

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 3 December 2014
Scrutiny Committee – 3 December 2014

CORPORATE RISK MANAGEMENT STRATEGY 2015 - 2016 & ANNUAL RISK REPORT 2013 - 2014

Report by Depute Director (Environment)

ABSTRACT

This report presents the Council's Corporate Risk Management Strategy 2015 - 2016 and Annual Risk Report 2013 - 2014.

1 BACKGROUND

1.1 The Corporate Risk Management Strategy aims to integrate risk management within the Council's wider strategic improvement framework. The corporate risk management objectives continue to reflect the Council's priorities in terms of partnership working, outcomes focus, embedding risk management at a service level and developing stronger links between performance and risk management. These corporate risk management objectives are:

- Corporate and partner risk management processes support delivery of positive outcomes for Perth and Kinross;
- Risk management is further embedded in all Council Services;
- Strong links continue to be developed between performance and risk management; and
- Effective risk management processes that support transformational change and continuous improvement are strengthened.

1.2 The Corporate Risk Management Strategy includes an update on progress over the last year against these objectives and identifies key areas of improvement for 2015 - 2016. Combining the Corporate Risk Strategy with the Annual Risk Report provides elected members and officers with a high level overview of risk management at a corporate and service level, both in terms of progress made and priorities for the future.

2 PROGRESS UPDATE 2013 - 2014

2.1 During 2013 - 2014, we continued to make progress towards the Council's Risk Management Objectives and against the areas for improvement agreed last year. The corporate guidance on producing Service Risk Profiles has been revised and the Corporate Performance, Planning and Risk Group has introduced an annual peer review process. We have also continued to work with Services to support them in the identification of risks through the Council's self-evaluation model 'How Good is Our Council?'.

2.2 Services have continued to receive support to ensure a consistent approach to risk management is applied to all projects within the Councils' Corporate

Transformation Programme and Capital Programme. To support this, the capital monitoring process has been re-developed to ensure that a consistent format is used across all Services for combined financial and risk monitoring.

3 AREAS FOR IMPROVEMENT 2015 - 2016

- 3.1 The Council's Project Management Toolkit, including sections on risk management and options appraisal, has been identified as an area for improvement. The toolkit is being reviewed to provide a single point of reference for all project managers delivering the Transformation Programme, Capital Programme and Best Value Reviews. This will be complete by April 2015.

4 CORPORATE RISKS 2015 - 2016

- 4.1 The Corporate Risk Management Strategy has been reviewed by the Executive Officer Team and Service Management Teams to ensure that the corporate risks associated with delivery of our five strategic objectives are identified and controlled effectively. It is proposed that the Corporate Risks 2015 - 2016 are:
- i) Support the most vulnerable in our society during welfare reform
 - ii) Protect adults at risk
 - iii) Protect vulnerable children and families
 - iv) Effectively manage changing financial circumstances
 - v) Deliver the Council's capital programme
 - vi) Maintain security of information and prevent public sector fraud and corruption
 - vii) Health and safety
 - viii) Effective corporate governance
 - ix) Growing the economy
 - x) Policy and legislative reform agenda

5 CHANGED CORPORATE RISKS

- 5.1 It is proposed that the corporate risk 'Implementation of the Perth City plan' is widened in scope and the risk now relates to 'Growing the economy' and continues to be monitored corporately as part of the Corporate Risk Management Strategy.
- 5.2 It is proposed that corporate risk 'Plan for demographic change (including planning for housing growth)' is incorporated into the following risk: 'Growing the economy' and continues to be monitored corporately as part of the Corporate Risk Management Strategy.
- 5.3 It is proposed that the corporate risk 'Prevention of public sector fraud and corruption' is widened in scope to include cyber security and the risk now relates to 'Maintain security of information and prevent public sector fraud and corruption' and continues to be monitored corporately as part of the Corporate Risk Management Strategy.

6 NEW CORPORATE RISKS

6.1 It is proposed that one new risk is monitored at a corporate level as part of the Corporate Risk Management Strategy 2015 - 2016:

i) **Policy and legislative reform agenda – The Chief Executive’s Service**

The Scottish Government has embarked upon a programme of public service reform to ensure the public, third sector and private organisations work more effectively in partnership with communities and with each other. The Council responds to changes in policy and legislation to design and deliver excellent public services which meet the needs of local people.

6.2 Appendix 1 to the attached Corporate Risk Management Strategy contains the Council’s full Corporate Risk Profile 2015 - 2016. This includes a description of each corporate risk along with the controls and improvement actions in place to manage these.

6.3 Each Service has its own Service Risk Profile which includes the corporate level risks that the Service is responsible for, as well as any additional key risks for the Service. Appendix 2 provides details of the risks which have been managed by Services during 2013 - 2014, highlighting any deleted, changed or new risks for 2015 - 2016. A colour coding system has been applied to illustrate the impact of the service risk before and after controls are in place.

7 CONCLUSION AND RECOMMENDATIONS

7.1 Progress continues to be made in developing and embedding risk management in the business planning and management processes of the Council. All Services can demonstrate their awareness of the risks they must manage and the effectiveness of the controls they have put in place to do so. This report integrates the Council’s Corporate Risk Management Strategy and Corporate Risk Profile with the Annual Risk Report to streamline the risk management framework and focus on continuous improvement.

7.2 Elected members have a key role in managing risks, as well as the scrutiny of Services in mitigating these. As such, as part of the review of the member development programme, consideration is being given to using the corporate risks as a basis for future development sessions.

7.3 It is recommended that the Strategic Policy and Resources Committee:

- i) approves the Corporate Risk Management Strategy 2015 - 2016 & Annual Risk Report 2013 - 2014; and
- ii) approves the Corporate Risk Profile 2015 - 2016 at Appendix 1.

- 7.4 It is recommended that the Scrutiny Committee:
- i) scrutinises and comments as appropriate on the performance of Services in managing the Service Risks at Appendix 2.

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Council Text Phone Number 01738 442573

ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Y
Corporate Plan	Y
Resource Implications	
Financial	N
Workforce	N
Asset Management (land, property, IST)	N
Assessments	
Equality Impact Assessment	Y
Strategic Environmental Assessment	Y
Sustainability (community, economic, environmental)	N
Legal and Governance	N
Risk	N
Consultation	
Internal	Y
External	N
Communication	
Communications Plan	N

1. Strategic Implications

1.1 Community Plan / Single Outcome Agreement

This report supports the delivery of the strategic objectives outlined within the Community Plan/ SOA 2013-23.

1.2 Corporate Plan

This report supports the delivery of the strategic objectives outlined within the Corporate Plan 2013-18.

2. Assessments

2.1 Equality Impact Assessment

This report was considered under the Corporate Equality Assessment Framework and assessed as not relevant.

Strategic Environmental Assessment

2.2 This report was considered under the Environmental Assessment (Scotland) Act and assessed as not relevant.

3. Consultation

3.1 The Executive Officer Team, Service Management Teams and the Corporate Performance, Planning and Risk Group have been consulted in the preparation of this report.

4. Background Papers

The background papers referred to within the report are:

Report 13/555 Corporate Risk Management Strategy 2013/14 &
Annual Risk Report 2012/13



Corporate Risk Management Strategy 2015 - 2016

& Annual Risk Report 2013 - 2014

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INTRODUCTION

By Barbara Renton, Depute Director (The Environment Service)

Perth and Kinross Council has a vision for our area, our communities and our people. Our vision is of a confident and ambitious Perth and Kinross, to which everyone can contribute and in which all can share.

The Council faces ongoing challenges in the delivery of this vision, arising from the economic downturn and public service reform. This will potentially increase the range and levels of risk that requires to be managed. The Council has a track record of being dynamic, innovative and ambitious and therefore will continue to rise to the challenges ahead. It also has a culture of proactively managing risks and uncertainties to reduce the likelihood and/or impact of negative consequences. Further development of the Council's approach to risk will be crucial if it is to gain the greatest possible benefits from any changes that need to be made while delivering its ambition and commitment to best value and sustainability.

This report sets out our risk management objectives and provides an update on the progress towards the objectives and against the areas for improvement agreed last year. It also details the Council's key corporate risks along with the controls and improvement actions which are in place to mitigate these. Finally, it provides an update on the management of service level risks.

