

Appendix 1 - 2021/2022 compliance with risk management strategic requirements

Key

Score 3= Up to date and in line with requirement

Score 2= Work in progress

Score 1= Needs addressed

| Requirement from Risk Management Strategy | Community and Enterprise Resources | Education Resources | Finance and Corporate Resources | Housing and Technical Resources | Social Work Resources |
|--|------------------------------------|---------------------|---------------------------------|---------------------------------|-----------------------|
| Risk registers are updated on an annual basis, in line with the Council's Risk Management Strategy | 3 | 3 | 3 | 3 | 3 |
| Where appropriate, Council top risks are adequately reflected in the Resource risk register | 3 | 3 | 3 | 3 | 3 |
| Delivery of Resource risk control actions and control actions for top risks lead by the Resource are progressed. | 3 | 3 | 3 | 3 | 3 |
| The risk register and risk control plan are approved annually by the Resource Management Team | 3 | 3 | 3 | 3 | 3 |
| The risk register is presented for noting; and assurance of delivery of actions is given to the Resource Committee on an annual basis. | 3 | 3 | 3 | 3 | 3 |
| Information held on Figtree reflects the latest Resource Risk Register and Risk Control Plan | 3 | 3 | 3 | 3 | 3 |
| The Council's agreed risk profile and risk tolerance level is adopted. | 3 | 3 | 3 | 3 | 3 |
| Risk evaluations are undertaken prior to the commencement of major projects, partnerships and organisational changes | 3 | 3 | 3 | 3 | 3 |
| Formal risk sharing agreements for major partnerships and contracts are in place | 3 | 3 | 3 | 3 | 3 |
| Major decisions are transparent and clearly show the following key elements: <ul style="list-style-type: none"> • Full cost over life of proposal; • Funding source; • Savings or efficiencies; • Other benefits; • Associated risks and how they will be managed. | 3 | 3 | 3 | 3 | 3 |
| Elected members are kept informed of risks by using the "Other Implications" section of the Committee report template. This section should include: <ul style="list-style-type: none"> • The risks involved with the report's recommendations; • The potential positive and negative consequences; • How these risks are currently being managed (existing controls) or how they will be managed going forward (additional actions); • Link to risks on the council's top risk register. | 3 | 3 | 3 | 3 | 3 |
| Assurance is gained from contractors and sub-contractors, in line with procurement processes, of their adoption of recommended risk management practices, particularly that adequate insurance cover, safe health and safety practices, and equalities, sustainable development, business continuity and scrutiny procedures are in place. | 3 | 3 | 3 | 3 | 3 |
| Regular Resource Risk Management Group meetings (or alternative where risk management is a standing agenda item). | 3 | 3 | 3 | 3 | 3 |
| Liaison with Service Planners to ensure that risks associated with council and Resource plans are identified and assessed; and that appropriate plans are put in place to manage these risks. | 3 | 3 | 3 | 3 | 3 |
| Management of insurance hotspots and required mitigating actions | 3 | 3 | 3 | 3 | 3 |
| Total | 45 | 45 | 45 | 45 | 45 |
| Percentage compliance | 100% | 100% | 100% | 100% | 100% |

Appendix 2 – Risk scoring matrix and likelihood and impact definitions

Likelihood

| Score | 1 | 2 | 3 | 4 | 5 |
|----------------------------------|--|-----------------------|---------------------|-------------------------------|--|
| Description | Rare | Unlikely | Possible | Likely | Almost certain |
| Likelihood of occurrence | 1 in 10 years | 1 in 3 years | 1 in 2 years | Annually | Monthly |
| Probability of occurrence | The event may occur in certain circumstances | The event could occur | The event may occur | The event will probably occur | The event is expected to occur or occurs regularly |

Impact

| | Reputation | Financial | Service delivery/ Time to recover | Compliance | Safety |
|-----------------------|---|---------------------------------|--|--|--|
| 1 Negligible | Public concern restricted to local complaints | <£50,000 per annum | No impact to service quality; limited disruption to operations. | No external interest | Minor injury – no lost time |
| 2 Minor | Minor adverse local/public/media attention and complaints | £50,000-£250,000 per annum | Minor impact to service quality; minor service standards are not met; short term | Very minor attention from legislative/regulatory body | Minor injury – resulting in lost time |
| 3 Moderate | Adverse national media Public attention | £250,000 to £500,000 per annum | Significant fall in service quality; major partnership relationships strained; serious disruption in service standards | Short-term attention from legislative/regulatory body | Major injury or ill health resulting in lost time |
| 4 Major | Serious negative national or regional criticism | £500,000 to £1million per annum | Major impact to service delivery; multiple service standards are not met; long term disruption to operations; multiple partnerships affected | Medium-term attention from legislative/regulatory body | Fatality; Or injuries to several people |
| 5 Catastrophic | Prolonged international, regional and national condemnation | >£1million per annum | Catastrophic fail in service quality and key service standards are not met; long term catastrophic interruption to operations; several major partnerships are affected | National impact with rapid intervention of legislative/regulatory body | Multiple fatalities; Or injuries to large number of people |

