CLACKMANNANSHIRE COUNCIL	THIS PAPER RELATES TO ITEM 5 ON THE AGENDA

Report to   **Audit & Scrutiny Committee**

Date of Meeting: **22nd August 2024**

Subject: **Risk Strategy Annual Report**

Report by: **Senior Manager – Partnership & Transformation**

1.0   Purpose

1.1. This report provides Committee with the first annual update on Clackmannanshire Council's Corporate Risk Management Strategy 2023 (Appendices A to C), as well as the quarterly update on the Corporate Risk Register (Appendix D).

2.0   Recommendations

2.1. That Committee notes the report, commenting and challenging as appropriate.

3.0   Considerations

Background

3.1. The Corporate Risk Management Strategy was approved by Clackmannanshire Council on 05-Oct-2023, outlining the purpose and benefits of effective risk management. Key links to other frameworks and strategies are also detailed, as are definitions, roles, responsibilities and governance arrangements. The strategy includes information on current processes and mechanisms, as well as activities to strengthen supports for raising the organisation's maturity level and evidencing the impact. It was agreed that annual reports would be provided on progress in implementation.

3.2. The Council's vision for risk management is:

> "To promote a culture where awareness of potential threats is embedded in decision-making at all levels, ensuring appropriate ownership and transparent management of risk to support service delivery and continuous improvement."

3.3. The Council's key aims in relation to risk management are to be:

- **Aware** of potential risks that exist in the internal and external business environment;
- **Transparent** in our use of reliable information to manage risks and make decisions;
- **Consistent** in our application of risk management principles;
- **Collaborative** in identifying risks, and developing and sharing innovative solutions;
- **Clear** on the type of risks we can and cannot tolerate;
- **Proportionate** in balancing risks and benefits, and not 'over-controlling'; and
- **Objective** in assessing risks and using evidence and management information.

2023/24 Progress & 2024/25 Planning (Appendices A to C)

3.4.   With the strategy approved in October, but financial year alignment more practical, this report summarises progress in the latter half of 23/24. Therefore, there are fewer amendments to some sections than may be the case in future, particularly regarding high-level principles. One change throughout, however, is the renaming of the 'Workforce' category, initially entitled 'Cultural' to emphasise that it permeates the organisation and is not simply an issue for Human Resources to manage. It is now felt that the more explicit title clearly states the internal focus of the category, and disambiguates from wider cultural issues within the Community category.

3.5.   Changes to the Risk Appetite Statement (Appendix A) are broadly cosmetic, based on consultation and feedback, with slight expansion on purpose and intended use. The wording of category statements has been refined for further clarity and emphasis, though no appetite or tolerance levels (in bold) have been amended at this time. Therefore, no categories have changed position in terms of prioritisation, though the overall order has been reversed to show the highest appetite, for Strategic opportunities, at the top (while the list previously began with our low appetite, for Governance risks).

3.6.   There are also limited amendments to the Risk Guidance (Appendix B), which was revised in advance of strategy approval. The guidance will be used throughout 24/25 in a facilitated programme of risk log development sessions, and a year 3 action has been created to then conduct a fuller review, based on feedback and further consultation. Some amendments have been made to the Governance Checklist, particularly in light of the amended corporate mandatory training arrangements to a 3-year rolling programme.

3.7.   The Strategy Delivery Plan (Appendix C) provides a summary of performance against strategy actions, indicators and risks. Detailed information is then presented for each theme (aligned to the strategy aims in 3.3, above): Leadership & Management; Strategy & Policy; People; Partnership, Shared Risk & Resources; Processes; Risk Handling & Assurance; and Outcomes & Delivery. Actions include those from the previous Internal Audit of Risk Management Arrangements and those identified in strategy development, where 20 are complete and 4 will be carried into year 2. Mixed results are reported for strategy indicators and risks, and year 2 & 3 actions are outlined to address these.

Corporate Risk Management Process

3.8.   The corporate risk register is owned by the Strategic Leadership Group, and the Strategic Director – Partnership & Performance is responsible for the corporate Risk Management approach. Elected Members also have a responsibility for risk management in their remit of strategic planning, decision-making, resource allocation, scrutiny and challenge. The Council follows a systematic process, reporting corporate and service risks to Committee on a regular basis. The process is assessed via internal and external governance and audit mechanisms, and peer-reviewed by other authorities and partners.

3.9.   Each corporate risk review involves gathering information from internal and external sources (environmental scanning) and review of the register by a range of individuals and groups. Discussions are held at the Corporate Risk & Integrity Forum (including risk owners and/or delegated officers) to:

- Review changes and developments in existing corporate and service risks;
- Highlight emerging externally-identified risks to assess potential local relevance;
- Evaluate emerging internally-identified risks (Internal Audit/self-assessment); and
- Consider significant risks, or those with implications across multiple services, for escalation to the corporate log, where they are managed until their severity reduces.

3.10. It would be impossible to remove all risk from our operations as most functions have inherent risks, as do most changes. Moreover, not making changes would involve exposure to other risks, such as failing to comply with new legislation, develop our workforce and practices, or take advantage of new opportunities, collaborations and technologies. The aim, therefore, is not to be 'risk averse' but 'risk aware'.

3.11. We identify our approach to managing each risk as:

Treat: we will take action to reduce the risk;
Tolerate: actions within our control have been completed and plans are in place;
Transfer: the risk will be passed to another party, such as insurers; or
Terminate: the activity that is causing the risk will be ceased.

Current Risk Profile & Operational Activities (Appendix D)

3.12. The Corporate Register at the end of quarter 1, 24/25 is shown, with 3 scores having reduced, including 2 reducing in status (1 red to amber, 1 amber to green). In Financial Resilience and Public Health this relates to alignment with revised scoring guidance. Likelihood scores now also incorporate proximity (the timescale in which the risk could materialise). Since a balanced budget has been set for 24/25, a fundamental failure of Financial Resilience is unlikely within the next quarter, therefore this risk has reduced, though substantial gaps remain for future years. Similarly, a major Public Health Emergency is not forecast in the immediate future, so this risk has reduced to amber, though monitoring and continuity planning remain key priorities.

3.13. A reducing Academic Attainment Gap (between the least and most deprived areas) means this risk has reduced to green, and will be transferred for management via the People Directorate risk register. Similarly, Extremism and Serious Organised Crime risks will transfer to the Partnership & Performance Directorate register. For all 3 constant review and improvement planning are ongoing, around Contest and Prevent delivery plans, as well as implementation of the UN Convention on the Rights of the Child (also incorporated into the risk strategy Governance Checklist). While the risk of Industrial Unrest has fluctuated recently, Communications Protocols aim to reduce the likelihood of the risk occurring, and Continuity Plans reduce the impact, should strike action occur.

4.0   Sustainability Implications

4.1.   There are no direct sustainability implications arising from this report.

5.0   Resource Implications

5.1.   Financial Details – There are no direct financial implications arising from this report.
5.2.   The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.   Yes ✓
5.3.   Finance have been consulted and have agreed financial implications as set out.   Yes ✓
5.4.   Staffing – There are no direct staffing implications arising from this report.

6.0   Exempt Reports

6.1.   Is this report exempt?   Yes   (please detail the reasons for exemption below)   No ✓

7.0   Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☑)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ✓
Our families; children and young people will have the best possible start in life ✓
Women and girls will be confident and aspirational, and achieve their full potential ✓
Our communities will be resilient and empowered so that they can thrive and flourish ✓

(2) **Council Policies** (Please detail)

Corporate Risk Management Strategy 2023

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes ✓

There are no direct equalities or socio-economic implications arising from this report.

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ✓

10.0 Appendices

10.1 Please list any appendices attached. If there are no appendices, please state "none".

Appendix A – Risk Appetite Statement 2024/25
Appendix B – Risk Guidance & Governance Checklist
Appendix C – Risk Strategy Delivery Plan
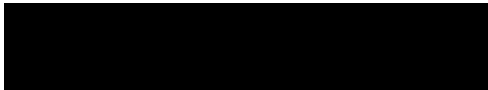**Appendix D – Corporate Risk Register**

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)
Yes (please list the documents below) No ✓

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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Appendix A – Risk Appetite Statement 2024/25

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Risk appetite (and tolerance) is the level of risk the Council is willing to accept in relation to particular areas of operation. We cannot mitigate all risks but this process should support their prioritisation. A risk appetite statement can assist organisations in more effectively allocating resources and demonstrating consistent and robust decision-making. The categories shown are defined in the Risk Management Guidance.

The focus moves up the scale from removal of risks (Averse) to balancing control of risk while realising high-value benefits (Cautious) to placing greater priority on creativity, even if activities carry a high residual risk (Eager):

Eager	Keen to be innovative and focus on maximising opportunities and benefits;
Open	Willing to consider options with acceptable benefits;
Cautious	Preference for safe options with low residual risk, focus on balance;
Resistant	Preference for safe options with low inherent risk (often fast-paced areas where controls can become outdated more quickly);
Averse	Avoidance of uncertainty and prevention of exposure is the key objective.

The Council has agreed the following levels of appetite (revised annually). The list is prioritised to show the greatest appetite for innovation at the top, and the least tolerance of uncertainty at the bottom. Statements outline both appetite and tolerance levels alongside key considerations. This should serve as a guide for staff, managers and elected members in ensuring opportunities are sought in relation to higher up categories, provided that risks are minimised or mitigated in those further down. For example, a transformational innovation should not be approved if it breaks the law (as Governance is below Strategic), or we may have to close a school temporarily due to a gas leak (as Wellbeing is below Continuity). In most cases, this is simply common sense but an explicit framework should ensure such decisions are not made autonomously by individuals.

Strategic	**Eager** to identify and apply innovative practice in our ambitions to achieve transformational change, but **Cautious** in ensuring opportunities have identified thresholds in line with objectives, a sound evidence base, reasoned arguments and flexibility to manage changing circumstances.
Information	**Eager** to be well-informed and share performance, process and good practice information in the interests of accountability, transparency and collaborative improvement, but **Cautious** around use of robust sources and ensuring handling is efficient, secure and appropriate at all times.
Reputation	**Eager** to drive innovation and options that improve engagement and services to citizens, but **Cautious** to ensure actions and policies always uphold Council and public service values and maintain the trust of our communities and stakeholders.
Assets	**Eager** to drive innovation in the use of assets to deliver Net Zero, maximise benefits for citizens and staff and make significant sustainable cost reductions, but **Cautious** to ensure we meet and deliver our statutory and regulatory obligations.
Workforce	**Eager** to create a positive and inclusive organisational culture underpinned by a sustainable and resilient workforce, but **Cautious** in ensuring we have the right people, with the right skills doing the right work so as to ensure improved organisational outcomes.
Finance	**Eager** to drive innovation in the use of funding to deliver Net Zero, maximise benefits for the local economy, citizens and staff, and make significant and sustainable cost reductions, but **Resistant** to adverse impacts on Best Value principles, service delivery and statutory duties.
Environment	**Eager** to adopt strategies and options that will enable our transition to Net Zero and Community Wealth Building objectives, but **Resistant** to unsustainable options, those that damage the quality of life of wider communities now or in the future, or do not represent a just transition.
Community	**Open** to adopt or pilot novel or innovative approaches to deliver LOIP objectives and improve the life chances of disadvantaged people and communities, but **Cautious** in ensuring equality, sustainability and strengthening the local economy sit at the heart of everything we do.
Security	**Open** to new options that improve safety and efficiency (subject to Governance requirements), but **Resistant** to untested or untried options that carry anything but low inherent risk.
Continuity	**Open** to new options that improve preparedness, resilience and cost impacts, but **Resistant** to untested or untried options that carry anything but low inherent risk.
Wellbeing	**Open** to adopting new options that improve the health and wellbeing of our communities and staff, but **Averse** to approaches or practices that expose individuals to risk of physical or emotional harm, with particular supports for children, older people and other vulnerable groups.
Governance	**Averse** to options that do not comply with approved Council governance policies or statutory or regulatory requirements.

Appendix B –
Risk Guidance & Governance Checklist

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This guidance provides information on key considerations for each step in the Risk Management process:

A. Communicate & Consult
Seek stakeholder views and publicise actions and approaches

1. Establish the Context
Establish scope – service area being assessed and key objectives

2. Risk Identification
Identify key areas of risk, using internal and external sources

3. Risk Analysis
Analyse the potential Cause, Event and Consequence of the risk

4. Risk Evaluation
Gather information on likelihood and impact and score risk

5. Risk Control
Identify Controls and Actions, determine Owner and Approach

6. Risk Scrutiny
Document risk, discuss in meetings, report to relevant bodies

B. Review & Revise
Review individual risks frequently and entire log at least annually

A. Communicate & Consult

Two-way communication is important to every step in the risk management process to ensure the right information is gathered and people are aware of action to be taken, and why. **Staff members (at all levels), other teams/services/ organisations, members of the public/community groups, elected/board members, senior management and central support teams** can all contribute and/or benefit from others' knowledge. Different groups will have different perspectives and experience of practical, operational and strategic issues.