1 RISK MANAGEMENT AT PKC

1.1 Strategic planning

- 1.1.1 Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective way to control or respond to them. It is a continuous and developing process, supporting the delivery of the Council's priorities and local outcomes. The aim of risk management is to deliver strong strategic, operational and financial management which will support delivery of Council and Community Planning Partnership outcomes and objectives. This is by reducing the occurrence of risk events and minimising the severity of any consequences should they happen.
- 1.1.2 Risk management enables the Council to deliver services more effectively and efficiently. It ensures the Council is proactive to risk by anticipating what could go wrong and putting plans in place to respond if the worst-case scenario occurs.
- 1.1.3 The Council's corporate risk management framework is directly linked to the Council's key strategic plans. At a corporate level, the Council has in place a Corporate Risk Management Strategy which sets out the Council's objectives to deliver an effective and systematic approach to risk management that supports the delivery of the Perth and Kinross Community Plan/ Single Outcome Agreement 2013-23 and the Council's Corporate Plan 2013-18.
- 1.1.4 Underpinning the Corporate Risk Management Strategy, each Service has its own Service Risk Profile which includes the corporate level risks that the Service is responsible for, as well as any additional key risks for the Service. The Service Risk Profiles support the delivery of Service Business Management and Improvement Plans by identifying controls and improvement actions to mitigate key risks associated with the delivery of service objectives.

1.2 Our Risk Management Objectives

- i) Corporate and partner risk management processes support delivery of positive outcomes for Perth and Kinross;
- ii) Risk management is further embedded in all Council Services;
- iii) Strong links continue to be developed between performance and risk management; and
- iv) Effective risk management processes that support transformational change and continuous improvement are strengthened.

1.3 Roles and Responsibilities

- 1.3.1 It is the role of the Strategic Policy and Resources Committee to approve the Corporate Risk Management Strategy & Annual Risk Report. The Scrutiny Committee's role is to scrutinise and comment on the performance of Services in managing the Corporate and Service Risks.
- 1.3.2 The Executive Officer Team has overall responsibility for the Council's risk management framework and corporate level risks. Maintaining a rolling programme for reviewing Corporate Risks ensures that all Corporate Risks are reported on a six monthly basis through the monthly performance and risk reports. In addition, the Chief Executive also conducts monthly meetings with each Executive Director. The Executive Officer Team receives an Annual Report on the progress of implementing this Strategy. The Depute Chief Executive (Education and Children's Services) is the Executive Sponsor for Risk Management and the Depute Executive Director (Environment) is the Senior Responsible Officer.
- 1.3.3 The Senior Management Team in each service has responsibility for ensuring risk management is part of the day-to-day management systems within their Service. This includes active development and monitoring of their Service risk profile along with any Corporate Risks that they have responsibility for and reporting on the progress of mitigating the risk by implementing controls.

2 PROGRESS UPDATE 2013 - 2014

- 2.1 During 2013 - 2014, we continued to make progress towards the Council's risk management objectives and against the areas for improvement agreed last year. These were to revise the corporate guidance on producing Service Risk Profiles to ensure consistency in format and approach across all Council Services; and to continue to work with Services to support them in the identification of risks through the Council's self-evaluation model 'How Good is Our Council?' and by facilitating risk workshops, if required.
- 2.2 The Corporate Risk Profile Guidance has been revised to ensure that all service risk profiles are in a consistent format and are in line with the Corporate Risk Management Strategy. The Corporate Performance, Planning and Risk Group has introduced an annual peer review exercise to support and provide quality assurance to the development process.
- 2.3 Services continue to utilise How Good is Our Council? (HGIOC) as a key tool for identifying Service Risks. The self-evaluation process supports Services to reflect on key strengths and areas for improvement, which provides the ideal opportunity to consider the key risks associated with delivery of service business. Outwith the HGIOC process, Services also hold risk sessions at a senior management team level to review and update business risks. Support in terms of facilitating risk workshops and providing training continues to be given to Services as required, to help improve their understanding and tolerance to risk taking using risk management techniques.
- 2.4 Risk management is an important component of the Council's project management methodology and is key to the successful delivery of the Corporate Transformation Programme, Capital Programme and Best Value Reviews. For major change projects or areas of significant risk for the Council, dedicated risk management support is provided. For example, support is provided to the Perth Office Programme; Early Years and Ryder Cup projects to identify key risk factors and make appropriate recommendations for measures to be put in place to mitigate these.
- 2.5 The capital monitoring process has been re-developed to ensure that a consistent format is used across all Services for combined financial and risk monitoring. The new process has strengthened the approach with all capital projects reported monthly to Service Management Teams (SMT) and the Corporate Resources Group (CRG) to ensure that any areas of risk are identified and highlighted for action. These are also monitored on a six weekly basis by the Strategic Investment Group (SIG). This also improves the approach with financial data reconciled by Service finance teams.

- 2.6 Following the launch of the community plan/SOA 2013-23, the Council has worked with Community Planning Partners to implement a revised governance and accountability framework which includes the establishment of four new Outcome Delivery Groups: over the last year the groups have developed outcome delivery plans which take forward the high level outcomes within the Community Plan/SOA 2013-23 by identifying key actions and timescales. One of the priorities for the ODGs over the coming 12 months will be to develop performance and risk monitoring arrangements to ensure the successful delivery of these plans.

2.7 Key areas for improvement 2015 - 2016

- 2.7.1 The Council's Project Management Toolkit is being reviewed to provide a single point of reference for all project managers delivering the Transformation Programme, Capital Programme and Best Value Reviews. This will be complete by April 2015.

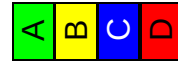
APPENDIX 1 CORPORATE RISK PROFILE

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KEY

Control Effectiveness



- A Controls are working effectively
- B Controls require further development
- C Significant controls not operating effectively
- D Significant controls do not exist or have broken down

Risk Impact and Probability

- | Impact | Probability |
|------------------|-------------------|
| 1. Insignificant | 1. Rare |
| 2. Minor | 2. Unlikely |
| 3. Moderate | 3. Possible |
| 4. Major | 4. Likely |
| 5. Critical | 5. Almost Certain |

See Appendix 3 for detailed impact scale

CORPORATE RISK 1 Support the most vulnerable in our society during welfare reform

The Welfare Reform Act received Royal Assent on 8 March 2012. It introduces a wide range of reforms which aim to make the benefits and tax credits system fairer and simpler. The Council needs to ensure that it implements the changes from reform including helping people to move into and progress in work, while supporting the most vulnerable.

Relevant Strategic Objectives: Supporting people to lead independent, healthy and active lives.

Risk manager Housing and Community Care

Risk impact with controls 4 - Major

Risk probability with controls 2 - Unlikely

Risk control effectiveness A - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Employment Connections Partnership in place to improve access to employment services and opportunities for sustained employment for vulnerable and disadvantaged groups and individuals living in both urban and rural areas.	Head of Planning & Regeneration	A	Review membership of the Partnership to ensure appropriate representation from senior management - December 13 Develop Partnership Action Plan to achieve employability outcomes - December 13	Completed. Employment Connections Partnership dissolved and functions incorporated into the new Economy and Lifelong Learning Outcome Delivery Group which will oversee the delivery of actions including employability.	
Employability Strategy and Action Plan in place.	Head of Planning & Regeneration	A	Further development of new actions to reflect new initiatives at Scottish and local level - April 15		In progress. Significant progress has been made in taking forward the Employability Action Plan. An annual report will be produced Spring 2015. The new CPP Economy and Life Long Learning Outcome Delivery Group (ODG) has now been tasked with monitoring progress.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Perth and Kinross Fuel Poverty Statement and action plan demonstrates the Council's commitment to tackle fuel poverty in Perth and Kinross by 2016.	Head of Housing & Strategic Commissioning	A			
Management					
Effective leadership by the EOT, Housing and Community Care Services Management Team, and the Council wide working group (chaired by Depute Director of Housing & Community Care) to develop high level strategic plan for the Council.	Head of Finance & Support	A			
Revenues & Benefits and Welfare Rights Business Management and Improvement Plan in place to set out current plans for managing welfare reform. Progress monitored by HCC SMT.	Head of Finance & Support	A	Manage DWP welfare reform changes using project management methodology - October 13	Completed. Welfare rights posters, leaflets and cards distributed to schools, libraries, GP surgeries and schools and post offices. Advertising on radio and buses. Leaflets on Council Tax Benefit, Size Criteria, Carer Bedroom and Benefit Cap distributed. Welfare Reform continues to be monitored through key monitoring with updates provided to Housing and Community Care's Senior Management Team and is a standing item on the Executive Officer Team agenda.	
Ongoing briefings to staff to raise awareness of current developments in welfare reform and potential impact on the Council.	Head of Finance & Support	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Money and welfare advice is available to all tenants, resident household members, sharing owners and housing applicants and provides information and advice on a range of money matters.	Head of Housing & Strategic Commissioning	A	Development of credit union - April 13	Completed. Perth and Kinross Credit Union has been fully operational since 7 April 2014 having received its necessary registration to do so from the Prudential Regulation Authority/Financial Services Authority on 13 March 2014. A Service Level Agreement is now in place with the Council who are represented as observers at the monthly Credit Union Board meetings.	
Rent Arrears Steering Group oversees implementation of rent arrears action plan and performance management framework	Head of Housing & Strategic Commissioning	A			

Deleted Controls

Internal Control	Explanation
Management	
Making Connections Liaison Group meets to allow Elected Members from the Lifelong Learning, Housing and Health and Community Safety Committees to meet together to discuss areas of interface.	The requirement for this group will be reviewed in 2015.