The assessments for impact and likelihood combine to provide an overall inherent risk score on the scale of between 1 and 25, using the Council's recognised risk matrix.

Risk matrix

| | | | | | | |
|-------------------|----------------------------|------------------------|-------------------|----------------------|-------------------|--------------------------|
| Likelihood | 5 Almost certain | 5 | 10 | 15 | 20 | 25 |
| | 4 Likely | 4 | 8 | 12 | 16 | 20 |
| | 3 Possible | 3 | 6 | 9 | 12 | 15 |
| | 2 Unlikely | 2 | 4 | 6 | 8 | 10 |
| | 1 Rare | 1 | 2 | 3 | 4 | 5 |
| | | 1 Negligible | 2 Minor | 3 Moderate | 4 Major | 5 Catastrophic |
| | | Impact | | | | |

The risk score is calculated as follows:

Likelihood score x Impact score = Risk score

Appendix 3: Council top risk register 2022

| Risk Category | Key risk | Inherent Risk Score | Residual Risk Score | Controls (Good, adequate, poor) |
|------------------------------------|---|---------------------|---------------------|---------------------------------|
| 1 Very High (15-25) | Reduction in external funding and fees/income received by the Council, as well as the increased demand for services including the residual impact of the pandemic, and the increased cost of services due to rising inflation and the cost-of-living crisis, results in increasing budget gaps. The Council is seeing considerable increases in prices in terms of energy, fuel and food costs reflecting the global economic environment. These will have an impact on the current and future years' Budget Strategy. This may also affect the level of service that the Council can provide. | 25 | 20 | Adequate |
| | The Council is unable to support households most impacted by the cost of living crisis resulting in increasing levels of poverty, debt, and damage to health | 25 | 20 | Adequate |
| | The Council fails to deliver the objectives of the Community Wealth Building Strategy | 20 | 16 | Good |
| | The Council is materially affected by the implications arising from the National Care Service Bill | 16 | 16 | Adequate |
| | Disruption to Council services as a result of industrial action | 20 | 16 | Adequate |
| | Failure to meet sustainable development and climate change objectives. | 20 | 15 | Good |
| 2 High (8-12) | Inability of the Council to effectively accommodate and support households who arrive in South Lanarkshire as part of refugee resettlement and the asylum seeker dispersal programmes | 16 | 12 | Adequate |
| | The Council does not have the appropriate emergency / business continuity plans; contingency arrangements or partnerships in place to respond to/or recover from a pandemic/endemic event. | 25 | 12 | Good |
| | Procurement activity is affected by supply chain issues; a lack of resources; non-compliance or legal challenge | 25 | 12 | Good |
| | The Council fails meet statutory and legislative duties in respect of public protection | 16 | 12 | Good |
| | Fraud, theft, organised crime and cyber attacks | 20 | 12 | Adequate |
| | Failure to fulfil emergency response commitments befitting the council's status as a Category One (emergency) responder | 25 | 12 | Adequate |
| | Historic childhood abuse | 16 | 12 | Good |

| | | | | |
|--|---|----|----|----------|
| | Information governance not subject to adequate control | 20 | 12 | Good |
| | The Council does not fully deliver the strategic outcomes required of the IJB as outlined in their Strategic Commissioning Plan | 16 | 12 | Good |
| | IT development and functionality does not keep pace with changing service requirements | 20 | 9 | Adequate |
| | Lack of capacity and skills to meet increased service demands | 20 | 9 | Good |
| | Increasing levels of adverse weather | 16 | 9 | Good |
| | Failure to ensure the health, safety and wellbeing of employees and the protection of service users and members of the public in the delivery of Council services | 20 | 8 | Good |
| | Failure to achieve the outcomes of the Community Plan | 20 | 8 | Adequate |
| | Failure to achieve the outcomes of the Council Plan | 16 | 8 | Adequate |

| | |
|-------------------------------|--|
| Removed from top risks | The Council is significantly affected by the impact of the UK leaving the European Union |
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