Different stakeholders can improve efficiency and effectiveness by **providing data, information and knowledge** to clarify areas of uncertainty. Others can provide insight into issues they've **identified** or **dealt with** or **solutions** they've found, and resource requirements can be minimised by **sharing information, experiences and controls**. If procedures are put in place to control risks, it's also highly important to communicate **what they are**, the **reasons** for them being put in place and, therefore, why it's important that they're **adhered to**.

B. Review & Revise

Risk management shouldn't be seen as a one-off, or even an annual task. The nature of risks, progress and the effectiveness of controls can change in a short period of time. It's therefore recommended that **key risks are discussed on a frequent basis** (e.g. in monthly 121s/team meetings), with developments recorded, and the relevant people informed. If risks are reviewed **proactively**, updates are available when required, rather than being rushed as part of the reporting process. As well as focussing on the risks already identified, it's also important to review the entire log, at least annually, and **re-assess whether these are still the key risks**.

1. Establish the Context

There can be a temptation to just list everything that could go wrong, but this can be unproductive. The vital first step is to **clarify the scope** of the exercise - always **focus on objectives**. An organisational model can be a useful tool (templates available from Partnership & Performance). Having a **concise summary** of the team/service will focus discussions and, as no completely systematic process can be used, should ensure all relevant aspects are considered. Risk management can only ever be a **'point in time' assessment** and, though it must involve projection, looking very far into the future can introduce too many uncertainties and be detrimental. It should be kept as **simple as possible** by looking solely at **goals within a set time period** (such as a single year).

2. Risk Identification

Steps 2-4 form the risk assessment, with identification often the most difficult step, partly as there can be **no set process** for this. Often registers (profiles) are developed purely from previous logs – this can be informative, but is unlikely to identify **newly emerging risks**. Logs from other **internal & external sources** can also be useful stimuli but a risk should only be identified as relevant if likely to have a specific impact on local goals.

Many different **methodical** or **ad hoc** processes can be used, e.g. **horizon scanning**, **brainstorming, facilitation**, or **self-assessment**. A **PESTELO** analysis assesses Political, Economic, Social, Technological, Environmental, Legal and Organisational implications of an objective. External sources such as other **Councils**, **partners** and **audit bodies** can also assist in risk identification, or the **categories** (see next page) can be used as prompts.

3. Risk Analysis

Risks are often **underdeveloped** – documented without **details and dependencies** being considered fully. Many 'risks' found in the Identification stage will actually be causes, such as 'demographic changes' or 'lack of resource' but we must focus on how this affect us achieving goals. The key areas to be developed at this stage are:

Cause	**The source or trigger.** Risks generally originate from wider issues in the internal or external environment, often outwith our control. Examples are: climate change, aging population, or legislative or organisational changes. Note that the cause is **not the key focus of the risk**.
Event	**How the cause specifically affects us.** It may be a single point in time, such as staff not delivering services (cause: industrial action), or it may develop more gradually, such as inability to meet increasing demands (cause: reduced budgets). Several events may arise from the same cause (e.g. withdrawal from European Union causing supply chain and recruitment difficulties).
Consequence	**The result of the event occurring.** This should be more specific than 'inability to deliver on objectives' – it needs to consider which objectives – will they not be delivered at all, or less effectively, etc.? As much detail as possible should be given on the stakeholders and services that could be affected, and the potential extent of implications relating to the different categories.

It can be useful to **categorise** risks (next page) to inform and clarify assessments, and support **ownership** and **treatment** decisions. Sometimes the cause may be in one category, but consequences in another, or multiple. Judgement/support may be required in categorising and applying the risk appetite statement, and should consider whether the 'leading' category (linked to cause/likelihood) or 'lagging' category (linked to impact) is most relevant.

4. Risk Evaluation

As many elements as possible should be **clarified** and **quantified** to better understand the **nature** and **extent** of the risk. While, again, there are no entirely scientific methods for evaluation and scoring, it should be **evidence-based**, and take into account as much management, organisational and environmental information as possible.

Evaluation should include consideration of:

The past	Has it happened before? Was it managed effectively? What lessons were learnt?
The present	Are similar circumstances developing? How are others managing it?
The future	Do forecasts suggest it will occur/re-occur in the near future?
Organisational factors	Will changes to leadership, policies, resources or other current projects affect the risk?
External changes	Are there national initiatives/targets/aims? Are there legal factors to consider?
Performance indicators	Is the risk occurring? Are we managing it effectively? What are the projections?

Scoring (rating) quantifies the **likelihood** & **impact** of a risk occurring, summarising overall **severity**. Likelihood incorporates **proximity** (how soon it may occur) – consider which factor is most relevant when scoring. There is a degree of subjectivity so relative scores should be **compared** and **rationalised** to ensure they 'feel right'.

Likelihood	1. Unlikely/Distant	Little evidence that risk is likely to occur, or likely in over 5 years
(& Proximity)	2. Possible/Long-term	Fairly low chance of risk occurring, or likely in next 3-5 years
Scoring	3. Likely/Medium-term	Reasonable chance of risk occurring, or likely in next 2-3 years
(use most	4. Expected/Short-term	Strong chance risk will occur, already partly occurring, or likely in next year
severe)	5. Certain/Imminent	Fairly evident that risk will occur in next quarter, or has already occurred
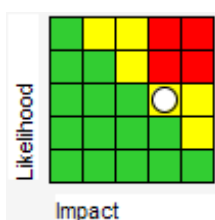
The **overall risk score** is likelihood multiplied by impact. Here, likelihood = 3 and impact = 4, so the rating is 3 x 4 = 12 and the status is amber. The highest possible rating is 5 x 5 = 25.

We must focus on **significant risks**, so there's often more ambers and reds. If green, consider whether it's substantial enough to include (unless we need to **demonstrate** how it's being managed). **Inherent** score shows severity with no controls. **Residual** score includes existing controls/mitigations. **Target** score includes controls and the influence of future actions – but these need to be SMART (Specific, Measurable, Accountable, Realistic & Time-bound).

Category Definitions & Impact Scoring (If there are several potential impacts, use the most relevant)

	1 – Slight	2 – Minor	3 – Moderate	4 – Significant	5 – Extensive
Assets	Persisting in use of inadequate, deficient or poorly designed technology, property, facilities, etc. that are unfit for business needs, or otherwise ineffective/inefficient/non-compliant with standards				
	Temporary/partial inadequacy of single asset with alternative/backup	Temporary/partial inadequacy of multiple assets with alternative	Long term inadequacy or sub-optimal/ insecure/unsupported alternatives	Permanent loss of single asset with sub-optimal or no alternative/backup	Permanent loss of multiple key assets with no alternatives
Community	Risks regarding resilience, deprivation, inequality or other demographic/socio-economic factors for residents or the area (considered organisational risks as objectives focus on societal outcomes)				
	Limitation to resilience/equality of individual	Limitation to resilience/equality of group/sector	Limitation to vulnerable/multiple groups/sectors	Limitation to wider community/critical sector/infrastructure	Limitation to resilience/equality of entire authority
Continuity	Relating to the disruption of operational service delivery, often linked to Emergency Planning or Civil Contingencies, where lack of staff, facilities, etc. disturbs provision of normal or critical functions				
	Slight disruption to a few services or one critical function	Minor disruption or more than one critical service	Moderate disruption or temporary loss of critical service	Major disruption and/or loss of multiple services	Extended loss of multiple functions, including critical
Environment	Failing to use sustainable materials, technologies or practices, increasing waste or travel/energy requirements, or pollutants that would have an adverse impact on air quality, biodiversity, etc.				
	Slightly reduced ability to meet net zero/climate aims	Limited transition or unrealistic/non-inclusive plans	Continuation of unsustainable practices	Increased waste, emissions, etc. (primarily external)	Major/internal increase in waste, emissions, etc.
Finance	Linked to the management of financial assets/liabilities, or commercial partnerships/supply chains in accordance with constraints and contractual requirements, poor returns/value, inefficiency, etc.				
	Up to £10k	£10k to £50k	£50k to £200k	£200k to £2m	Over £2m
Governance	Unclear plans, authorities or accountabilities, ineffective or disproportionate oversight or decision-making, failure to meet legal or regulatory duties, or audit concerns over performance standards				
	Queries/concerns from audit body	Negative audit/ inspection report	Follow-up/repeated negative findings	Legal action	Legal action from multiple sources
Information	Lack of awareness/learning/knowledge, or misinformed decisions due to failure to produce robust or suitable informatics or fully exploit data resources, or failure to share/publish appropriately				
	Slight limitations/ concerns around data integrity	Limited use or publication of data/evidence	Lack of awareness of resources/skills in systems/tools	Major barriers to obtaining/using robust informatics	Inability to inform safety-critical decisions robustly
Reputation	Ethical violations, systematic or repeated failure/breach, political conflict, poor quality, customer service or management of relationships/partnerships, or damage to trust and public confidence				
	Managed incident, in public domain	Local media interest/complaint	Regional interest/ notable social media negativity/ multiple complaints	National interest/ significant social media negativity/ loss of confidence	Major national media interest
Security	Failure to safeguard against fraud/organised crime/cyber threat or unauthorised/inappropriate access to assets, including property, systems and sensitive customer/staff/organisational information				
	Reasonable policy awareness, some non-compliance	Limited training completion/policy adherence	Evidence of more frequent/serious infringements	Significant cyber/ data/physical security breach	Prolonged cyber/ data/physical security breaches
Strategic	Pursuing a strategy, project or change that is poorly defined, based on flawed/inaccurate data, or misaligned to delivery of commitments or objectives, possible due to changing macro-environment				
	Issue in single activity/project with flexibility in plans or in early stages	Multiple issues in single activity with flexibility or minor implications	Multiple issues in multiple activities, some flexibility or moderate impact	Multiple/significant issues with little/no change control/ contingency plans	Major issues with little/no flexibility/ extensive rework/ invested resource
Wellbeing	Non-compliance or policies affecting health, safety or wellbeing of individuals/groups, focussing on more direct physical or psychological harm (wider inequality in Workforce or Community)				
	Single minor injury, illness or harm	Multiple minor or single serious injury/illness/harm	Multiple serious injuries, illnesses or harms	Death or significant psychological harm	Multiple deaths or major mental health impacts
Workforce	Suboptimal, inappropriate or ineffective working culture or organisational behaviours, leadership or engagement, insufficient capacity or capability, or non-compliance with policies and procedures				
	Diminished team level engagement/ slightly increased absence/turnover	Team delivery disruption related to compliance/ capacity/capability	Service/directorate disruption related to compliance/ capacity/capability	Major disruption/ unmet minimum staffing in key/ statutory areas	Damage to work-force cohesion/ staffing levels for extended period

5. Risk Control

Once the risk has been evaluated, existing **Internal Controls** should be assessed. These may be strategies, policies, procedures, processes, arrangements, scrutiny bodies, etc. that mitigate the risk to some extent by reducing either the likelihood of it occurring or the impact if it does occur. We're often only able to influence one or other of these factors but in some cases controls influence both likelihood and impact. As well as existing controls, there may be planned **actions** (new/planned/in progress) that will reduce the risk once implemented. For example:

- Harm to individuals' health & wellbeing – the impact of this could be significant and irreversible in many different respects so our efforts usually focus more on **preventative** actions and controls;
- Loss of public utilities (power, water, etc.) – here, the cause is outwith our control so the actual risk is failure to prepare or promote resilience, and we can only look at planning to limit the **consequences** when it occurs;
- Health pandemic, Climate change or Strike action – in these situations we can look **both** at preventative actions to reduce the likelihood but also use Business Continuity Plans to reduce the impact.

Once controls and actions are identified, the risk should be assigned an **owner** who can make decisions on **treatment options**, and the **approach** to use. It's important to be risk **aware**, or we could miss opportunities or threats – our Risk Appetite Statement provides guidance on areas of high/low risk tolerance. Though the identified owner is not final (risks can be escalated and demoted), it's important that they have an appropriate **remit, resources and authority** to manage the risk and ensure that treatment actions are completed, where appropriate.

There are 4 **Approaches** for managing risks (mitigations may be a combination and should link to appetite):

Treat - take action to reduce the likelihood or impact (most common approach – may treat then tolerate);
Transfer - pass the risk to another party, such as through insurance (however, some duties non-transferable);
Terminate - cease the activity that is causing the risk, or do not complete proposed activities;
Tolerate - continue monitoring once reasonable actions within our control are complete.

Examples where risk appetite and prioritisation must be used:

Financial management Focus on short term efficiency savings or 'spend to save' investment for the future?
Legislative changes Resource for training/process/system changes versus cost of statutory breach?
Statutory vs preventative Minimum statutory requirements/checks or augmented for early identification?
Procurement Balance/prioritise best functionality, maintenance, support, customisation, price, etc.?
Balancing rights Protecting the rights of individuals, or community benefits, or both?
Satisfaction vs efficiency Offer range of options to customers or channel shift to the cheapest option for us?