CORPORATE RISK 2 Protect vulnerable adults at risk

Public protection covers a wide range of individuals and communities. The Council cannot guarantee the protection of the public as such, but can identify the circumstances and opportunities that are most likely to lead to harm and take steps that can help reduce the risk happening. This corporate risk focuses on the protection of adults at risk. Adults at risk are defined as adults aged 16 years or over who: are unable to safeguard their own well-being, property, rights or other interests; are at risk of harm; and because they are affected by disability, mental disorder, illness, or physical or mental infirmity, are more vulnerable to being harmed than adults who are not so affected.

Relevant Strategic Objectives: Supporting people to lead independent, healthy and active lives; and creating a safe and sustainable place for future generations.

Risk manager

Housing and Community Care

Risk impact with controls

5 - Critical

Risk probability with controls

1 - Rare

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Chief Social Work Officer post in place to provide clear professional leadership and accountability.	Chief Executive	A	Chief Social Work Officer's annual report 2014 - December 14 Chief Social Work Officer's annual report 2015 – October 15	In progress. The Chief Social Work Officers annual report 2014 will go to Council in December 2014 in line with the new national guidelines.	New Action.
Management					
Strategic performance management and scrutiny arrangements in place, including use of self evaluation, to ensure quality control and targets are being met.	Head of Housing & Strategic Commissioning	A	Increase participation rates amongst adults at risk across satisfaction surveys of social care services – April 15		New Action.
Training and development of staff at all levels to ensure we have a skilled and competent social care workforce, able to meet the challenges the sector faces.	Senior Corporate Strategy Manager	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Audit and Improvement processes in place. Adult Care and Inspection as part of the evaluation process.	Head of Community Care	B	3 Monthly Report to Service Management - Ongoing		Ongoing.
Ongoing public awareness raising around adult and child protection issues to encourage members of the public to report any concerns to the various agencies involved.	Head of Community Care/ Head of Children & Families' Services	A	Local engagement workshop (Protection and Safety) – Ongoing	Completed. The CPC launched a refreshed poster campaign with 6 posters disseminated to a wide range of public buildings and websites/ twitter feeds. The posters cover current issues affecting children and young people including emotional abuse and online safety.	In progress. A communication plan for public awareness over the next year is to be established and a joint working group with the Adult Support and Protection Committee on public protection awareness raising. New Action.
Regular involvement of, and feedback from, service users to ensure services are designed to meet their needs.	Head of Community Care	A	Implement the improvement plan for 2014/15 – April 15		
Disclosure Scotland procedures in place to enhance public safety by protecting vulnerable adults through safer recruitment.	Chief Social Work Officer	A	Phased introduction of the Protection of Vulnerable Groups Scheme to replace and improve upon the current disclosure arrangements – April 15		New Action.
Appropriate Adult Scheme in place to ensure people under 17, or anyone with mental health problems or learning difficulties, has an appropriate adult present when interviewed by the Police.	Head of Community Care	A			
Multi Agency Public Protection Arrangements (MAPPA) and Multi-Agency Risk Assessment Conference (MARAC) arrangements are in place to give a consistent approach to the management of offenders across Perth and Kinross.	Head of Community Care / Head of Children's Services	A			

Deleted Controls

Internal Control		Explanation
Leadership		
Support effective leadership of the Community Planning Executive Officer Group.		Action related to previous Depute Chief Executive's role.

CORPORATE RISK 3 Protect vulnerable children and families

Public protection covers a wide range of individuals and communities. The council cannot guarantee the protection of the public as such, but can identify the circumstances and opportunities that are most likely to lead to harm and take steps that can reduce the risk happening. This corporate risk focuses on the protection of vulnerable children and families.

Relevant Strategic Objectives: Giving every child the best start in life.

Risk manager

Education and Children's Services

Risk impact with controls

4 - Major

Risk probability with controls

1 - Rare

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Chief Social Work Officer post in place to provide clear professional leadership and accountability.	Chief Executive	A	Chief Social Work Officer's annual report 2014 - December 14 Chief Social Work Officer's annual report 2015 - October 15	In progress. The Chief Social Work Officers annual report 2014 will go to Council in December 2014 in line with the new national guidelines.	New Action.
Effective leadership of the Children & Young People's Strategic Partnership to ensure we work effectively with our partners to deliver seamless services.	Executive Director (Education & Children's Services)	A	Review the Integrated Children's Services Plan (ICSP) - October 14	Completed. The ICSP has been finalised and approved by the Children and Young Peoples Strategic Group on 3 October 2014 and submitted to Lifelong Learning Committee on the 29 October 2014.	
			CYPSP to undertake a How Good is Our Partnership self-evaluation - June 14	Completed. Partnership evaluation completed October 2013. The outcome of the evaluation was reported within the Child Protection Standards and Quality report 13/14 to full Council on 8 October 2014 with positive comments.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Management					
Strategic performance management and scrutiny arrangements in place, including use of self-evaluation, to ensure quality control and targets are being met	Head of Children & Families' Services	A	Children and Families Services' Management Team to undertake a services self evaluation – February 15 Further embed improvement and reporting across Children and Families' Services – Ongoing Revise performance management framework – April 15	In progress. Work has begun to identify more appropriate targets to reflect current service delivery.	In progress. Evaluation work is currently underway.
Proportionate intervention in line with GIRFEC (Getting it Right for Every Child).	Head of Education (Early Years & Primary)/ Head of Children & Families' Services	B	Deliver further training for all key staff - Ongoing Monitor consistent use of Child's Plan - October 14	In progress. The GIRFEC Strategy Group continues to monitor the training programme. A whole service development day has been arranged with input from the Scottish Government on the Children and Young People (Scotland) Act 2014.	New Action.
				Completed. We continue to embed the use of Child's plan across the service. Monitoring is ongoing.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
			Embed the updated integrated assessment framework across all services (multi agency) - March 14	Completed. Integrated assessment has been reconsidered and is now part of the development of the Child's Plan. In progress. A review of the Multi-agency Screening Group will be carried out by end of December 2014 and will result in an action plan for improvement to ensure the safety and wellbeing of children and young people at risk.	
Partnership working with SCRA to reduce delays to processing Children's Hearings and decision making.	Head of Children & Families' Services	B	Chair Children's Hearing Performance Group and report issues - Ongoing	In progress. Additional meetings around the implementation of the new Children's Hearings are taking place as well as ongoing partnership meetings. In progress. Initial capacity issues for SCRA support have been resolved.	In progress. An improvement plan is being developed as well as protocols for the two agencies. In progress. Improvement activity will be monitored through the performance management framework.
Ongoing public awareness raising around child protection issues to encourage members of the public to report any concerns to the various agencies involved.	Head of Children & Families' Services	A	Local engagement workshop (Protection and Safety) – Ongoing Implement the improvement plan for 2014/15 – April 15	Completed. The CPC launched a refreshed poster campaign with 6 posters disseminated to a wide range of public buildings and websites/ twitter feeds. The posters cover current issues affecting children and young people including emotional abuse and online safety.	In progress. A communication plan for public awareness over the next year is to be established and a joint working group with the Adult Support and Protection Committee on public protection awareness raising. New Action.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Regular involvement of, and feedback from, service users to ensure services are designed to meet their needs.	Head of Children & Families' Services	B	Develop approaches for increasing engagement with, and feedback from, service users – April 15 Develop a more structured approach to learning from collective views of children who are looked after and subject to a Child Protection Measure – April 15		In progress. A review of current engagement and feedback processes to develop areas for improvement in collecting feedback from service users is being taken forward.
Disclosure Scotland procedures in place to enhance public safety by protecting vulnerable children through safer recruitment.	Chief Social Work Officer	A	Phased introduction of the Protection of Vulnerable Groups Scheme to replace and improve upon the current disclosure arrangements – April 15		In progress. Initial phasing of the migration is completed and systems are in place to manage PVG checking for new and existing staff members.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Child protection frameworks in place to ensuring the best possible outcomes for vulnerable children.	Head of Children & Families' Services/ Chief Social Work Officer	A	Review of joint children and adult service practice to address more effectively our approach to engaging with hard to reach families – March 14	Completed. New comprehensive online Child Protection guidance and procedures for staff in Education & Children's Services have been developed and were launched on 4 June 2014. The Child Protection Committee has reviewed its membership in August 2014 and is taking forward measures to improve and strengthen representation including the membership of working subgroups. Closer monitoring of child protection case conferences commenced in April 14 and improvement actions implemented to address performance in order to meet targets is set out in the ECS BMIP.	
			Further embed improvement and reporting across Children & Families' Services - April 15		In progress. A review of management and performance information for children and families services will be carried out to ensure management information is robust and fit for purpose.

