-A05-2	Assess Grant announcement	**Q2 15/16**: This will follow formal announcement.	Gary Fairley	15-Jan-2016	▶
MC01-A05-3	Consider Savings proposals for 2016/17	**Q2 15/16**: Under consideration by Senior Management Team.	Gary Fairley	18-Dec-2015	▶

MC01-06 Emergency Planning and Business Continuity Management

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-06	Potential sub risks include:- 01 - Censure through non compliance with the Civil Contingencies Act 02 - Not adequately recovering from the loss of major accommodation (eg secondary school, main offices), computer systems and staff 03 - Not able to respond to a major emergency in the community 04 - Fatal Accident Inquiries	Chris Lawson	Potential sub risks include:- 01 – Civil Contingencies Risk Register used to highlight key risks and record response, - Council's plans developed and maintained in response to identified risks, - Contingency Planning Group support development, peer review and roll out of plans. 02 – Establishment based incident response plans in place and maintained locally. 03 – Emergency response plan setting out general approach to respond to a major emergency inline with key partner organisations. 04 – As part of the Council's Emergency response plan the importance of recording decisions made and information available at the time is highlighted as this would be scrutinised in the event of an FAI.	2	4	✅

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A06	Preparation for Partership Working	**Q2 15/16**: The Council Emergency Response Plan will be reviewed with a view to the future partnership working in Civil Contingencies.	Chris Lawson	31-Mar-2016	▶

MC01-07 Corporate Policies and Strategies

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-07	Potential sub risks could include:- 01. Policy may not be aligned to BV 02. Policies may not match aspirations or corporate direction 03. Policies may become out of date 04. Policies not monitored and non compliance exists 05. Strategy misaligned to policy; may not work		Potential sub risks could include:- 01. Policy may not be aligned to BV 02. Policies may not match aspirations or corporate direction 03. Policies may become out of date 04. Policies not monitored and non compliance exists 05. Strategy misaligned to policy; may not work	1	3	✅

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status

MC01-08 Corporate Change and Transition

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-08	Potential sub risks include:- 01 - Delays 02 - Cost creep 03 - Slow benefits realisation and budget savings 04 - Objectives of changes not actually met 05 - Adverse impact on services 06 - Staff morale affected 07 - Government step-in	Nancy Brown	Potential sub risks include:- 01 - Delays 02 - Cost creep 03 - Slow benefits realisation and budget savings 04 - Objectives of changes not actually met 05 - Adverse impact on services 06 - Staff morale affected 07 - Government step-in	4	4	🔴

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A08	Delivering Excellence	**Q2 15/16**: Heads of Service have been asked by the Chief Executive to set out when their Services are planning to work through the delivering excellence framework.		31-Mar-2017	🔺

MC01-09 Legal and Regulatory Compliance

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-09	The potential sub risks include:-1. A local authority is bound by a plethora of legislation and government regulation: and 2. Ultra vires actions could transpire	Alan Turpie	The potential sub risks include:- 1. A local authority is bound by a plethora of legislation and government regulation: and 2. Ultra vires actions could transpire	3	3	⚠

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A09	Information Security			31-Mar-2016	⚠

MC01-11 Asset Condition – buildings, vehicles, computer, roads

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-11	Potential risks include insufficient budgets to make a serious impact on deterioration of assets; adverse legacy for the future.Limited funds to make a real difference. For example, in Roads Services there is a real risk of increased potholes and insurance claims, reduced skid resistance leading to higher accident potential and building up of higher costs in the future. In respect of vehicles, increased breakdowns, service failures, greater maintenance inevitable, higher short-term hire costs. In terms of property, health and safety issues arise, failure to meet current standards and higher running costs. There is also the risk of two-tier accommodation, some high quality, some low.	Gary Fairley	Potential risks include insufficient budgets to make a serious impact on deterioration of assets; adverse legacy for the future.Limited funds to make a real difference. For example, in Roads Services there is a real risk of increased potholes and insurance claims, reduced skid resistance leading to higher accident potential and building up of higher costs in the future. In respect of vehicles, increased breakdowns, service failures, greater maintenance inevitable, higher short-term hire costs. In terms of property, health and safety issues arise, failure to meet current standards and higher running costs. There is also the risk of two-tier accommodation, some high quality, some low.	3	3	⚠

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status

MC01-13 Integration of Health & Social Care

Risk Code	Risk Identification	Ownership Managed by	Risk Control Measures	Likelihood	Impact	Risk Evaluation
MC01-13	The integration of health and social care is one of the Scottish Governments' top priorities and is a key part of planning services for the future. From 20 August 2015 Midlothian Council and NHS Lothian will be working together as a Health and Social Care Partnership governed by the Midlothian Integration Joint Board (IJB). This co-ordinated approach to planning and delivering services across Midlothian aims to achieve the Partnerships vision: "People leading longer and healthier lives by getting the right advice, care, and support, in the right place, at the right time." The successful operation of the new IJB is key to the on going delivery of adult and social care and in particular further benefits, efficiency and improvement in service through further integration being achieved. The project has been led by the Director of Health & Social Care with support from Council and NHS employees and overseen by the Business Transformation Board within the Council. There is a risk to the delivery of the stated objectives should the IJB not function effectively.	Alison White		3	4	⚠️

Related Action Code	Related Action	Linked action latest note	Assigned to	Due Date	Status
MC01-A13-1a	The purpose of Risk Management	**Q2 15/16**: A report was submitted to the IJB on Risk Management highlighting the purpose and importance of the new IJB developing a risk management policy.		31-Mar-2016	✅
MC01-A13-1b	The purpose of Risk Management	**Q2 15/16**: A workshop on Risk Management is being scheduled for the IJB as part of the induction process.		31-Jan-2016	⚠️
MC01-A13-2	IJB Risk Awareness	**Q2 15/16**: Midlothian Council are leading on the development of risk management reporting arrangements between the IJB, the Council and NHS Lothian.		31-Jan-2016	⚠️
MC01-A13-3	Develop an IJB risk register	**Q2 15/16**: A draft register has been prepared with input from Midlothian Council and the NHS, this will be updated with input from the IJB following the Risk Management workshop.		31-Mar-2016	⚠️