6. Risk Scrutiny

The review and reporting cycle is shown below. Risk logs should be reviewed frequently and the hierarchy used to escalate and demote. This may depend on the owner's ability to manage the risk, or if the nature or understanding of the risk changes. The Risk Management Strategy provides information on responsibilities and governance.
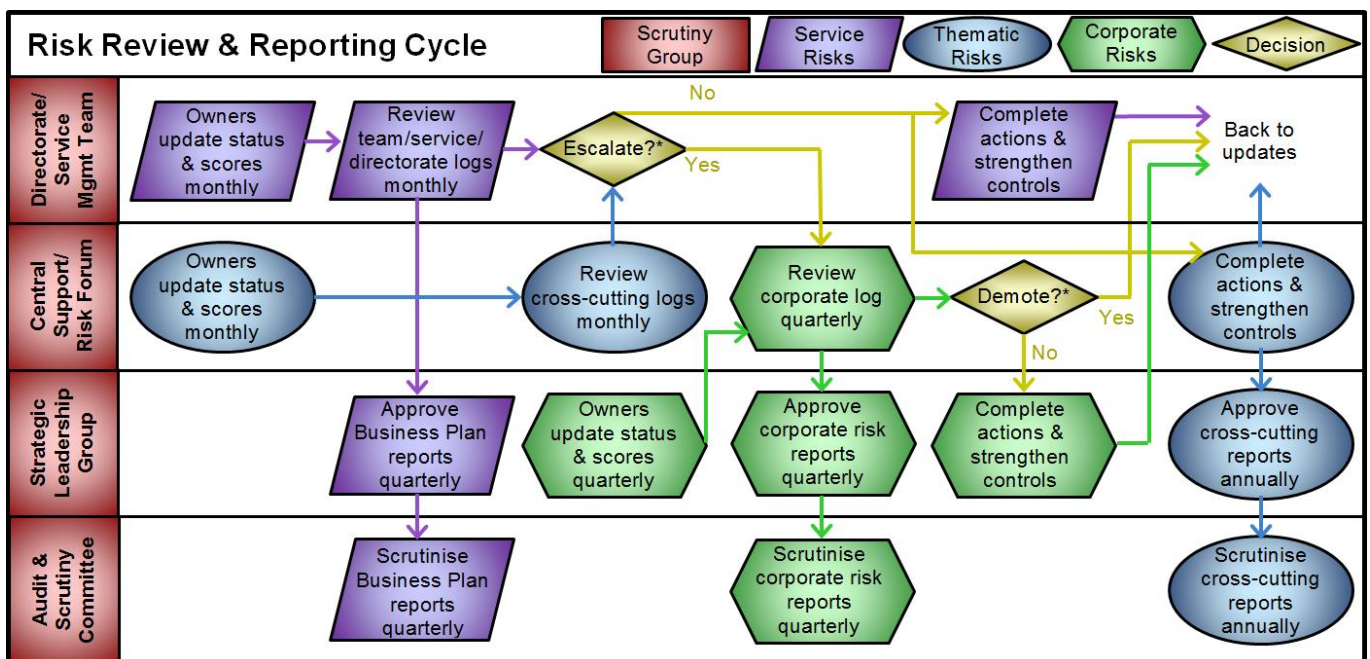
*Does the risk have a corporate impact? Does it affect multiple services? Does it require consistent management across the Council? Is it significant (red) for an individual service? Does the owner lack the authority or resources to manage the risk? If yes, consider escalating to a higher-level log (from team to service, or service to corporate).

7. Risk Recording – Pentana Risk Updates

COU CRR 050 Supply Chain & Labour Market Disruption — **1**

Current   Compare **4**   Description

Impact **5 Extensive**
Likelihood **4 Likely**
Score **20**

Assessment ● **5x4 High Risk**
Date Assessed **10 Mar 2022**

Next Assessment due 15 Jun 2022

Update ▾ **3**

2   Key information   Risk Tree   History   Internal Controls   Related To   More... **5**

Date Assessed	Score	Assessment	Assessed by
10 Mar 2022	20	● 5x4 High Risk	Richardson, Judi
20 Oct 2021	20	● 5x4 High Risk	Richardson, Judi

● 10 March 2022 ▾

● **5x4 High Risk**
Impact **5 Extensive**
Likelihood **4 Likely**
Score **20**

Assessed By   Richardson, Judi

Notes ▾   Showing all Notes...

Richardson, Judi , 10 Mar 2022 ▾
While contracts and other mechanisms and monitoring may reduce the impact to a certain extent, we must broadly tolerate this significant external risk. Where possible, mitigations are ... Show more

1. Click to edit Title (short as possible – what could go wrong as well as the area) and Description (more detailed, include Cause & Event***). Don't edit the code or de-activate/delete – other checks/approval may be needed.

2. Click to edit Potential Impact (Profile) – refer to the impact categories (Financial, Security, Wellbeing, etc.)***. Check Approach – if 'Treat' must have related Actions, if 'Tolerate' must have Controls (see step 5). Check Owners in Key Information. Don't edit owners – may need approval, will affect email notifications & reporting.

3. It can be useful to copy the previous note (bottom right of screen shot), before clicking Update/New Assessment, then edit Scores (guidance appears on right) and type/paste/edit Note. If recommending de-activating or moving to another risk log, state this in the note, and why***

4. Click to edit Inherent Score (excluding Actions/Controls) and Target Score ('tolerance' – what it would need to reduce to before we would de-activate). Keep it sensible – if we're 'treating', must be lower than current score!

5. Click to view Actions (still to be done) or Controls (already in place) – stay focussed, maximum 3 of each. Click header then Add to select from list (Business Plan, LOIP, other plans/strategies/processes, etc.), or Remove. Don't click Create or New – should be set up consistently by Superusers. This is the final step – thank you!

***See other sections of Corporate Risk Management Guidance
Check with site administrators or service Superusers about red notes above (changing codes/owners/targets, closing a risk, or if you can't find required actions or controls) – these elements need additional checks or to be done in a managed way (e.g. reporting that a risk is going to be closed before doing so).

8. Governance Checklist

This section details the minimum requirements, documents and duties expected of staff and managers within Clackmannanshire Council. This demonstrates how the risk management policy and principles apply in specific operational contexts by providing information on relevant controls in specific risk-related areas. This summary will be revised annually, alongside the Risk Appetite Statement and Delivery Plan.

Annual Planning & Assessments

Annual Planning & Assessments	Group	Frequency	Category
Review & update Business Continuity Plans/Impact Assessments	Managers	Annual	Continuity
Use forecasting data to manage budget in line with financial regulations	Managers	Quarterly	Finance
Submit statutory returns/reports & use benchmark data/other evidence	Analysts	Varies	Information
Produce/report on Business Plans including indicators, actions & risks	Directors	Annual	Strategic
Review & update Health & Safety Risk Assessment/Risk Profile	Managers	Annual	Wellbeing
Complete Induction and Performance Review & Development process	All staff	Once/Annual	Workforce
Review & update directorate Workforce Plans	Directors	Annual	

Learning & Development

Learning & Development	Group	Frequency	Category
Complete Counter-terrorism (Prevent Run/Hide/Tell) training	All staff	3-yearly (yr 1)	Continuity
Complete Integrated Emergency Management training (timing varies)	Mgrs/TLs	3-yearly	
Complete training on Dept. for Work & Pensions Data Access/Sharing	Revenues	Annual	Finance
Ensure staff read & understand updates/changes to Code of Conduct	All staff	Ongoing	Governance
Gain Enterprise Risk Management accreditation	Senior Mgrs	Once	
Ensure relevant staff complete Social Networking online training	Relevant	Ad hoc	Reputation
Complete Data Protection (GDPR) training	All staff	3-yearly (yr 1)	Security
Complete Public Protection (Child & Adult Care) training	All staff	3-yearly (yr 1)	Wellbeing
Complete Fire Safety training	All staff	3-yearly (yr 1)	
Complete IOSH Managing/Directing Safely training (timing varies)	Managers	3-yearly	
Participate in Leadership Development Programme (content may vary)	Managers	Ongoing	Workforce
Year 1 (2024/25) of 3-year mandatory training programme shown above Year 2 (2025/26): Equality & Diversity (Community), Health & Safety, First Aid and Display Screen Equipment (all Wellbeing) Year 3 (2026/27): Information Security (Security), Electrical Safety and Slips & Trips (both Wellbeing)			

Changes/Projects/Council & Committee Reports/Policies

Changes/Projects/Council & Committee Reports/Policies	Group	Frequency	Category
Complete Equalities Impact Assessments for changes/reports/policies	Authors	Ad hoc	Community
Assess Fairer Scotland (poverty) impacts for changes/reports/policies	Authors	Ad hoc	
Complete Sustainability Checklist for changes/reports/policies	Authors	Ad hoc	Environment
Complete Strategic Environmental Assessment for relevant policies	Authors	Ad hoc	
Assess financial resource implications of changes/reports/policies	Authors	Ad hoc	Finance
Assess legal/governance implications of changes/reports/policies	Authors	Ad hoc	Governance
State background reports used & data/evidence supporting decisions	Authors	Ad hoc	Information
State change/report/policy alignment to Corporate Priorities	Authors	Ad hoc	Strategic
Complete required project documents as outlined by Transformation	Project Mgrs	Ongoing	
Assess staffing resource implications of changes/policies	Authors	Ad hoc	Workforce

Reactive as Requirements/Requests Arise

Reactive as Requirements/Requests Arise	Group	Frequency	Category
Input into refresh of asset strategies (Roads, Housing, Public Buildings)	Key services	Ad hoc	Assets
Implement requirements of UN Convention on the Rights of the Child	All services	Ad hoc	Community
Engage with CONTEST self-assessment process	Managers	Bi-ennial	Continuity
Follow TechOne processes & budgetary control framework	Relevant	Ongoing	Finance
Follow Procurement processes & delegated authorities as per CSO	Relevant	Ongoing	
Respond to Internal Audit queries and recommendations	Relevant	Ad hoc	Governance
Respond to External Audit queries and recommendations	Relevant	Annual	
Participate in Annual Governance Statement/other self-assessments	Team Leads	Annual	
Report according to Public Performance Reporting duties	Managers	Annual	Information
Engage with Comms on management of negative/positive news	Managers	Ad hoc	Reputation
Ensure Information Sharing Agreements in place for shared data	Officers	Ad hoc	Security
Consult experts (Legal, Finance, etc.) on decisions in a timely manner	All staff	Ongoing	Strategic
Engage with the principles of the Fair Work framework	Managers	Ongoing	Workforce

Appendix C - Risk Strategy Delivery Plan

Clackmannanshire Council | Comhairle Siorrachd Chlach Mhanann
www.clacks.gov.uk
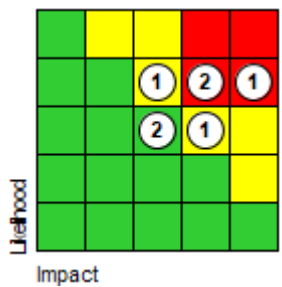
Summary of Strategy Indicators, Actions & Risks

Theme	✅ Actions	✅ Indicators	✅ Risks	⚠️ Indicators	⚠️ Risks	🛑 Actions	🛑 Indicators	🛑 Risks	Note
Leadership & Management	4	1					2	1	All actions complete for Leadership, Partnership, Processes & Assurance. Some outstanding in Strategy, People & Outcomes. Mixed performance indicator results (see below), with priority areas targeted with actions in years 2 & 3. Some positive and negative change in strategy risks (see below).
Strategy & Policy	3					1		1	
People	3	1			1	1	2		
Partnership, Shared Risk & Resources	4		1				1		
Processes	2		1						
Risk Handling & Assurance	2	3		1				1	
Outcomes & Delivery	2	2		2	1	2	2		
% (24 Actions, 17 Indicators, 7 Risks)	83.3%	41.2%	28.6%	17.6%	28.6%	16.7%	41.2%	42.9%	
Overall (total 48 items)	60.4%			10.4%		29.2%			

Action Plans	Owner(s)	Start Date	Due Date	% Complete	Note
Risk Strategy Year 1 Actions (2023/24)	Performance & Information Adviser (lead for all strategy items, unless otherwise stated)	01-Apr-2023	30-Sep-2024	99%	Broadly complete, though 4 actions have been delayed and will be carried into year 2. (IA actions shown in purple)
Internal Audit of Corporate Risk Management Arrangements 20/21	Strategic Director, Partnership & Performance; Senior Manager, Partnership & Transformation	21-May-2021	30-Sep-2023	88%	