CORPORATE RISK 4 Effectively manage changing financial circumstances

We recognise that our Services need to continue to adapt to meet the changing requirements of our communities and the economic environment. There is a serious risk that the financial climate and increasing demands for services will impact on our ability to deliver our outcome targets and maintain service performance into the future.

Relevant Strategic Objectives: Giving every child the best start in life; Developing educated, responsible and informed citizens; Promoting a prosperous, inclusive and sustainable economy; Supporting people to lead independent, healthy and active lives; and Creating a safe and sustainable place for future generations.

Risk manager Chief Executive's Service

Risk impact with controls 4 - Major

Risk probability with controls 3 - Possible

Risk control effectiveness B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Effective corporate governance and leadership of transformation programme.	Executive Director (Housing & Community Care)	A			
Securing the Future Strategy to support the delivery of savings through revised service delivery models and ongoing improvement activities in the Council.	All Executive Directors	A			
Reserves Strategy in place to cushion the impact of uneven cash flow, unexpected events or to meet liabilities.	Head of Finance	A			
Corporate Workforce Plan to recruit and retain high quality staff.	Executive Director (Housing & Community Care)/ Corporate Human Resources Manager	A	Implement Corporate Workforce Plan – improvement actions Ongoing 2013-2018	In progress. A Securing the Future report will be submitted to Council in December 14.	

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Medium Term Financial Plan setting out financial direction for the Council.	Head of Finance	A			
Corporate Asset Management Plan in place to manage the Council's infrastructure and assets.	Head of Performance & Resources	B	Revise Corporate Asset Management Plan – Ongoing		In progress. Asset Management Plans for Roads, Greenspace and Fleet have subsequently been reviewed and are scheduled for completion by June 2015. Implementation of the Property Best Value Review will allow for review and updating of the Property Asset Management Plan in partnership with Property colleagues. These updated Asset Management Plans will be utilised to produce an updated Corporate Asset Management Plan to inform the Council's future strategic investment.
Management					
Financial and performance management systems in place to monitor progress and highlight any issues which are likely to have a significant impact on the Securing the Future Strategy. Medium Financial Plan, Corporate Workforce Plan and Asset Management Plan.	Head of Finance/ Depute Director (Environment)/ Corporate Human Resources Manager	A	Quarterly monitoring to EOT and MOWG – Ongoing		In progress. Quarterly monitoring to EOT and MOWG undertaken.
Elected Member cooperation/ collaboration in setting priorities for the future.	Head of Cultural & Community Services	A			
Budget monitoring process to highlight issues which may prevent Services from delivering within planned budget.	Head of Finance	A		Revenue and capital monitoring reports taken to SP&R Committees.	

Current Internal Controls	Control Owner	Strength	Improvement Actions	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Budget Review Process in line with Transformation Strategy.	Head of Finance	A		Service Revenue Budget proposals have been updated to reflect progress on the delivery of the Council's Transformation Strategy.	
Effective communication with members of the public around the budget process.	Head of Finance/ Head of Democratic Services	A			

CORPORATE RISK 5 Deliver the Council's capital programme

The Council's Capital Programme delivers a wide range of major infrastructure projects. Significant controls are in place to ensure that the Council continues to deliver this programme. Progress and levels of slippage are routinely monitored and scrutinised.

Relevant Strategic Objectives: Giving every child the best start in life; Developing educated, responsible and informed citizens; Promoting a prosperous, inclusive and sustainable economy; Supporting people to lead independent, healthy and active lives; and Creating a safe and sustainable place for future generations.

Risk manager

The Environment Service

Risk impact with controls

3 - Major

Risk probability with controls

2 - Unlikely

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Effective leadership of the delivery of the programme.	Executive Director (Environment)	A	Implement actions from review - December 14	In progress. A governance framework has been agreed by the Strategic Investment Group (SIG). There has been an increase in Capital Programme spend since the changed arrangements were put in place.	Ongoing. Improvements to the delivery of the Capital programme will continue to be made and monitored.
Financial and Service Capital Programmes in place.	Executive Director (Environment)	A	Develop Overall Capital Programme – Ongoing		In progress. An overall Capital Programme has been derived and this programme contains information on project management responsibility, budget and phasing.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Draft contract arrangements in place to take due account of the need to ensure probity in the expenditure of public money.	Head of Legal Services	B	Further review to be carried out as part of the Best Value Property Review and rolled out for the other types of contracts if agreed – Ongoing		In progress. The Strategic Investment Group has approved the formation of a Strategic Advisory Group to ensure that procurement legislation and best practice guidance is adhered to. Part of its role will be to advise on appropriate contract strategy for the delivery of Capital Programme projects.
Financial regulations in place to ensure that contract arrangements take due account of the need to ensure probity in the expenditure of public money.	Head of Finance	A	Financial Regulations to be approved by Council – December 14	In progress.	
Management					
Effective scrutiny arrangements in place to enable officers to monitor performance of Capital programme to achieve delivery. Performance arrangements established to confirm performance to EOT, Strategic Investment Group (SIG), SMTs, Corporate Resources Group (CRG) and Committee.	Executive Director (Environment)	B	Implement actions from review - December 14	Completed. The Strategic Investment Group has approved the development of a programme milestone derived Capital Programme progress report. All Services are now working to these milestones.	In progress. An update report on the capital programme will be submitted to Committee early 2015.
Programme Board for Programme (CRG) has been approved by EOT to monitor progress against key targets and milestones and highlight any issues which are likely to have an impact on the plan.	Executive Director (Environment)	B	Implement actions from review - December 14	This report was approved by the CRG prior to submission to the Strategic Investment Group on 8 July 2014.	

CORPORATE RISK 6 Maintain security of information and prevent public sector fraud and corruption

In response to Police Scotland advice, it is proposed that there is a new corporate risk around prevention of public sector fraud and corruption. This includes insider corruption through bribery or intimidation. Better prevention, detection and systems to prevent public sector corruption across all Council Services is essential to our approach to dealing with the current financial pressures we face. In addition, risks are identified in relation to cyber security and maintaining the safety of the Council's information.

Relevant Strategic Objectives: Giving every child the best start in life; Developing educated, responsible and informed citizens; Promoting a prosperous, inclusive and sustainable economy; Supporting people to lead independent, healthy and active lives; and Creating a safe and sustainable place for future generations.

Risk manager

Housing and Community Care

Risk impact with controls

4 - Major

Risk probability with controls

3 - Possible

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Fraud and Corruption Policy 2006 sets out the arrangements put in place by the Council to ensure members, employees and contractors behave with honesty and integrity in all their actions in the public Service.	Head of Legal Services/ Head of Finance	B	Update policy to include specific reference to the Bribery Act 2010 - March 14. Training provided to staff to ensure they are aware of how the new policy will apply in the work place - March 14 Review the Information Management Strategy – December 13	Revised timescale – December 14. Progress is being made with the overhaul of the Counter Fraud Strategy and a timeline has been agreed on the arrangements for a comprehensive and consistent suite of policies.	
Information Management Strategy	Head of Legal Services	A		Completed.	
Contract rules provide policy and guidance on contract and tendering activity.	Head of Legal Services	A	Revise policy against new procurement legislation – December 14	In progress. New legislation being assessed with Corporate Procurement Manager.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Councillor's Code of Conduct sets out the standards of behaviour expected of Councillors in Perth and Kinross including gifts and hospitality, use of Council resources and personal conduct.	Head of Legal Services	A			
Employees' Code of Conduct sets out the standards of behaviour expected of Council employees including gifts and hospitality, use of Council resources and personal conduct.	Corporate Human Resources Manager	A	Review the Employees' Code of Conduct to ensure it is more accessible and relevant to staff - September 14	Completed. The Employee Code of Conduct is now launched. The new Code is accompanied by a Managers Toolkit. A new e-learning module has been developed and launched.	
Gifts and Hospitality Policy and Procedures introduced in 2011 to supplement the rules set out in the Council's Financial Regulations and Employee Code of Conduct.	Head of Legal Services	A	Review Gifts and Hospitality Policy - December 14	Completed. The Gifts and Hospitality Review has been completed.	
Participation in the National Fraud Initiative and arrangements in place for investigating and reporting data matches identified by NFI.	Head of Finance/Head of Finance & Support Services	A	Undertake data matching exercise using the electoral register to detect any potential fraud - July 14		Revised timescale – February 15. Potential matches are currently being investigated and it is anticipated all full investigations will be complete by February 2015.
Management					
Counter Corruption Group established to ensure collaboration with Police Scotland and other agencies with an anti-crime role.	Executive Director (Housing & Community Care)	B	Establish the Integrity Group Continue to Maintain the Integrity Group within the Community Planning structure at a tactical level reporting to the thematic head for Community Safety who will report to the Community Safety and Environment Delivery Group and thereafter to the CPP – Ongoing	Completed. The group met on 20 November 2013 for the first time and meetings are now ongoing.	In progress. Governance arrangements include an Integrity Group chaired by the Executive Director (Housing & Community Care) with a remit to reduce organisational vulnerabilities across services and functions through a preventative approach.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Corporate Policy and Governance Group in place.	Head of Legal Services	A			
Risk based internal audit plan is prepared annually to provide assurance on the operation of control systems which are designed to detect fraud and irregularities.	Head of Finance	A	Internal Audit will complete its approved plan on time and will continually evaluate any changes to the control environment – Ongoing	Completed. The 2013/14 Internal Audit Plan has been completed.	In progress. Good progress is being made with the 2014/15 Internal Audit Plan with 46% assignments completed to date.
Whistleblowing Procedures.	Head of Finance	A	Review procedures to ensure they remain fit for purpose - March 14	Revised timescale – December 14. This links to the first action under Leadership, to provide a holistic approach to counter fraud.	
Written procedures are in place for all significant Council activities, that incorporate the appropriate internal controls to deter fraud or corruption.	Head of Finance	B	Undertake a review of system weaknesses across the Council in detecting fraud - December 14	In progress.	
High standards in the recruitment, training and development of employees in order to ensure that all are able to reinforce the high ethical standards of the Council by their leadership and example.	Corporate Human Resources Manager	A	Review the Council's Recruitment Selection Policy and procedures including processes for vetting/ screening employees - 2015 Revise corporate induction programme to highlight employee responsibilities in this area - 2015		In progress. The review of recruitment policy now sits within the context of the Employer Branding transformational project which commenced in August 2014 and is being delivered through the Centre of Innovation and Improvement. This project will redefine our employment offer and expectations at all stages of the employee lifecycle.
Arrangements in place for the management of information risk including an information security policy and standards.	Senior Information Risk Owner/Head of Legal Services	B	External assessment of the Council's state of security in relation to cyber security – Ongoing	In progress. Quarterly external assessments are undertaken for compliance with the Payment Card Industry Data Security Standards and an annual internal and external assessment is required for PSN Compliance. In both cases the assessment is undertaken by appropriately	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
			Maintain PSN Compliance annually – August 15 Prepare a State of Security, including cyber security, across Perth and Kinross Council for Executive Officer Team – January 15 Develop an action plan including planning and information security week with Police Scotland, based on the external assessment of the Council's State of Security – Ongoing Awareness raising sessions and training programme – Ongoing	accredited organisations and testers to test the Council's systems and security measures. Mitigation of any issue from the assessments arising is undertaken	In progress. Work to achieve compliance now in progress for 2015 including replacement of operating system software which will be out of support in 2015 and on-going patching. New Action. In progress. An information security action plan is maintained by the Information Security Officer. Security awareness training is provided to school pupils in conjunction with CEOP and privacy is included in adult learning sessions provided in libraries. In progress. New eLearning modules implemented in August 2014 for Data Protection and Information Security. Uptake to be monitored regularly and reported to Executive Directors. Modules to be reviewed annually to ensure addressing current issues.

Deleted Controls

Internal Control	Explanation
Leadership	
Council standing orders provide a clearly understood structure of duties and responsibilities among elected members, employees and contractors	These controls have been superseded by the current review of fraud and corruption which will result in a comprehensive and consistent suite of policies.
Financial regulations in place and reviewed every two years to ensure that contract arrangements take due account of the need to ensure probity in the expenditure of public money	
Fraud and Irregularity Procedures in place relating to the investigation of suspected fraud or corruption	

CORPORATE RISK 7 Ensure the health, safety and wellbeing of Council employees and those who are affected by the Council's work

Perth and Kinross Council recognises its responsibilities and obligations to ensure, so far as reasonably practicable, the health, safety and wellbeing of all employees and other persons who might be affected by the Council's undertakings in accordance with the Health & Safety at Work etc. Act 1974 and associated legislation. Maintaining these health and safety standards is a key area of risk for all Council Services.

Relevant Strategic Objectives: Creating a safe and sustainable place for future generations.

Risk manager

The Environment Service

Risk impact with controls

4 - Major

Risk probability with controls

2 - Unlikely

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Corporate Health Safety and Wellbeing Consultative Committee provides direction, a means of regular consultation between Perth & Kinross Council elected members, Chief Officers and employees through trade union representatives and a forum for the discussion of corporate health & safety matters.	Head of Performance & Resources	A			
Health, Safety and Wellbeing – Occupational Health and Safety Policy sets out how Perth & Kinross Council manages the health, safety and wellbeing of its employees and those who are affected by the organisation's work.	Head of Performance & Resources	A			
Management					
Two monthly reporting to the Executive Officer Team on health & safety issues and policy ensures that Council's overall approach to health and safety is rigorously monitored and reviewed.	Head of Performance & Resources	A			
The Corporate Management Group has a strategic role to manage and improve health & safety performance.	Head of Performance & Resources	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Performance is reported as part of Corporate and Service level annual health & safety reports and quarterly reports to Service Management Teams, Corporate Management Group, Executive Officer Team and Health, Safety and Wellbeing Consultative Committee.	Head of Performance & Resources	A			
Service Health and Safety Consultative arrangements provide a means of regular consultation between Service Management representatives and employees, providing a forum for the discussion of Service health & safety matters.	Head of Performance & Resources	A			
Occupational Health Policy promotes good health at work through health screening and surveillance and preventative medical services as well as health promotion and education initiatives as appropriate.	Head of Performance & Resources	A			
Additional Management Arrangements and procedures where appropriate provide details of responsibilities in relation to topic specific hazards.	Head of Performance & Resources	B	Consolidate separate topic specific management arrangements and procedures where appropriate which are in place for specific hazards as part of the overarching policy – December 14 Implementation of management arrangements – Ongoing	Completed. Management arrangements were completed in April 2014. Arrangements and guidance were presented to the Corporate Health, Safety and Wellbeing Consultative Committee in September 2014 for approval.	New Action.
Health & Safety Team Co-ordinators have been identified as being responsible for ensuring activities and workplaces are assessed to identify risks and determine the suitability of preventative measures put in place and to develop Safe Systems of Work.	Head of Performance & Resources	B	Introduce and develop health and safety performance records that will clearly identify service responsibilities and use these records as an auditing tool - August 15		In progress. The performance records will be introduced to Health and Safety Team Co-ordinators in an order of priority with high risk services first. This process will continue into 2015 until all services have been covered.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
The training needs of all employees are regularly assessed using the employee review and development scheme and where appropriate information, instruction and training on health & safety matters are provided.	Head of Performance & Resources	A	An analysis of training needs and training delivered will be undertaken – April 15		New Action.
The effective communication, by managers, of policies, procedures and safe working practice assist in achieving high standards of health & safety performance.	Head of Performance & Resources	A	Build on existing practices under the new management arrangements – June 15		In progress.
Council premises remain safe through appropriate repair, maintenance, inspection, examination and testing regimes.	Head of Property	B	A review of all property compliance has been undertaken with a number of improvement actions identified – May 15		In progress.
Corporate Health, Safety & Wellbeing Team provides advice and supports the preparation, formulation, development, monitoring and auditing of health& safety arrangements throughout the Council.	Head of Performance & Resources	B	Start an Audit Programme following the introduction of Health and Safety Performance Records – June 15		New Action.

CORPORATE RISK 8 Effective corporate governance

As a public body, the Council is required to operate to the highest possible standards, is subject to scrutiny by other bodies and is accountable to the public. The Council must conduct its business in accordance with the law and ensure that public money is safeguarded, properly accounted for, and used appropriately. To fulfil these duties, the Council has put in place arrangements for the governance of its affairs.