Performance Indicators		Note
Trends		Unknown trend for 2 introduced in 23/24 (not previously recorded). Some will be added when actions complete. Risk forum representation maintained but Pentana superusers reduced. Some meetings not held and decline in accreditation (due to turnover). Broadly positive Internal Audit & insurance results, though some decline, as well as in corporate performance results. (Targets shown are for 24/25)
❓ Unknown (missing data)	2	
⬆️ Improved	7	
➖ Static	1	
⬇️ Declined	7	
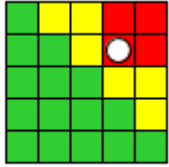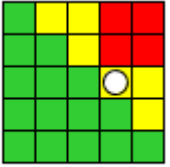
Risks		Note
	Change in Scores	Leadership risk static but will improve with further strategy roll-out. Year 1 work has provided greater insight into current landscape, resulting in 2 risks increasing. Strategy, guidance, training & collaboration have improved some scores regarding clarity, consistency, collaboration & risk handling.
(risk matrix: Likelihood vs Impact)	⬆️ Increased 2	
	➖ Static 1	
	⬇️ Decreased 4	
	(Risk target scores are for 24/25 year end)	

Theme A. Leadership & Management

Performance Indicator	21/22	22/23	23/24	Status	Target	Owner(s)	Note
Senior Managers with Enterprise Risk Management accreditation	46.4%	32.4%	31.3%	🔴	50.0%	Chief Executive; Senior Leader Forum	Senior Leadership Forum offered training in Jan-20 with over half attending. Offered again in Oct/Nov-21 with 8 staff attending (inc. 1 senior manager). Proportion reduced due to turnover & focus on Health & Safety commitments. Flexible eLearning options now available, will be offered again during 24/25.
Senior managers with up to date portfolio risk register on Pentana	(not measured before 23/24)		15.6%	🔴	46.9%	Chief Executive; Senior Leader Forum	While low, this excludes partially covered portfolios (lower team levels) & those not comprehensively reviewed in last year (may be training issue regarding marking as reviewed on system). 24/25 target reflects bringing prioritised set of 10 registers up to standard, focussing on chief officer level, those partially developed/reviewed/covering portfolio & refresher training to ensure records reflect true position.
Elected Members who have attended internal risk/scrutiny training	(not measured before 23/24)		61.1%	✅	100.0%	Performance & Information Adviser; Elected Members	Target initially for Audit & Scrutiny Committee to attend (7 out of 18). 6 attended Jun-23 & suggested offering to other Members, with further 5 attending Nov-23. Phase 2 will be provided in quarter 4, 24/25 for those unable to attend, or as repeat/reminder to reinforce core principles & duties of scrutiny, performance & risk management.

Action	% Complete	Status	Due	Owner(s)	Note
Quarterly meetings of the Corporate Risk and Integrity Forum will recommence.	100%	✅	31-Aug-2021	Chief Executive	Completed - quarterly meetings resumed in May-22.
Training for elected members on risk will be identified and delivered. A training needs analysis process will be undertaken to understand the training requirements.	100%	✅	31-Oct-2021	Senior Manager - Legal & Governance	While wider training needs analyses/programmes are ongoing, specific training on risk & scrutiny has been offered to all Elected Members (topic-specific TNA conducted during strategy development). The majority of Audit & Scrutiny Committee attended in Jun-23 and two dates were offered in Nov-23, but the officer does not have the authority to compel Members to attend, and there are often valid reasons. Additional/repeat sessions will be offered.
Revise Corporate Risk & Integrity Forum Terms of Reference and establish new reporting process	100%	✅	31-Mar-2024	Performance & Information Adviser	Revised process implemented May-22 & revised Terms of Reference approved by Audit & Scrutiny Committee Oct-23 as part of strategy.
Locate existing risk logs recorded outwith Pentana, arrange upload & review mechanisms/training	100%	✅	31-Mar-2024	Performance & Information Adviser	Corporate register already on system, along with 3 Directorates' (Business Plans), Be the Future transformation programme, HR & Workforce, Elections, Roads & Transport and Child Protection (action not applicable for Health & Social Care due to differing recording arrangements). Management consultation indicates little evidence of other registers held outwith system, though this will be confirmed & gaps addressed via year 2 actions.

Leaders Fail to Promote Risk Awareness		Chief Executive	Existing Controls	Current Score	16	Target Score	12
Risk	Leaders do not see value in risk management and fail to prioritise, exemplify and drive focus on deployment with staff		Corporate Risk & Integrity Forum				
Potential Impact	Poor awareness of key risks and mitigations at multiple levels due to lack of appropriate evaluation/escalation/cascade, with widespread implications for ill-informed decision-making and risk exacerbation through non-compliance		Annual Mandatory Training Programme				
			Hierarchy of Risk Registers				
Note	While related year 1 actions are complete, focus has been on developing the approach, with year 2 actions prioritising deployment. Prior work was at Corporate/ Directorate level, with registers in place (inc. some cross-cutting categories/lower-level services). All areas are represented on Risk Forum & mandatory training covers core risk-related topics (though completion rates vary). While there is reasonable awareness at senior levels, and most plans/reports reference risk, there is limited evidence of robust assessments or recording. Future actions regarding training, facilitation & integration with other processes aim to reduce this risk.						

Theme B: Strategy & Policy

Local Aim 2: Transparency, Corporate Value 1: Be the Customer

Performance Indicators	The following indicators will be added in future years:	
	AGS senior managers' rating of whether risk approach is implemented	(risk currently grouped with 2 other approaches)
	Key corporate strategies that include reporting of risk register	(to be added when strategy guidance in place)
	Key projects/programmes that include reporting of risk register	(criteria/definition to be agreed with Transformation & Capital)

Action	% Complete	Status	Due	Owner(s)	Note
Consideration will be given to how the revised risk management process will impact on Committee reporting.	100%	✅	31-Aug-2021	Senior Manager - Legal & Governance	Corporate Risk & Integrity Forum Terms of Reference and reporting have been revised to support improved engagement (agreed by forum & SLG in May-22). More detailed update reports inform forum discussions, which subsequently inform cyclical review of corporate risks, though there are still issues with non-compliance, particularly in use of the Pentana system. Failure to review is highlighted via the forum update on Strategic Risk Management and the strategy includes indicators to monitor compliance with the range of corporate governance and risk management controls.
The Council's standard Committee report template should be amended to include a specific section on the risks associated with any proposed policy or course of action.	99%	🛑	31-Aug-2021	Senior Manager - Legal & Governance	The approval section has become fragmented through incremental amendments by individual functions. The risk strategy delivery plan includes an action which extends this recommendation into a more holistic review to modernise & integrate the template as a whole. This will be in conjunction with additional actions to improve both quantification of risks (where possible) and assessment of policy/project benefits. This will ensure reports more explicitly state, not only the risks, resource & governance implications, but also positive impacts, realisation of benefits and evidencing of actions & mitigations improving outcomes for communities. (Action is superseded by a more extensive review in the risk strategy year 2 action plan)

Action	% Complete	Status	Due	Owner(s)	Note
The review and updating of the Risk Management Strategy will form part of the Partnership & Performance Business Plan for 2021/22 and the Audit Committee forward plan.	100%	✅	15-Jun-2023	Strategic Director - Partnership & Performance	A new Risk Management Strategy was approved by Council in October 2023.
Consult & brief Corporate Risk Forum on risk strategy, gain approval & begin deployment	100%	✅	31-Mar-2024	Performance & Information Adviser	Internal consultation conducted with forum, chief officers, directors & chief executive with suggestions & thematic elements incorporated into appetite statement, guidance/ checklist, delivery plan & forum terms of reference.
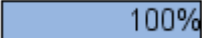
🛑 ⬆️ Failure to Develop or Publish Risk Strategy or Registers	Chief Executive	Existing Controls		Current Score 20	Target Score 15
Risk	Approach & management of specific risks is not summarised publicly due to reluctance to discuss negative factors	Public Performance Reporting			
Potential Impact	Failure to provide scrutiny bodies and the public with appropriate information, decisions made without reference to all relevant facts or potential barriers, failure to challenge/mitigate and/or erosion of trust, affecting reputation	Elected Member Scrutiny & Challenge			
		Corporate & Business Plans			
Note	Most work is highly risk-focussed but improvement required in analysis, recording & reporting so simply formalising/articulating differently will improve compliance with strategy aims. While developing & publishing the risk strategy should have reduced the score, consultation for action LM2 (uploading existing logs to Pentana) has identified that fewer logs exist than expected, so it has increased. The year 2 programme of risk log development and revision of committee template aim to reduce the score during 24/25.				
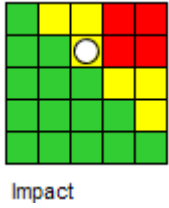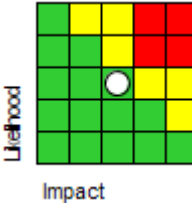
Theme C: People

Local Aim 3: Consistency, Corporate Value 2: Be the Team

Performance Indicator	21/22	22/23	23/24	Status	Target	Owner(s)	Note
Services adequately represented on Corporate Risk & Integrity Forum	100.0%	100.0%	100.0%	✅	100.0%	Chief Executive; Strategic Directors	Membership includes: Health & Social Care Senior Managers; Chief Social Work & Education Officers; Place (Director, Development & Housing); and Partnership & Performance (Director, Finance & Revs (inc. Procurement), Workforce (inc. Health & Safety), Legal & Gov. (inc. Information Management & Internal Audit) and Partnership & Transformation (inc. Emergency Planning, Performance & Risk and Transformation & Capital)).
Services adequately represented by Pentana superusers	59.1%	59.1%	36.4%	🛑	50.0%	Chief Executive; Strategic Directors	23 superusers previously covered 100% of services, reduced to 8 (some covering partial areas/duties) due to turnover & failure to replace. Key role in maintaining system content increasingly important with greater governance expectations/need for streamlining/contracting workforce. More efficient internal management of statutory returns needed for national Local Government Data Platform project. 3 additional superusers currently being trained but greater engagement required to capitalise on system benefits.

Performance Indicator	21/22	22/23	23/24	Status	Target	Owner(s)	Note
Internal risk-related meetings held (% of planned cyclical meetings)	28.6%	92.9%	57.1%	🛑	75.0%	Chief Executive; Performance & Information Adviser	Many cancelled in 20/21 & 21/22 due to pandemic & recovery - management of key risks transferred to incident management teams. Includes 6-monthly chief officer/management team meetings (8 per year - 6 took place in 22/23, 3 in 23/24), Pentana superuser workshops (individually or collectively each quarter in 22/23, reduced during 23/24 due to gaps in superuser coverage) and quarterly risk forum meetings (all have taken place for last 2 years).
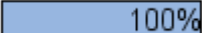
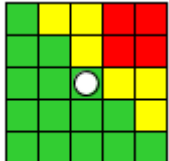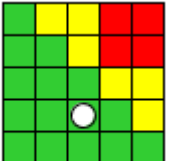| Action	% Complete	Status	Due	Owner(s)	Note
The format of the corporate Induction Programme checklist should be amended to mandate the issue of the Risk Management Strategy to, and completion of the 'Risk Analysis' training module by, new starts.	100%	✅	31-Dec-2021	Senior Manager, HR & Workforce Development	It is not general practice to physically issue a strategy to staff, and alternative provision will made through highlighting risk management, and relevant locations of strategies via the corporate induction process. Part of the corporate induction process includes mandatory training, and this will be considered in line with the review of 'risk analysis' training. The strategy delivery plan includes actions to ensure risk management is embedded in induction and leadership development, whether as a stand-alone topic, or as part of the toolkit for managing other explicit risks. There is an additional action to create an intranet page to ensure all key corporate governance strategies, guidance and templates are accessible to staff in a single location.
A training needs analysis process will be undertaken to understand the training requirements for staffing groups - the revised risk strategy will help inform this work. Outputs of this analysis will feed into the annual council wide TNA should there be budget implications, and to ensure a planned approach to delivery.	100%	✅	28-Feb-2022	Senior Manager, HR & Workforce Development	TNA completed during initial phase of strategy development. Stand-alone risk training not appropriate for all and will have less impact than existing mandatory training contextualised around specific, directly relevant risks (e.g. health & safety, data protection, etc.). The strategy outlines arrangements and development actions for the key groups of: Pentana Superusers (who support risk recording), senior managers (to revisit accreditation following turnover) and Elected Members (see below). Training is delivered via existing resource and insurance contract 'risk control days', and a proportionate approach will minimise budget implications. Facilitated sessions are a more productive and efficient alternative to generic theoretical training as they combine the collective expertise of central support and service colleagues to actively focus on applying risk management principles to the real challenges being faced, resulting in the tangible outputs of risk logs and mitigation plans.
The review of the risk analysis training module on Clacks Academy will take place after the approval of the revised risk strategy.	10%	🛑	30-Sep-2023	Performance & Information Adviser	General risk management training is not appropriate for all staff (though training in relation to specific corporate risks is already mandatory). Content has been defined, aligned to the risk strategy, and support requested in updating on Clacks Academy. The module will be targeted at managers, project/functional/thematic leads, and other relevant officers.
Create Connect intranet page for sharing risk guidance, training, events, etc. (then update cyclically)	100%	✅	31-Mar-2024	Performance & Information Adviser	Page created, including links & documents, with sections on Information, Events & Guidance, Performance Management, Risk Management & Pentana Performance Management System.