Relevant Strategic Objectives: Giving every child the best start in life; Developing educated, responsible and informed citizens; Promoting a prosperous, inclusive and sustainable economy; Supporting people to lead independent, healthy and active lives; and Creating a safe and sustainable place for future generations.

Risk manager

The Chief Executive's Service

Risk impact with controls

5 - Critical

Risk probability with controls

1 - Rare

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Perth and Kinross Council Corporate Plan 2013-18 sets out the vision for the area and how the Council will deliver on its strategic objectives and local outcomes.	Chief Executive	A			
Perth and Kinross Community Plan/ SOA 2013-23 sets out the shared vision for the area and how the Council will work with other Community Planning Partners.	Chief Executive	A	Implement CPP Leadership Development Programme – 2015		In progress.
Medium Term Financial Plan.	Head of Finance	A		Completed. Medium Term Financial Plan was approved at Council on 8 October 14. The timeframe has been extended to 5 years.	.
Local Code of Corporate Governance sets out the decision-making processes of the Council, scrutiny and the role of statutory officers.	Chief Executive	B	Ensure staff and elected members understand the overarching nature of corporate governance – Ongoing	In progress.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Scheme of Administration sets out membership, powers and responsibilities of the Council's committees, sub-committees and working groups and lists areas where the Council has delegated decision-making to officers	Head of Democratic Services	A	Review Scheme to better reflect community planning responsibilities – April 15		New Action.
Standing Orders set out rules for the regulation of proceedings and business of the Council and its Committees/Sub-Committees	Head of Democratic Services	A	Review Standing Orders to ensure they remain relevant and fit for purpose – April 15		New Action.
Protocol for Member/ Officer Relations	Head of Democratic Services	A	Ensure elected members and staff are aware of the protocol and requirement to abide by it – April 15		New Action.
Councillor's Code of Conduct sets out the standards of behaviour expected of Councillors in Perth and Kinross including gifts and hospitality, use of Council resources and personal conduct.	Head of Legal Services	A			
Contract rules provide policy and guidance on contract and tendering activity.	Head of Legal Services	A	Revise policy against new procurement legislation - December 14	In progress. New legislation being assessed with Corporate Procurement Manager.	
Financial regulations in place to ensure that contract arrangements take due account of the need to ensure probity in the expenditure of public money.	Head of Finance	A	The Financial Regulations have been updated (section 11) to ensure this control is in place.	Completed. Approved at Council on 8 October 14.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Fraud and Corruption Policy 2006 sets out the arrangements put in place by the Council to ensure members, employees and contractors behave with honesty and integrity in all their actions in the public Service.	Head of Legal Services/ Head of Finance	B	Update policy to include specific reference to the requirements of the Bribery Act 2010 - March 14. Training provided to staff to ensure they are aware of how the new policy will apply in the work place - March 14	Revised timescale – December 14. Progress is being made with the overhaul of the Counter Fraud Strategy and a timeline has been agreed on the arrangements for a comprehensive and consistent suite of policies.	
Whistleblowing Procedures.	Head of Finance	A	Review procedures to ensure they remain fit for purpose - March 14	Revised timescale – December 14. This links to the action above, to provide a holistic approach to counter fraud.	
Employees' Code of Conduct sets out the standards of behaviour expected of Council employees including gifts and hospitality, use of Council resources and personal conduct.	Corporate Human Resources Manager	A	Review the Employees' Code of Conduct to ensure it is more accessible and relevant to staff - September 14	Completed. The Employee Code of Conduct is now launched. The new Code is accompanied by a Managers Toolkit. A new e-learning module has been developed and launched.	
Code of Guidance on Following the Public Pound.	Head of Legal Services	A	Working group currently working on simplifying the rules – February 15		In progress. Working group has begun meeting.
Management					
The Chief Executive and Executive Officer Team meet every two weeks as the Executive Officer Team.	Chief Executive	A			
Strategic Investment Group monitors all capital projects and meets on a six weekly basis.	Chief Executive	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Depute Directors and Heads of Service meet as the Corporate Management Group which has a key role in the development and implementation of Council strategy and policy.	Depute Director (Education & Children's Services)	A			
Corporate Policy and Governance Group in place.	Head of Legal Services	A			
Performance and risk management framework in place against the Corporate Plan and Community Plan/SOA including annual report to Council and monthly reports to EOT.	Depute Director (Environment)	A			
Corporate Risk Management Strategy identifies the key areas of risk linked to delivery of the Council's strategic objectives and how these are being managed by the Council.	Depute Director (Environment)	A			
Service Business Management and Improvement Plans underpin Council's key strategic documents which are reported on six monthly.	Depute Director (Environment)	A			
Budget Review Process in line with Transformation Strategy. Service Revenue Budget proposals are updated to reflect progress on the delivery of the Council's Transformation Strategy.	Head of Finance	A			
Budget monitoring process to highlight issues which may prevent Services from delivering within planned budget.	Head of Finance	A	Continued regular revenue and capital monitoring reporting to the Strategic Policy and Resources Committee and the Executive Officer Team. Reports to Committee - February, April, October and December.	In progress. Revenue Monitoring Report 2 for 2014/15 was considered by the Strategic Policy and Resources Committee on 3 December 14.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Signed agreements and monitoring arrangements in place with external agencies for services provided. This includes reporting to Service Senior Management Teams and the Purchased Services Board within Housing and Community Care.	Executive Directors	A	Review client monitoring arrangements in place with Live Active Leisure and Horsecross - Ongoing		In progress. Longer term client monitoring arrangements are being reviewed in context of wider review of procurement and contracting processes across ECS. Interim Change Manager is monitoring both Live Active Leisure and Horsecross pro tem.
		A	Elected member development programme includes refresher session on the role of members on external agency boards - May 14	Completed. A session was delivered in March 2014 to members and officers on the Trustees Toolkit.	
Mechanisms in place for effective communication/ collaboration with elected members in setting priorities for the future and informing policy.	Head of Democratic Services	B	CPP Outcome Delivery Groups are chaired by elected members – December 13 Review the member development programme to ensure members are fully informed of the public service reform agenda – Ongoing	Completed.	In progress. Scope of review to be drafted in consultation with members. Consideration is being given to using the corporate risks as a focus for member development – January 2015.
Risk based internal audit plan is prepared annually to provide assurance on the operation of control systems which are designed to detect fraud and irregularities.	Head of Finance	A	Internal Audit will complete its approved plan on time and will continually evaluate any changes to the control environment – Ongoing	Completed. The 2013/14 Internal Audit Plan has been completed.	In progress. Good progress is being made with the 2014/15 Internal audit Plan with 46% assignments completed by November 2014.
Arrangements in place for the management of information risk including an information security policy and standards.	Senior Information Risk Owner/Head of Legal Services	A	Review the Information Management Strategy – December 2013	Completed.	

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Council's employment policies and practices promote the public sector equalities duties, are legally compliant and support Council objectives.	Corporate Human Resources Manager	A			
Annual review of governance framework and production of Annual Governance Statement provides assurance to the public about the way the Council is run.	Head of Legal Services	A			
Right First Time Guidance on decision making.	Head of Legal Services	B	Raise the profile of the guidance and review in light of experience – May 15		In progress.
Committee Report Template.	Head of Democratic Services	A	Conduct a review of the first year of reporting using the new Committee Report Template - March 14	Completed. This has been reviewed and revised and will be issued for use after the October recess.	

CORPORATE RISK 9 Growing the Economy

The current economic climate is improving and our population is projected to grow by 24% by 2037, which is the third highest in Scotland. Our response is to tackle the obstacles to economic growth that exist within Perth and Kinross to accelerate recovery and promote economic security. The restoration of Perth's city status has presented the Council with a unique opportunity to maximise the potential of Perth as a catalyst for the area's economic growth.

Relevant Strategic Objectives: Promoting a prosperous, inclusive and sustainable economy.

Risk manager

The Environment Service

Risk impact with controls

4 - Moderate

Risk probability with controls

2 - Unlikely

Risk control effectiveness

B - Controls require further development

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Leadership					
Employability Strategy and Action Plan in place.	Head of Planning & Regeneration	A	Further development of new actions to reflect new initiatives at Scottish and local level - April 15		In progress. Significant progress has been made in taking forward the Employability Action Plan. An annual report will be produced Spring 2015. The new CPP Economy and Life Long Learning Outcome Delivery Group (ODG) has now been tasked with monitoring progress.
Economic & Lifelong Learning Outcome Delivery Group Action Plan in place.	Head of Planning & Regeneration	A			
Perth City Plan in place.	Head of Planning & Regeneration	A			
Events and Festivals Strategy in place to provide a strategic framework for the Council's approach to the attraction and development of events and festivals in order to deliver economic growth.	Head of Planning & Regeneration	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Strategic and local development plans and policies set out a vision of how Perth and Kinross should develop in a sustainable way.	Head of Planning & Regeneration	A	Work on supplementary guidance – Ongoing		In progress. Developer contributions policies agreed by Scottish Government. Further supplementary guidance is being developed in line with Council priorities and this will further strengthen this control.
A programme of activity for key sector areas such as tourism, and food & drink is in place through the ODG plan.	Head of Planning & Regeneration	A	Implement the ODG plan – Ongoing		In progress. The new CPP Economy and Life Long Learning Outcome Delivery Group has now been tasked with monitoring progress.
Sustainable development framework in place to manage the impact of plans, programmes and strategies on people, the economy and the environment.	Head of Planning & Regeneration	A			
Management					
Economy and Lifelong Learning Outcome Delivery Group (ODG) established.	Executive Director (Environment)/ Executive Director (Education and Children's Services)	B	Implement the ODG plan – Ongoing		In progress. A monitoring report on progress against the plan is reporting quarterly to ODG.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
City Development Board in place to support delivery of Perth City plan.	Head of Planning & Regeneration	A	Priorities for Perth City being developed in line with the Perth City Plan Project and performance management arrangements in place to monitor Council progress in implementing the City Development Strategy and highlight any issues which may impact on delivery of the strategy in line with the Perth City Plan – June 15	Completed. Workshop held in August 2014.	In progress. Regeneration, Enterprise and Strategy and Policy Team Plans are in place to look at City Plan refresh.
Participation in Scottish Cities Alliance.	Executive Director (Environment)	A	Perth leading on Smart City programme for Scottish Cities Alliance – Ongoing		New Action.
City Deal opportunities to fund city growth.	Executive Director (Environment)	B	Develop a City Deal – Ongoing		New Action.
Annual reporting to members and Executive Officer Team on the implications of planning for growth and the impact that growth will have on communities and all services in an integrated and sustainable way.	Head of Planning & Regeneration	B	Full analysis of census 2011 continuing linked to mid-year estimates – August 15	Completed. Presentation to Executive Officer Team and members took place September 2014. Further roll out to CPP partners.	In progress. New internal Demographics group established and work ongoing.
The Housing Land Audit gives details of the housing land supply in Perth and Kinross and is an important source of information for the monitoring of the Perth & Kinross Structure Plan.	Head of Planning & Regeneration	A			
The Employment Land Audit gives details of the land supply in Perth and Kinross and is an important source of information for the monitoring of the Perth & Kinross Structure Plan.	Head of Planning & Regeneration	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Infrastructure planning in place to support anticipated growth.	Executive Director (Environment)	B	Perth Transport Futures project completion in accordance with anticipated growth – 2020		In progress. A9/A85 scheme committed for completion mid-2018. A9/A93/A94 scheme committed for completion 2020.
Developer Contributions Policy in place	Head of Planning & Regeneration	A			
Objectives, targets and governance arrangements in place for the Digital Connectivity Project's.	Head of Planning & Regeneration	B	Better monitoring of project progress – April 15		In progress. Progress is regularly tracked through reports from Ofcom, Scottish Government and internal information which is then reported to the Enterprise & Infrastructure Committee.

CORPORATE RISK 10 Policy and legislative reform agenda

The Scottish Government has embarked upon a programme of public service reform to ensure the public, third sector and private organisations work more effectively in partnership with communities and with each other. The Council responds to changes in policy and legislation to design and deliver excellent public services which meet the needs of local people.

Relevant Strategic Objectives: Giving every child the best start in life; Developing educated, responsible and informed citizens; Promoting a prosperous, inclusive and sustainable economy; Supporting people to lead independent, healthy and active lives; and Creating a safe and sustainable place for future generations.

Risk manager

The Chief Executive Service

Risk impact with controls

5 - Critical

Risk probability with controls

1 - Rare

Risk control effectiveness

B - Controls require further development

Current Internal Controls		Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
	Leadership					
Perth and Kinross Council Corporate Plan 2013-18 sets out the vision for the area and the Council's response to public service reform.		Chief Executive	A			
Perth and Kinross Community Plan/ SOA 2013-23 sets out how the Council will work with other Community Planning Partners to deliver public service reform.		Chief Executive	A	Implement CPP Leadership Development Programme – 2015		In progress.
Service Business Management and Improvement Plans underpin Council's key strategic documents setting out detailed plans to respond to reforms.		Depute Director (Environment)	A			
Outcome Delivery Plans underpin the Community Plan/ SOA 2013-23 and set out in detail how Community Planning Partners will deliver on the public service reform agenda.		Head of Cultural and Community Services	B	Further develop Outcome Delivery Plans to ensure they reflect latest developments in public service reform – April 2015		In progress.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Health and Social Care Integration Plan details key actions and milestones of the Integrated Health and Social Care Pathfinder Board	Executive Director (Housing and Community Care)	B	Develop plan in response to consultation on the regulations and orders associated with the Public Bodies (Joint Working) (Scotland) Act 2014 – December 2014	In progress. Health and Social Care Integration Action Plan in place to guide preparations for the implementation of the legislation. Plan is reviewed and progress monitored at each Pathfinder Board meeting.	
Medium Term Financial Plan.	Head of Finance	A			
Older People Joint Commissioning Strategy prepared as part of the Reshaping Care for Older People partnership in Perth and Kinross	Depute Director (Housing and Community Care)	B	The Strategy will be incorporated within a new Strategic Plan covering all adult health and social care services in Perth and Kinross – July 2015	In progress. Consultation is underway and locality profiles are being developed.	In progress. New Strategic Plan outlining functions planned through the Integration Joint Board to be completed by November 2015.
Early Years Strategy (2010) provides overarching approach for everyone working with children in their early years of life	Head of Education (Early Years and Primary)	A	Review and refresh Early Years Strategy to ensure it responds to legislation and incorporates all key strands of early years approach – December 2015		In progress. Work is underway to align the outstanding priorities of the Early Years Strategy Phase 2 with the implementation of Evidence2Success and the Early Years Collaborative to begin to inform the future planning of Phase 3 of the Strategy.
Strategic and local development plans and policies set out a vision of how Perth and Kinross should develop in a sustainable way.	Head of Planning & Regeneration	A	Work on supplementary guidance - Ongoing		In progress. Developer contributions policies agreed by Scottish Government. Further supplementary guidance is being developed in line with Council priorities and this will further strengthen this control.
Management					
Change, Transformation and Forward Planning Group meet six weekly	Chief Executive	A			

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
The Chief Executive and Executive Officer Team meet every two weeks as the Executive Officer Team.	Chief Executive	A			
Community Planning Partnership Board meets quarterly to monitor CPP progress in delivery of the Perth and Kinross Community Plan/ SOA and has a standing item on public service reform.	Executive Director (Education and Children's Services)	B	Enhanced performance management framework in place to ensure CPP Board receives regular information from Outcome Delivery Groups – December 2014	In progress. First 6 monthly progress report from outcome delivery groups to be discussed by CPP board on 28 November 2014.	
Outcome Delivery Groups established to take forward the local outcomes within the Perth and Kinross Community Plan/ SOA 2013/14 and consider impact of public service reform.	Head of Cultural and Community Services	B	Performance management arrangements in place to ensure CPP Board receives regular information from Outcome Delivery Groups – December 2014		
Community Empowerment Board feeds into the Perth and Kinross Community Planning Partnership to form a strategic link with Perth and Kinross communities and ensure effective engagement with people and communities is at the heart of local public service reform.	Chief Executive	B	The Remit of the Community Empowerment Board will continue to develop to meet the requirements of the Community Empowerment and Renewal Bill – April 2015		New Action.
Integrated Health and Social Care Pathfinder Board	Executive Director (Housing and Community Care)	B	Develop and submit an integration scheme for approval by Scottish Ministers to establish an Integration Joint Board for Health and Social Care – April 2015		In progress. Draft Integration Scheme to be presented to Council meeting on 17 December 2014. Integration Joint Board due to be in place July 2015.
Depute Directors and Heads of Service meet as the Corporate Management Group which has a key role in the development and implementation of Council strategy and policy.	Depute Director (Education & Children's Services)	A	Establishment of Joint Board – July 2015		New Action.
Performance and risk management framework in place against the Corporate Plan and Community Plan/SOA including annual report to Council and monthly reports to EOT.	Depute Director (Environment)	A	Corporate Management Group development programme in place – April 15		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress against improvement actions 2013 - 2014	Progress against improvement actions 2015 - 2016
Budget Review Process in line with Transformation Strategy. Service Revenue Budget proposals are updated to reflect progress on the delivery of the Council's Transformation Strategy.	Head of Finance	A			
Budget monitoring process to highlight issues which may prevent Services from delivering within planned budget.	Head of Finance	A	Continued regular revenue and capital monitoring reporting to the Strategic Policy and Resources Committee and the Executive Officer Team. Reports to Committee - February, April, October and December.	In progress. Revenue Monitoring Report 2 for 2014/15 was considered by the Strategic Policy and Resources Committee on 3 December 14.	
Joint resourcing guidance developed for Outcome Delivery Groups to use as they develop joint resourcing arrangements	Head of Cultural and Community Services (Education and Children's Services)/ Finance and Business Support Manager (Housing and Community Care)	B	Provide support to Outcome Delivery Groups to improve joint use of resources – April 2015	In progress. A workshop to progress joint resourcing in 3 priority outcomes/action areas took place on 7 November 2014. Next steps/ recommendations will be presented to CPP Board on 28 November 2014.	
Mechanisms in place for effective communication/ collaboration with elected members in setting priorities for the future and informing policy.	Head of Democratic Services	B	CPP Outcome Delivery Groups are chaired by elected members – December 13 Review the member development programme to ensure members are fully informed of the public service reform agenda – Ongoing	Completed.	In progress. Scope of review to be drafted in consultation with elected members – January 2015.
Ongoing briefings to staff via business breakfasts, manager briefings, delayed office opening and elected member development sessions to raise awareness of current developments in public service reform and potential impact on the Council.	Chief Executive and Executive Directors	A			