⚠️ ⬇️ **Inconsistent Staff Application of Risk Principles**	Performance & Info Adviser	Existing Controls	Current Score	12	Target Score	9

Risk	Staff do not know or apply the principles in the risk strategy due to lack of communication, training, guidance or support	HSC Joint Risk Management Forum	
Potential Impact	Fragmented approach, failure to prioritise in a robust and consistent manner, lack of internal integration and confusion among those consuming risk information, leading to other noted risks	Risk Training, Facilitation & Guidance	
		Pentana Superusers & Site Administration	
Note	Training needs analysed during strategy development & key groups/actions identified. Facilitation & support continues and briefings/training being rolled out, inc. via insurance contract 'risk control days'. Some training/consultation has taken place with Elected Members/risk forum/senior managers, and guidance & intranet page will further disseminate. Actions regarding manager accreditation, Pentana superuser training & facilitated sessions will further reduce risk in years 2 & 3.		

Theme D: Partnership, Shared Risk & Resources

Local Aim 4: Collaboration, Corporate Value 4: Be the Collaborator

Performance Indicator	21/22	22/23	23/24	Status	Target	Owner(s)	Note
External risk-related meetings attended (% of planned cyclical meetings)	60.0%	100.0%	16.7%	🔴	75.0%	Performance & Information Adviser; Health & Care Joint Forum	Includes Association of Local Authority Risk Managers Scottish conferences (several cancelled during 20/21 & 21/22 due to pandemic, and scheduling conflicts during 23/24) & Health & Care Joint Risk Forum (usually quarterly, or more frequent, but partner personnel changes meant only 1 took place during 23/24 - now scheduled with aim of getting activities back on schedule).

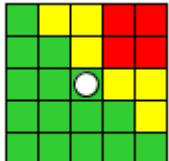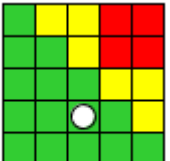| Action	% Complete	Status	Due	Owner(s)	Note
Benchmark risk strategy & processes with other local authorities, key partners & advisory bodies	100%	✅	31-Oct-2023	Performance & Information Adviser	External consultation, benchmarking & peer-review conducted as part of strategy development with relevant considerations incorporated
Give HSC Forum access to relevant Pentana logs (superusers have access to PIs, actions & risks)	100%	✅	31-Mar-2024	Performance & Information Adviser	Partnership superusers can access all relevant system content. Risk register no longer housed on Clacks site so no additional access required, however, further investigation being conducted with joint forum into whole-system risk sharing options to enhance efficiency & collaborative knowledge-sharing.
Review Health & Social Care Partnership joint risk strategy & streamline processes	100%	✅	31-Mar-2024	Performance & Information Adviser; HSC Joint Forum	HSC forum chair rotated, currently with partner. Governance/process cross-comparisons completed. Personnel changes prevented completion within target time but HSC Chief Finance Officer (portfolio responsibility for risk) has advised strategy review to be conducted by FVNHS Corporate Risk Manager.
Provide collaborative support to external partners for performance & risk processes, including the Pentana system and Community Risk Register biennial review	100%	✅	31-Mar-2024	Performance & Information Adviser	Responses provided throughout year, including biennial review of Community Risk Register & lessons learned debriefs (led by Scottish Fire & Rescue, with additional Emergency Planning data analysis) and requests from Health & Social Care Partnerships, Improvement Service, Scottish Association of Local Authority Risk Managers and Scottish Performance Management Forum.

Appendix C – Risk Strategy Delivery Plan

✅ 🔽 **Inadequate Collaboration with Partners/Experts**		Performance & Info Adviser	Existing Controls	Current Score	9	Target Score	6
Risk	Failure to integrate with partners or capitalise on external knowledge due to an insular view or lack of co-operation		External Audit Assurance & Improvement Plan				
Potential Impact	Unclear/inefficient/ineffective processes for those working in partnerships, excessive resource when solutions may already exist, or lack of awareness/incorporation of externally-identified risks or recommendations into plans		HSC Joint Risk Forum				
			External Risk Engagement (Insurers/, ALARM & IS)				
Note	Work ongoing with Alliance partners on Community Risks & Procurement strategy aims to reduce exposure supplier risks. Risk Forum includes reps from Local Resilience Partnership, Alliance, Health & Care and Falkirk Council (Internal Audit). HSCP has 3 Pentana superusers and joint risk forum recently expanded to Forth Valley-wide. Global risks reviewed annually & engagement with Gallagher Bassett, Improvement Service, Association of Local Authority Risk Managers, Scottish Performance Management Forum, Scottish Government, Audit Scotland & Accounts Commission ensures knowledge-sharing conducted regularly.						

Theme E: Processes

Local Aim 5: Clarity, Corporate Value 5: Be the Innovator

Performance Indicators	The following indicators will be added in future years:
	AGS senior managers' rating of whether risk approach is 1) meaningful and 2) accessible (risk currently grouped with 2 other approaches)

Action	% Complete	Status	Due	Owner(s)	Note
Define Governance Checklist key controls & Appetite Statement to support prioritisation (annually)	100%	✅	31-Mar-2024	Performance & Information Adviser	Initial checklist & statement (2023/24) approved by Audit & Scrutiny Committee in Oct-23 as part of strategy (recurring actions for annual review will be included for years 2-5)
Provide responsive service support for performance & risk processes, including the Pentana corporate performance management system	100%	✅	31-Mar-2024	Performance & Information Adviser	Support provided throughout year, inc. events management (implementation of Martyn's Law), Housing & Property risk register (inc. RAAC & school estate), Children's Services Plan, Public Bodies Climate Change Duties, Economic Dev. & Planning frameworks and directorate business plans.

✅ 🔽 **Unclear Processes or Prioritisation Mechanisms**		Performance & Info Adviser	Existing Controls	Current Score	9	Target Score	6
Risk	Staff & Members are unclear on risk management/prioritisation due to failure to define or disseminate suitable processes		Management Team Risk Workshops				
Potential Impact	Uncoordinated/disconnected activities, failing to address strategic priorities, exacerbating issues regarding equalities, deprivation, safeguarding or sustainability, or mismanaging building/data security, health & safety or continuity incidents		Business Continuity Plans				
			Strategic Framework of Plans, Policies & Procedures				
Note	Strategy, guidance & appetite statement aim to clarify, inc. annual review to simplify & make more explicit. Dissemination has begun, reinforced via training & facilitation. Risk forum consulted on strategy & review, and category reps provide updates quarterly. Mandatory training & responsive support provides additional clarity, and governance checklist summarises key requirements to make the Council's overall governance expectations, duties and tools clearer for managers.						

Theme F: Risk Handling & Assurance

Performance Indicator	21/22	22/23	23/24	Status	Target	Owner(s)	Note
Internal Audit assurance level on risk management, governance and control	3	3	2	⚠️	3	Chief Executive	Indicator shows assurance level of 1 (No assurance), 2 (Limited assurance) or 3 (Substantial assurance). 5 years' values have been recorded, and have always been Substantial until 23/24 when the level reduced to Limited.
Internal Audit draft reports issued within 3 weeks of completion of fieldwork	100%	83%	92%	✅	75%	Internal Audit & Fraud Manager	Performance has exceeded target in all 5 years and increased in 23/24 after a slight drop in 22/23
Internal Audit recommendations accepted by management	100%	100%	98%	✅	90%	Internal Audit & Fraud Manager	All recommendations have been accepted for the last 4 years, however, there was a slight drop in 23/24 due to 1 recommendation (out of 64) not being accepted
Completion of main Internal Audit programme	88%	92%	100%	✅	85%	Internal Audit & Fraud Manager	Performance above target in all years, with programme broadly completed within agreed time allocation, but recognised there are issues outwith the Internal Audit team's control which impact on ability to meet targets.

Action	% Complete	Status	Due	Owner(s)	Note
Provide evidence for the Annual Governance Statement, Internal & External Audit	100%	✅	31-Oct-2023	Performance & Information Adviser	Provided Risk IA updates & supported process via Pentana action uploads (further year 2 development), responded to evidence requests from External Audit (annual audit & thematic Leadership review), Improvement Service corporate self-assessment (Workforce) & data provision for evidencing AGS.
Complete internal preparatory work on consolidation/streamlining of statutory data returns & reports, in advance of national Local Government Data Platform project	100%	✅	31-Mar-2024	Performance & Information Adviser; Pentana Superusers	National project still in planning but local work documented owners/duties/ content of returns & reports. Significant work on statutory Public Performance Reporting duties & benchmarking submission/reporting, augmented with public datasets uploaded to Pentana for use by all services, immediate use in corporate report and aim of informing development of Wellbeing LOIP.

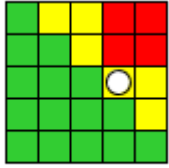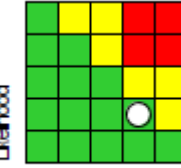| 🔴 ⬇️	**Disproportionate Risk Handling**	Performance & Info Adviser	Existing Controls	Current Score	16	Target Score	12
Risk	Failure of governance/scrutiny processes leads to the over-/under-control of risks, with lack of balance in appetite, tolerance & control		External Audit Assurance & Improvement Plan				
Potential Impact	Missed opportunities, allowing unfavourable events to occur, or prevention activities causing greater impact than would be incurred should risks materialise, resulting in inappropriate utilisation of workforce, financial resources or other assets		Internal Audit Programme				
			Council/Committee Reports & Procedures				
Note	Local Code of Governance self-assessed & audited annually (with Internal Audit highlighting concerns, and areas for improvement identified). Committee structures, remits & approval processes ensure oversight. Support staff and other specialists share information via the Risk Forum to ensure balance, as well as identifying 'risk control day' priorities. National data platform project will consolidate returns, and other action undertaken to enhance evidence-base available. While risk has reduced to some extent, further roll-out of training, awareness-raising & facilitation aim to reduce it to amber by the end of 24/25.						

Appendix C – Risk Strategy Delivery Plan

Performance Indicator	21/22	22/23	23/24	Status	Target	Owner(s)	Note
Total insurance claims closed within year (Employers & 3rd Party Liability, Motor, Highways, Property & Injury)	63	41	21	✅	30	Senior Manager - Legal & Governance	Can only be viewed in conjunction with % closed with payment & value of payments. While claims made against the Council are outwith our control, all will incur some cost (processing, insurance costs/excesses, etc.) aside from impacts on individuals. Significant reduction by over two thirds over 5 years.
Insurance claims closed with payment (% of total closed within year)	36.5%	63.4%	61.9%	🛑	50.0%	Senior Manager - Legal & Governance	While Council would aim to defend as many claims as possible, payments may be made if cost of court proceedings would exceed value of claim. 23/24 proportion similar to 22/23, however represents only 13 claims - half of the 26 closed with payment in previous year. Reasons for claims being upheld closely monitored & action taken to improve defensibility, both in court and in proactive steps to reduce risks internally and in responsibilities to the public.
Value of insurance claims paid ('claims experience')	£92,464	£41,016	£5,574	✅	£6,000	Senior Manager - Legal & Governance	Substantial reduction, not only in total claims & no. closed with payment, but also total value paid (less than 14% of 22/23, only 6% of that paid in 21/22). Average payment (per claim closed with payment) also reduced significantly, from peak of £4,020 (21/22) to £1,578 (22/23) to only £429 (23/24).

Performance Indicator	20/21	21/22	22/23	Status	Target	Owner(s)	Note　　　(3 indicators have additional data lag – 23/24 not yet available)
Corporate indicators improving since previous year	51.8%	54.0%	45.6%	🛑	55.0%	Chief Executive	Includes all corporate performance report & local government benchmarking indicators (as well as corrections so may differ from figures previously reported). While dip in performance would be expected in 20/21 due to the pandemic, and levels did recover in many areas in 21/22, further decline can be seen in 22/23 which may relate to ongoing impacts of budget cuts and workforce pressures on efficiency & effectiveness of service delivery.
Corporate indicators with green status for target achievement (met or within 5%)	54.2%	55.2%	58.8%	🔺	67.0%	Chief Executive	Indicators must be used in conjunction with each other as, in some areas improvement is the most important factor, while in others meeting achievable targets is more relevant, and we must compare performance to other authorities to assess whether we are over-/under-achieving. Some indicators are input & responsiveness focussed (costs/processing times) while others are outcome focussed (often closely linked to socio-economic factors). These factors must, therefore, be taken into account in setting appropriate targets & ensuring the corporate indicator set is focussed on areas of high local priority.
Corporate indicators above Scottish median (ranked in top 2 quartiles - usually 1st to 16th place out of 32 local authorities but may differ if not all authorities report the indicator)	40.2%	39.3%	46.3%	🔺	50.0%	Chief Executive	Performance impacted due to ongoing budget & workforce issues, as well as high local levels of deprivation (known association with greater impacts of the pandemic & cost of living/energy crises). There are 'leading' indicators on in-year performance but also 'lagging' outcome indicators which demonstrate effectiveness of preventative actions in previous years. Figures will change due to substantial lag in data availability (22/23 data only currently held for around two thirds of measures included in these calculations).

Appendix C – Risk Strategy Delivery Plan

Action	% Complete	Status	Due	Owner(s)	Note
Work with the Data & Digital Transformation Team to improve access, use and impact of tools & mechanisms	100%	✅	07-Feb-2024	Performance & Information Adviser; Data & Digital Team	Attended data insights workshops to assist in project scoping & definition of objectives, contributing knowledge where possible of existing processes, mechanisms & data sources as well as suggestions for potential development opportunities.
Work with the Transformation & Capital function to develop project dashboards and minimum project governance requirements	100%	✅	31-Mar-2024	Performance & Information Adviser; Transformation & Capital Mgr	Worked with Economic Development/City Region Deal and Transformation & Capital to demonstrate & pilot system options regarding project/programme indicator, action & risk dashboards, as well as possible innovative use of risk module to summarise benefits realisation progress on achievement of project objectives & outcomes.
Pilot reporting of performance indicators for corporate risks to demonstrate likelihood/proximity/impact	95%	🛑	31-Mar-2024	Performance & Information Adviser	Workload & capacity issues prevented implementation within target date, though several indicators have been identified with risk owners & reporting will be implemented for relevant corporate risks as soon as practicable.
Identify category measures for broader forum monitoring/horizon scans (LGBF, SIMD, census, etc.)	95%	🛑	31-Mar-2024	Performance & Information Adviser; Corp. Risk Forum	Again, workload & capacity issues have delayed completion, though qualitative information is already provided in quarterly forum updates. Relevant indicators have been identified where possible with category specialists & reporting to the forum will commence from 26-Aug meeting.

⚠️ 🔼	**Subjective Evaluations Fail to Address Outcomes**	Performance & Info Adviser	Existing Controls	Current Score	12	Target Score	8
Risk	Risk owners' personal perspective unduly influence risk assessments, resulting in inappropriate scoring and treatment		Pentana Performance Management System				
Potential Impact	Failure to escalate/demote or inability to demonstrate rationale for decisions or integration of initiatives with key deliverables, with possible misuse of resource and strategic misalignment to the detriment of community outcomes		Governance & Audit Processes				
			Corporate Risk Management Strategy & Policy				
Note	Though it is difficult to separate personal views from professional, a single risk owner is good practice for accountability, and diversity of employees with varying levels of caution/eagerness to accept risk is beneficial. Guidance encourages involving many individuals & groups in assessments to 'average out' extreme views. Challenge provided by Risk Forum, SLG, Committee & audits. Improved use of Pentana & evidencing with robust data demonstrates reasoning & impact on outcomes. Work has, however, found that subjective assessments (or little detailed analysis) is more commonplace than believed. While this risk has increased, the programme of assessments (including data and evidence) aims to reduce this risk during year 2.						

Year 2 Actions

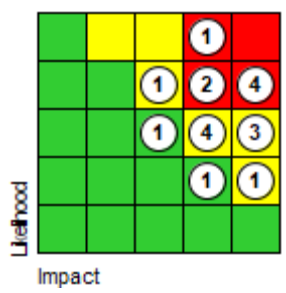| Theme	Action	Desired Outcome	Due
A Leaders	Prioritise services to address gaps in risk logs (senior manager level) & initiate programme of facilitated sessions	Visibility, consistent recording & regular review of logs via corporate system to improve awareness & proactive management of risk	31-Mar-2025
	Provide phase 2 of Elected Member training sessions on Scrutiny, Performance & Risk	Ensuring deployment of strategy aims, and raising awareness of principles, processes, responsibilities & good practice	31-Mar-2025
	Offer risk management accreditation options to senior managers (via insurance contract risk control days)	Ensuring deployment of strategy aims, and raising awareness of principles, processes, responsibilities & good practice	31-Mar-2025
B Strategy	Prioritise corporate strategies to address gaps in risk logs with facilitation programme (or upload to Pentana if they already exist)	Visibility, consistent recording & regular review of logs & integration of risk process with strategy management	31-Mar-2025
	Define guidance, process & template for developing strategies	Ensure appropriate consultation, considerations & content included to minimise risk and support the delivery of positive outcomes	31-Mar-2025
C People	Complete quarterly updates of Connect intranet page for sharing risk guidance, training, events, etc.	Ensuring risk information & guidance is available to all staff to promote the consistent application of good practice	31-Jan-2025
	Identify candidates for Pentana superuser training with directors/senior managers & provide training/workshops	Ensuring deployment of strategy aims, and raising awareness of principles, processes, responsibilities & good practice	31-Mar-2025
	Provide manager information sessions on Pentana content/functionality, identify candidates manager/inputter training & provide training/workshops	Ensuring deployment of strategy aims, and raising awareness of principles, processes, responsibilities & good practice	31-Mar-2025
D Partners	Work with FV Health & Social Care joint risk forum to evaluate & implement whole-system risk sharing options	Maximise value of partnership resources, knowledge & experience in risk management, mitigation, processes and good practice	31-Mar-2025
	Prioritise key partnerships to address gaps in risk logs with facilitation programme (or upload to Pentana if they already exist)	Visibility, consistent recording & regular review of logs & integration of risk process with partnership management	31-Mar-2025
E Process	Revise committee report template & pilot use of Pentana system to manage approval process (including automated reminders)	Improve efficiency & effectiveness of committee report production, ensuring timely consultation on proposals with key risk experts	31-Dec-2024
	Establish benefits assessment process (summarising current & target position in relation to outcomes) to complement assessments of risks to delivery	Ensure data & evidence are assessed and realistic targets set to support the delivery of positive outcomes	30-Sep-2024
	Prioritise categories/cross-cutting corporate themes to address gaps in risk logs with facilitation programme (or upload to Pentana if they already exist)	Visibility, consistent recording & regular review of logs & integration of risk process with management of risk categories	31-Mar-2025
F Handling	Work with colleagues to review Annual Governance Statement/Public Service Improvement Framework processes to improve integration with risk management	Maximise the value of risk assessments and gathered evidence to inform corporate self-assessments	31-Mar-2025
	Review the process for setting up and managing Internal Audit recommendations on Pentana & provide training/guidance for Internal Auditors	Remove single points of failure from the process & improve efficiency & effectiveness, including greater self-service & automated reminders	31-Dec-2024
G Delivery	Prioritise projects/programmes to address gaps in risk logs & programme of facilitated sessions (or upload to Pentana if they already exist)	Visibility, consistent recording & regular review of logs & integration of risk process with project management	31-Mar-2025
	Locate key corporate strategies, plans & performance reports & ensure accessible to staff	Awareness of priorities & plans, including actions, measures & risks, and efficiency of accessing up to date information	30-Sep-2024

Appendix C – Risk Strategy Delivery Plan

Year 3 Actions

Excludes those repeated annually. Further actions for years 3-5 will be defined based on year 2 progress and emerging strategy priorities.
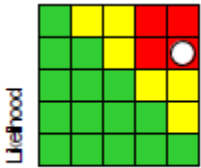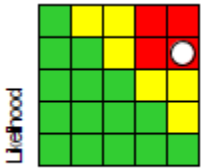
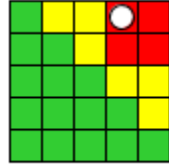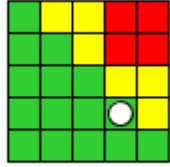| Theme	Action	Desired Outcome	Due
A Leaders	Assess potential for 'deep dive' sessions with Elected Members/managers to explore thematic areas in greater detail	Provide options for exploring & discussing indicators, actions, risks and benefits in a more interactive & flexible way than can be provided via static reports	31-Mar-2026
	Provide Elected Members with access to the Pentana system (once new version of system has been rolled out & content brought fully up to date)	Provide transparent access to performance & risk information at a time and place that is suitable to Elected Members	31-Mar-2026
	Prioritise teams to address gaps in risk logs (team leader level) with facilitation programme (or upload to Pentana if they already exist)	Visibility, consistent recording & regular review of logs via corporate performance management system to improve awareness & proactive management of risk	31-Mar-2026
	Assess options for senior manager refresher training after accreditation gained (such as via Leadership Development Programme)	Demonstrate current mechanisms, processes & controls for the purposes of governance assurance	31-Mar-2026
B Strategy	Align Pentana internal controls list to key corporate strategies & policies, and implement document review functionality	Ensure controls list is current and utilise functionality for holding/reviewing documents (including automated reminders)	31-Dec-2025
	Review Business Planning guidance & template	Streamline, reduce duplication, move to more strategic approach and improve integration & management of plans via Pentana system	30-Sep-2025
	Create live area profile template (for inclusion in corporate strategies) that will automatically populate with most recently available data	Reduce duplication, ensure strategies use most current data available and improve efficiency of strategy production	30-Sep-2025
C People	Re-evaluate training options for Elected Members, managers, superusers & system end-users and expand if appropriate	Ensuring deployment of strategy aims, and raising awareness of principles, processes, responsibilities & good practice	31-Mar-2026
D Partners	Identify & respond to partnership priorities as they emerge	Maximise value of partnership resources, knowledge & experience in risk management, mitigation, processes and good practice	31-Mar-2026
E Process	Conduct more detailed review of risk guidance in response to feedback from facilitation programme & further consultation	Provide clarity & support for managers with consolidated approach to managing governance expectations & considerations	30-Jun-2025
F Handling	Support the consolidation/streamlining of statutory data returns & reports, including participation in the national Local Government Data Platform project	Improve the efficiency & integration of data management & reporting and complying with national/statutory submission requirements	31-Mar-2026
	Summarise common risks & mitigations in a risk library/menu	Simplify the assessment process, reduce duplication and capitalise on past successes	31-Mar-2026
	Provide External Auditors with access to the Pentana system (once new version of system has been rolled out & content brought fully up to date)	Provide transparent access to performance & risk information at a time and place that is suitable to external auditors, & improve efficiency of evidence provision	31-Mar-2026
G Delivery	Fully incorporate the identification of informative performance indicators/data/evidence into risk evaluation guidance & process (following pilot)	Reduction in subjective elements of risk assessment & scoring to focus on evidence-based evaluation of the effectiveness of mitigation in terms of positive impact on organisational outcomes and delivery	30-Jun-2025

Appendix D – Corporate Risk Register

Clackmannanshire Council | Comhairle Siorrachd Chlach Mhanann
www.clacks.gov.uk
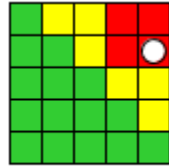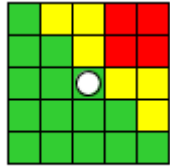
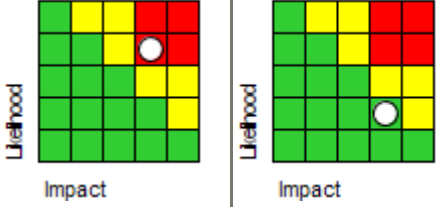| Summary of Changes	Distribution of Scores
At the end of quarter 1, 2024/25 (out of a total of 18 risks): **Status** • 7 risks are red (reduction from 8 in previous report - 2023/24 year end) • 9 risks are amber (same as previous) • 2 risks are green (increase from 1 - fewer greens as these are often demoted to lower-level registers unless particular scrutiny is needed) **Approach** • 10 risks are being **Treated** (reduction from 13 in previous report) • 5 risks must be **Tolerated** (same as previous) • 3 risks will be **Transferred** to directorate registers (see table/notes below) **Change in Scores Since Last Review** • 14 risks remain the same • 1 risk has increased • 3 risks have reduced • No risks have been added to the register	
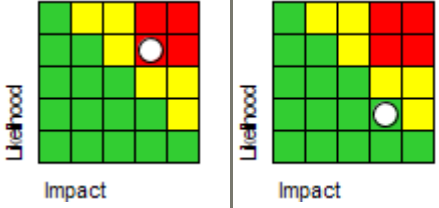
Code	Title	Score	Status	Approach	Change
COU CRR 008	Insufficient Financial Resilience	20	🔴	Treat	⬇
COU CRR 005	Impact of Poverty, Inequality & Changing Demographics	20	🔴	Treat	▬
COU CRR 050	Supply Chain & Labour Market Disruption	20	🔴	Tolerate	▬
COU CRR 012	Health & Safety Breach	20	🔴	Treat	▬
COU CRR 046	IT System Failure	20	🔴	Treat	▬
COU CRR 033	Major Governance Failure	16	🔴	Treat	▬
COU CRR 009	Information Not Managed Effectively	16	🔴	Treat	▬
COU CRR 034	Insufficient Pace & Scale of Organisational Transformation	15	🔺	Treat	▬
COU CRR 022	Public Health Emergency	12	🔺	Tolerate	⬇
COU CRR 038	Failure to Prevent Extremism and/or Radicalisation	15	🔺	Transfer	▬
COU CRR 040	Failure of Public Utility Supply	15	🔺	Tolerate	▬
COU CRR 047	Inadequate Workforce Planning	12	🔺	Treat	▬
COU CRR 023	Industrial Unrest	12	🔺	Tolerate	⬆
COU CRR 031	Failure to Prepare for Severe Weather Events	12	🔺	Tolerate	▬
COU CRR 037	Failure to Address Serious Organised Crime	12	🔺	Transfer	▬
COU CRR 049	Continued Contribution to Climate Change	10	🔺	Treat	▬
COU CRR 011	Harm to Child(ren)	9	✅	Treat	▬
COU CRR 048	Increasing Attainment Gap	8	✅	Transfer	⬇

Approach: Treat
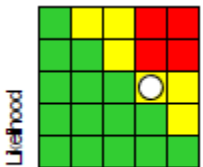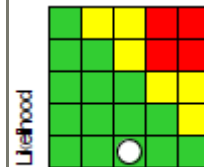
⬡ ▬	**Insufficient Financial Resilience**		Senior Manager Finance & Revenues		Current Score	20	Target Score	5

Risk	The Council does not have a balanced budget to meet essential service demands, customer needs, or external agendas.	
Potential Impact	Reputational and legal implications and severe, extended loss of service provision. Possibility of Alliance, Health & Social Care and other partners also experiencing budget pressures contributes to potential impact, given the interdependencies.	
Note	The budget for 2024/25 was approved in March reflecting a balanced position and including savings to be achieved during the year. Due to the use of reserves and cash savings to balance the 24/25 budget, the budget gap for 25/26 has been estimated at £13m. This year's budget process is already progressing to take forward savings through transformation and other areas previously identified. The budget gap is also subject to the settlement funding from Scottish Government which will be known towards the end of the year. The reduction in score does not represent a material change in the projected budget gap but alignment with the revised risk guidance in reflecting that the balanced 24/25 budget means the risk will not materialise within this financial year.	

Related Actions	Audit of 2022/23 Accounts by Audit Scotland	COU EXA 223	Existing Controls	Budget Strategy & Monitoring
	Use the agreed strategic change framework and organisational design principles to implement a whole organisation redesign	EXA BVA 1A0		Contract Standing Orders
	Balance the drive for savings with the need for sufficient officer time and skills to support change and consider how to make more use of external assistance to support improvement	EXA BVA 4F0		Financial Regulations

⬡ ▬	**Impact of Poverty, Inequality & Changing Demographics**	Chief Executive		Current Score	20	Target Score	5

Risk	Services are not appropriately redesigned based on changing needs in relation to the ageing population, health, complexity of care or socio-economic factors, specifically poor outcomes associated with welfare reform, poverty and/or inequality and wider impacts associated with the cost of living crisis.
Potential Impact	Inappropriate allocation of resources & assets, misalignment of corporate objectives to need, inability to demonstrate Best Value, and possible financial and reputational consequences of responding to unplanned situations.
Note	The LOIP and Health & Care Strategic Plan set out partnership outcomes to strengthen community & place-based services. Key priorities are to reduce children living in poverty, develop inclusive growth and empower families & communities. Relevant actions include City Region Deal, Community Wellbeing & Community Wealth Building, as well as data analysis to inform decision-making and Poverty Impact Assessments. The risk score takes into account EU withdrawal, pandemic impacts, recent Child Poverty statistics and the cost of living crisis.

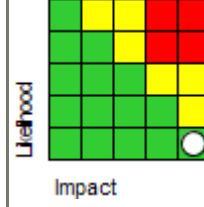| Related Actions	Clackmannanshire Alliance Local Outcomes Improvement Plan 2017-27	CPP LOI	Existing Controls	Customer Consultation & Engagement
	Implement Health & Care Partnership Strategic Delivery Plan	CRR HSC SDP		Budget Strategy & Monitoring

Appendix D – Corporate Risk Log   ✔ Low: 9 or less   ⚠ Medium: 10 – 15   ⬤ High: 16 or more   ⬆Increased   ▬ Consistent   ⬇Reduced   **N**ew Risk

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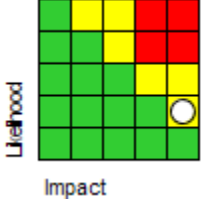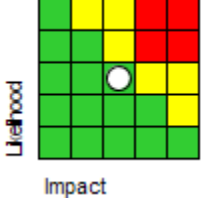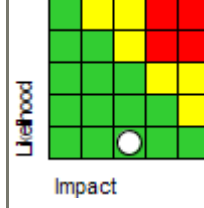
⬛ ▬	**Health & Safety Breach**	Chief Executive	Current Score	20	Target Score	8

Risk	Incident or statutory breach results in injury or death of staff member or customer due to lack of awareness or non-compliance with policies and procedures. Incidents may also arise from third parties actions, outwith Council control.
Potential Impact	The effects on individuals and their families, financial penalties (including Health & Safety Executive intervention fees), criminal proceedings, adverse publicity, increased insurance or damage to Council assets.
Note	Some small progress beginning to be noted, but not yet at the point for this to be systemic enough to reduce the risk. Significant focus now on this by Chief Officers.

Related Actions	Revised Health & Safety Strategy & Actions Plan	CRR P&P HR1	Existing Controls	Health & Safety Management System
	Governance improvement actions across all services	CRR P&P LG1		Health & Safety Corporate Training Programme

⬛ ▬	**IT System Failure**	Senior Manager Partnership & Transformation	Current Score	20	Target Score	9

Risk	Full or partial loss of network/hardware/software/telecoms technologies (temporary or prolonged) due to cyber attack/other emergency, failure to manage maintenance/backups/suppliers/contracts, or lack of investment in systems/staff/training (i.e. failure of IT services to uphold priorities of Confidentiality, Integrity and Availability).
Potential Impact	Financial impact from loss of productivity, service disruption (inc. statutory/vulnerable groups), inability to communicate, harm to staff/customers (access to records/Potentially Violent Persons register) & legal/regulatory/reputational implications.
Note	A number of recent global issues and cyber incidents means this remains a high risk. Work is ongoing to raise awareness across the workforce of cyber risks and mitigations. The Council is also investing in ICT infrastructure and security as part of its Digital Transformation Strategy & roadmap. This will introduce security policies and tools, cloud hosted services, retire/replace legacy systems, invest in modern technology to support delivery, future ways of working & Digital Transformation ambitions. Implementation of MS365 has begun and will improve the stability and security of systems.

Related Actions	Develop & deliver the Council's Digital Transformation Strategy	CRR P&P IT1	Existing Controls	Business Continuity Plans
	Complete actions from IT Asset Management Plan	CRR P&P IT2		Service Level Agreements & Contracts

Appendix D – Corporate Risk Log   ✔ Low: 9 or less   ⚠ Medium: 10 – 15   ⬤ High: 16 or more   ⬆Increased   ▬ Consistent   ⬇Reduced   N New Risk

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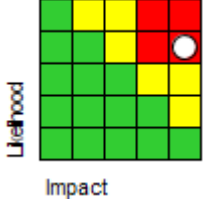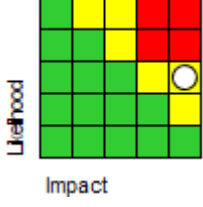
⬡ ▬ **Major Governance Failure**	Strategic Director - Partnership & Performance	Current Score	16	Target Score	8

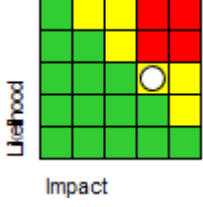|		
Risk	A significant failure of compliance with statutory duties through non-adherence to and/or lack of awareness or understanding of law, contract standing orders, scheme of delegation or financial regulations.	
Potential Impact	Significant reputational damage, injury or loss of life, legal action, financial loss or disruption to service delivery and challenge by third parties. Staffing changes and re-design reaffirm need to closely monitor & manage compliance with statutory requirements & good practice.	
Note	The Corporate Risk & Integrity Forum discuss governance & compliance on a quarterly basis. Mandatory training to officers to be carried out over the next few months. Scrutiny training was provided to Audit & Scrutiny Committee in Jun-23 and other Elected Members in Nov-23. This risk has been reinstated on the corporate log following concerns regarding breach of governance and the law. Additional Governance training is currently in development and will shortly be added to the mandatory training suite for completion by all staff on an annual basis.	

Related Actions	Annual Internal Audit & Fraud Programme	COU IAF	Existing Controls	Scheme of Delegation
	Governance improvement actions across all services	CRR P&P LG1		Governance & Audit Processes
	Addition of Governance to annual mandatory training suite	CRR P&P LG3		Committee Structures & Remits

⬡ ▬ **Information Not Managed Effectively**	Senior Manager - Legal & Governance	Current Score	16	Target Score	8

Risk	Information is not protected, managed or used effectively due to lack of compliance with information sharing, data protection, records management or IT principles/protocols, potentially leading to data breaches, inefficiency/duplication and strategic/performance management decisions based on poor quality/inaccurate business intelligence.	
Potential Impact	Legal/reputational/financial implications from breaches (regulators being the ICO and SIC can impose monetary penalties and enforcement notices), inefficiencies costing time/money, non-completion of (possibly statutory) duties. Loss of productivity, impacting morale, or misinformed decision-making if information not available/used.	
Note	Records Management Officer is now in post and review of records / retention plans is well underway. The risk is still likely due to cyber essential accreditation still being outstanding. Work continues around opportunities from MS365. The review of Data Protection policies and partnership sharing agreements are well underway. The number of staff completing training is still low and as information governance training is not mandatory, manager support is essential.	

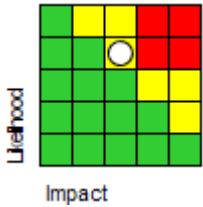|				
Related Actions	Develop & deliver the Council's Digital Transformation Strategy	CRR P&P IT1	Existing Controls	Data Sharing Agreements
				GDPR Guidance & Training

Appendix D – Corporate Risk Log   ✅ Low: 9 or less   🔺 Medium: 10 – 15   🔴 High: 16 or more   ⬆Increased   ▬ Consistent   ⬇Reduced   **N**ew Risk

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⚠️ ➖	**Insufficient Pace & Scale of Organisational Transformation**	Chief Executive		Current Score	15	Target Score	5

Risk	The Council fails to proactively drive the fundamental redesign of services and organisational planning/development with the speed required to address the funding gap due to ineffective change management.
Potential Impact	Failure to maintain the required level of provision for statutory services. The corporate business improvement programme does not establish sustainable service delivery and a sustainable cost base for the future.
Note	enior Manager Transformation and Capital has been in post since September 2023 and Project Manager Capital started in January 2024. Governance of the Capital Plan is in place with regular meetings to take place with the project leads to monitor milestones, resources, risks etc. and to put in place appropriate measures for reporting and monitoring. There are now consistent and standardised project updates for the Be the Future board with a benefits realisation plan to be developed. Key Messages from the board will be circulated which will enable communication and visibility of the programme.

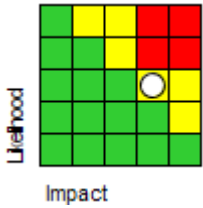| Related Actions	Be the Future Transformation Programme	COU TRN	Existing Controls	Be the Future Board

⚠️ ➖	**Inadequate Workforce Planning**	Strategic Director - Partnership & Performance	Current Score	12	Target Score	3

Risk	Due to lack of workforce planning the Council fails to ensure sufficient capacity/resource to deliver key Council service or fails to adequately develop its workforce to ensure that skills, knowledge and structures are appropriate, sustainable financially viable and compatible with our corporate vision.
Potential Impact	Loss of key staff from posts identified as single points of failure, including statutory officers, leading to inability to delivery key functions and lack of adequate professional advice to Council Officers/Elected Members.
Note	The interim plan previously approved by Council is designed to ensure that we have the right people, with the right skills, at the right time and in the right place. The Strategy provides detail as to how, over the lifetime of the plan, the Council will set a foundation for workforce development and learning which will support the development of the Be the Future Targeting Operating Model (BtF TOM). Work is also ongoing in relation to the development of Strategic Workforce Plan (2025-28) this plan will continue to focus on workforce planning at both strategic and directorate levels, ensuring that the Council has sufficient resource with the relevant skills set to enable the Council to deliver on key priorities.

Related Actions	Develop & implement the strategic workforce plan 2022-25	CRR P&P HR4	Existing Controls	Strategic Workforce Plan

Appendix D – Corporate Risk Log   ✅ Low: 9 or less   ⚠️ Medium: 10 – 15   🔴 High: 16 or more   ⬆️Increased   ➖ Consistent   ⬇️Reduced   **N**ew Risk

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⚠ ➖ **Continued Contribution to Climate Change**		Strategic Director - Place	Current Score	10	Target Score	5

Risk	The Council fails to play its part in addressing the climate emergency, such as by not adapting to climate change, reducing waste and travel, making available resources, using/promoting sustainable practices, materials & technologies or failing to act as an ambassador for national & international good practice as it emerges.
Potential Impact	Worsening environmental impacts including flooding (see Severe Weather risk), increased fuel poverty (with health/social impacts), missed efficiency savings/economic opportunities and poorer air quality. Reputational impacts of not supporting national/international policy, and legal implications of not meeting targets or demonstrating progress.
Note	We submit Climate Change Duties reports annually, and are developing/implementing several related strategies & projects around our own practice and dissemination to local residents & businesses. These relate to assets, housing stock, energy & fuel poverty advice, community food growing, waste reduction, low-carbon technology and sustainable transport. A comprehensive Net Zero/Climate Change Strategy and Climate Emergency Action Plan is also being prepared and a Council Climate Emergency Group and community Climate Change Forums have been established to support this process. Scotland's International Environment Centre proposal, as part of the City Region Deal, will place Clackmannanshire at the forefront of Scotland's Climate Change mitigation efforts.

Related Actions			Existing Controls	
	Develop Net Zero strategy and action plan	PLC 213 101		Local Biodiversity Action Plan
	Develop routemap to compliance with EESSH2 for all Council Housing stock.	PLC 213 104		Regional Energy Masterplan
	Deliver CRD programme in line with delivery plan/financial profile	PLC 213 111		Sustainable Food Growing Strategy

✅ ➖ **Harm to Child(ren)**		Strategic Director - People	Current Score	9	Target Score	3

Risk	A lack of capacity, stability or skillset in key roles reduces the Council's ability to fulfil statutory requirements and intervene to prevent the serious harm to a child/children.
Potential Impact	Effects of injury or death on individual, family, friends & staff members, reputational & legal implications, with associated costs, as well as impact of reputational damage & negative publicity on morale, workforce development and sustainability.
Note	Robust internal controls ensure appropriate staffing, leadership & assurance, including quarterly reports to Chief Officer Group and Child Protection Committee (CPC), regular review of the CPC Risk Register and prioritisation of child protection work. We have successfully recruited team leaders & senior practitioners (part of Children's Services re-design) to build resilience and skill in the workforce. Vacant posts are recruited to in a timely manner and council specific/multi-agency training is in place, including Joint Investigative Interviewing, including implementation of the Forth Valley SCIM team (Scottish Child Interview Model). The e-IRD system allows agencies to respond in real time to those at risk of harm for timely assessments and interventions, and there has been a sustained local decrease in child protection registrations. While this risk has reached a green status, its significant nature means it is felt appropriate for constant review via the corporate register.

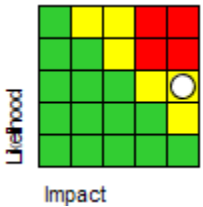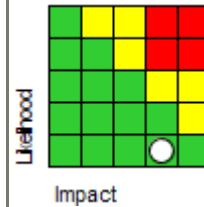| Related Actions			Existing Controls	
	People Directorate Business Plan 2023-24	PPL BP 23-24		Child Protection Procedures
	Children's Services Plan 2021-24	PPL CHC CSP		Public Protection Chief Officers Group
	Clackmannanshire's Promise Plan 2023-26	PPL CHC PRO		Child Protection Committee

Appendix D – Corporate Risk Log   ✅ Low: 9 or less   ⚠ Medium: 10 – 15   🔴 High: 16 or more   ⬆Increased   ➖ Consistent   ⬇Reduced   **N**ew Risk

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Approach: Tolerate
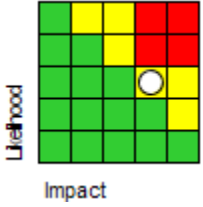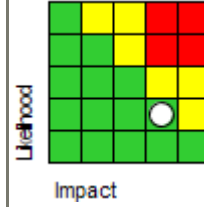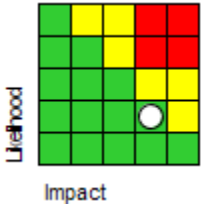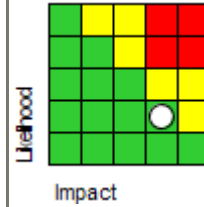
		Supply Chain & Labour Market Disruption	Chief Executive	Current Score	20	Existing Controls
Risk		Disruption to UK supply chains & labour markets as a result of EU withdrawal, increasing costs & delays in sourcing goods (particularly in construction), already materialising and could continue for an extended period or escalate				Service Level Agreements & Contracts
Potential Effect		The Council could fail to recruit or retain staff with the required knowledge & experience, and/or be subject to direct or third-party impacts if suppliers are unable to source goods/materials or staff to fulfil contractual obligations				Recruitment & Retention Policy
Note		Impact and Likelihood remain unchanged. Ongoing pressures on supply chain impacted by Supply issues due to Issues in Gulf, Ukraine, particularly food inflation, Skilled staff with key suppliers. Brexit still impacting plus recruitment difficulties particularly for key roles internally and the availability of skilled staff internally				Procurement Processes & Procedures

		Public Health Emergency	Chief Executive	Current Score	12	Existing Controls
Risk		Significant numbers of Council staff and customers become ill due to the occurrence of a public health emergency, such as a flu pandemic, with spread potentially exacerbated through failure to vaccinate or follow hygiene protocols.				Business Continuity Plans
Potential Effect		Short- & long-term health implications for public & staff (inc. absence if ill or caring for others). Disruption to support & front-line services, inc. to already vulnerable groups. Consideration required of minimal service provision requirements.				Pandemic Flu Plan
Note		Continue to work at local, regional and national level on developing plans. Procedures and plans in place for dealing with those most affected including identified vulnerable residents. While pandemic impacts are still being felt and a number of issues require ongoing monitoring and management, the revised risk guidance means the likelihood/proximity of this risk can now be downgraded.				Major Incident Procedures

		Failure of Public Utility Supply	Strategic Director - Partnership & Performance	Current Score	15	Existing Controls
Risk		Sustained loss of gas, electricity, water and communications over a significant area due to failure of a provider's infrastructure as a result of a local or national event.				Business Continuity Plans
Potential Effect		Fatality, injury or health risk, requirement to evacuate & find alternative accommodation, including for vulnerable people. Disruption to businesses, with potentially large costs, and impact on contact with health, care and emergency services.				Major Incident Procedures
Note		Ongoing monitoring and liaison with utility companies over the risks. National power outage plans being developed at local, regional and national level. Community plans in place and ongoing communication with our vulnerable customers on being included on the Priority Risk Register for all utility providers				Emergency Response Plan

Appendix D – Corporate Risk Log   ✔ Low: 9 or less   ⚠ Medium: 10 – 15   ● High: 16 or more   ⬆Increased   ▬ Consistent   ⬇Reduced   N ew Risk

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		Industrial Unrest	Chief Executive		Current Score	12	Existing Controls
Risk		Industrial action by Council staff, partners or suppliers arises, normally in relation to local or national budget-related changes to terms and conditions, or restructuring.					Business Continuity Plans
Potential Effect		Immediate effects on service delivery & those dependent on services, with financial/reputational damage, and impact on staff morale & productivity. In case of partners/suppliers may have to support or reduce activity/service delivery.					Trade Union Comms Protocol
Note		The 23/24 pay negotiations were settled in November 2023. Negotiations are ongoing at national level for 24/25 however no settled position has been reached and there is the potential for increased industrial unrest and balloting for strike action which will impact at local level. Strike actions will likely be focused on critical areas such as education and waste.					Forth Valley Local Resilience Partnership

		Failure to Prepare for Severe Weather Events	Strategic Director - Place		Current Score	12	Existing Controls
Risk		Inability to respond to weather events due to lack of appropriate planning & equipment (e.g. 4x4 vehicles). Most likely flooding from rain/coastal surge, winter weather or heatwave (increasing frequency & severity due to climate change).					Business Continuity Plans
Potential Effect		Widespread community dislocation (including risk to life), damage to property, businesses, roads & utility infrastructure (inc. telecoms & power), or inability of staff to get to work. Impact on delivery/reputation/finances & increased workload in numerous services to support communities, including clearing roads & core paths (e.g. from fallen trees & other debris).					Forth Valley Local Resilience Partnership
Note		Controls in place for monitoring and action as required. New severe weather framework developed. Community Resilience teams in place in areas of high risk. Ongoing liaison and discussion with Met Office and SEPA					Winter & Flood Management Plan

Approach: Transfer

		Failure to Prevent Extremism and/or Radicalisation	Senior Manager Partnership & Transformation	Current Score	15	Target Score	4
Risk		Radicalisation of someone from the area results in terrorist incident (or other malicious attack), causing physical or financial harm to individuals or groups (here or elsewhere), or fear of such an incident affects quality of life.					
Potential Impact		Casualties/fatalities, property/infrastructure damage, need for evacuation/temporary housing or wider economic damage. Financial harm to individuals, businesses or the Council. Disruption to services or reputational/legal implications.					
Note		Continue to implement CONTEST delivery plan through work with partners and the Forth Valley CONTEST Board. Prevent is the strand within CONTEST focussed on preventing radicalisation and extremism in communities. Training for staff is provided as part of mandatory programmes and on specific aspects of the national Prevent strategy (with the national referral pathway having been reviewed in 2021). Work is ongoing with intelligence sources on identifying direct local threats, and global issues mean this risk is not being downgraded, however, it will be transferred to the Partnership & Performance directorate register for ongoing management across services by the portfolio lead.					

Related Actions	Actions from Internal Audit of CONTEST, Prevent & Serious Organised Crime Readiness	CRR P&P SP2	Existing Controls	Forth Valley Resilience Partnership
				CONTEST Plan & Working Groups
				WRAP Training (High Priority Staff)

Appendix D – Corporate Risk Log   ✓ Low: 9 or less   ⚠ Medium: 10 – 15   ● High: 16 or more   ⬆ Increased   ▬ Consistent   ⬇ Reduced   N New Risk

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⚠ ➖	**Failure to Address Serious Organised Crime**	Senior Manager Partnership & Transformation	Current Score	12	Target Score	8

Risk	Public bodies fail to address organised crime involving drugs, violence, fraud, corruption, money laundering and/or human trafficking (with women and girls particularly vulnerable), due to a lack of preventative processes or information sharing.
Potential Impact	Physical or financial harm to individuals, businesses, communities or the Council. Direct or indirect disruption to Council services and associated reputational and/or legal implications.
Note	Situational awareness and monitoring of significant developments or intelligence is ongoing. Web pages for staff have been updated with the latest advice on cyber crimes and keeping safe and briefings are shared with staff from Scottish Business Resilience Centre and the National Crime Agency. Similarly to Extremism, this risk is not being downgraded but will be transferred to the Partnership & Performance register as the portfolio lead for work across services.

Related Actions	Serious Organised Crime action plan, based on Police Scotland self-assessment	COU SOC	Existing Controls	Serious Organised Crime Plan
	Implement Council CONTEST Delivery Plan, based on the Government's CONTEST Strategy	CRR P&P SP1		Let Scotland Flourish Strategy
	Actions from Internal Audit of CONTEST, Prevent & Serious Organised Crime Readiness	CRR P&P SP2		National Fraud Initiative

✅ ⬇	**Increasing Attainment Gap**	Chief Education Officer	Current Score	8	Target Score	8

Risk	The Council fails to reduce the educational attainment gap between pupils from more and less deprived areas due to financial pressures, workforce issues, or wider economic, demographic and poverty-related issues.
Potential Impact	Poor school leaver destinations/participation, young people failing to reach potential, longer-term impacts on social mobility, poverty, life chances & economic growth, plus reputational damage and implications for inspections & funding.
Note	We continue to monitor closely and the risk score has reduced as schools are starting to see the gap closing with a number of further interventions in place as part of School Improvement Plans. As this risk has now reached a green status, it will be demoted from the corporate register and monitored via the People Directorate register, to be escalated again should future statistics demonstrate a change in this position. As a more immediate issue, the condition of buildings across the school estate is being considered for escalation to the corporate log due to rising concerns around the recent downgrading in suitability ratings of some educational facilities.

Related Actions	Improved arrangements for tracking, monitoring, moderating and quality assuring attainment and progress with a focus on narrowing the gap for identified groups.	NIF 23 3.1	Existing Controls	Education Senior Management Team
	Increased number of school leavers attaining SCQF and wider achievement qualifications.	NIF 23 4.4		Strategic Equity Funding
				National Improvement Framework

Appendix D – Corporate Risk Log ✅ Low: 9 or less ⚠ Medium: 10 – 15 🔴 High: 16 or more ⬆Increased ➖ Consistent ⬇Reduced **N**ew Risk

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