APPENDIX 2 SERVICE RISKS

Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

Chief Executive's Service Risks 2013 - 2014

Service Risk	Risk without controls in place		Risk with controls in place	
	Impact	Probability	Impact	Probability
Comply with legal requirements	Major	Possible	Minor	Unlikely
Communicate effectively with our stakeholders	Moderate	Likely	Minor	Unlikely
Effectively manage changing financial circumstances (corporate risk)	Critical	Likely	Major	Possible
Provide the required level of independent assurance through the internal audit process	Critical	Possible	Moderate	Unlikely
Effective corporate governance (corporate risk)	Critical	Unlikely	Critical	Rare
New Risks for 2015 - 2016				
Policy and legislative reform agenda (corporate risk)	Critical	Unlikely	Critical	Rare

The following risks have been deleted from the Service Risk Profile as management of these risks is embedded within service delivery and monitored at a team level:

- Adequately address the issues relating to equal pay claims

Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

Education and Children's Services Risks 2013 - 2014

Service Risk	Risk without controls in place		Risk with controls in place	
	Impact	Probability	Impact	Probability
There is a risk that we fail to deliver on the Curriculum for Excellence	Major	Likely	Moderate	Rare
There is a risk that we do not identify and meet the additional support needs of children and young people	Major	Likely	Moderate	Unlikely
There is a risk that we fail to protect vulnerable children and families (corporate risk)	Critical	Likely	Major	Rare
Failure to effectively respond to business failure (business continuity)	Critical	Likely	Moderate	Unlikely
PKC IT service and infrastructure does not meet the needs of users	Critical	Likely	Moderate	Unlikely
Failure to deliver the ECS capital programme	Major	Possible	Moderate	Unlikely
There is a risk that we do not effectively engage with our communities	Major	Likely	Minor	Rare

The following risks have been deleted from the Service Risk Profile as management of these risks is embedded within service delivery and monitored at a team level:

- Continue to deliver the benefits from Investment in Learning Programme and maintain a sustainable cost model

Key

	Will achieve critical deadlines
	Monitor
	Monitor with concern
	Won't achieve critical deadlines

Housing and Community Care Risks 2013 - 2014

Service Risk	Risk without controls in place		Risk with controls in place	
	Impact	Probability	Impact	Probability
Protect adults at risk (corporate risk)	Critical	Likely	Moderate	Rare
Maintain security of information and prevent public sector fraud and corruption (corporate risk)	Critical	Likely	Major	Possible
Support the most vulnerable in our society during welfare reform (corporate risk)	Critical	Likely	Major	Unlikely
Deliver the Housing Standard Delivery Plan	Major	Possible	Minor	Rare

The following risks have been deleted from the Service Risk Profile as management of these risks is embedded within service delivery and monitored at a team level or they have been replaced with new service risks:

- Deliver on equalities and diversity across the Council
- Maintain the homeless targets set by the Scottish Government

Key

Will achieve critical deadlines
Monitor
Monitor with concern
Won't achieve critical deadlines

The Environment Service Risks 2013 - 2014

Service Risk	Risk without controls in place		Risk with controls in place	
	Impact	Probability	Impact	Probability
Deliver the Council's Capital Programme (corporate risk)	Major	Likely	Major	Unlikely
Ensure the health, safety and wellbeing of Council employees and those who are affected by the Council's work (corporate risk)	Major	Likely	Major	Unlikely
There is a risk that we fail to deliver on the waste management strategy	Major	Possible	Major	Unlikely
There is a risk that we fail to sustain the supply of serviced land for when the economy turns around	Major	Possible	Moderate	Unlikely
Changed Risks for 2015 - 2016				
Growing the Economy has replaced Implementation of Perth City Plan and Demographic change (including planning for housing growth) (corporate risk)	Major	Likely	Moderate	Unlikely
New Risks for 2015 - 2016				
There is a risk that we do not access appropriate delivery mechanisms for property contracts	Major	Likely	Major	Unlikely

The following risks have been deleted from the Service Risk Profile as management of these risks is embedded within service delivery and monitored at a team level:

- There is a risk that PKC does not comply with health and safety legislation
- There is a risk of not divesting vacant properties
- There is a risk that we fail to effectively manage the transition to a reduced level of resources

APPENDIX 3 IMPACT SCALE

We measure risk in terms of the impact it would have if it does materialise and the probability of it actually occurring. The following scale includes exemplars of impact and has been used to rate the risks detailed in Appendix 1 and 2. We measure risk in terms of the impact it would have if it does materialise and the probability of it actually occurring.

Category/ Descriptor	Insignificant	Minor	Moderate	Major	Critical
Operational delivery	Service delivery affected but not disrupted	Some disruption to specific service	Disruption to a number of service areas	Shutdown of specific service area/ disruption to a number of service areas	Shutdown of a number of service areas
Strategic Direction	Slight, temporary deviance from one area of strategic direction	Slight, temporary deviance from several areas of strategic direction	Significant deviance from one area of strategic direction	Significant deviance from several areas of strategic direction	Strategic direction totally compromised/ unrecoverable
Council Financial Impact	Loss of less than 15% of monthly budget or £	Loss of more than 15% of monthly budget or £	Loss of more than 5% of monthly budget or £100k	Loss of more than 10% of monthly budget or £500k	Loss of more than 15% of monthly budget or £1m
Legal	Sued for small amount of money	Court action – not prolonged	Prolonged court action/tribunal	Court action impeding delivery of Council objective	Protracted high profile legal proceedings
Governance	Individual internal control not effective	Number of internal controls not effective	Loss of confidence in internal controls requires senior officer intervention	Loss of confidence by Council or external audit bodies/suspension of Council officers	External body required to intervene in governance of Council
Reputation	Minor adverse publicity in local media	Significant adverse publicity in local media	Significant adverse publicity in national media	Sustained adverse publicity in national media Board and Member dissatisfaction	Chief Executive and/or Elected Member resignation/ removal
Workplace health & safety	Incident – no lost time & near miss	Less than 3 days lost	More than 3 days absence	Serious injury/ stress resulting in hospitalization	Fatality (not natural causes)
Health	No detrimental impact on health of individuals	Health issues will require treatment at community level	Health issues will require treatment in hospital	Long-term or acute health issues	Fatalities
Security	No notifiable or reportable incident	Localised incident. No effect on operations	Localised incident. Significant effect on operations.	Significant incident involving multiple locations	Extreme incident seriously affecting continuity of operations.
Social & Environmental Factors	No lasting detrimental environmental or social impact	Short-term detrimental environmental or social impact to localised area/ small group	Short-term detrimental environmental or social impact to wider community/ area/groups	Long-term detrimental environmental or social impact to wider community/ area/groups	Extensive detrimental long term impact on the environment and community
Assets	Low level loss or damage to asset; no effect on service or community provision	Short-term loss of asset not critical to service or community provision	Long-term loss of asset not critical to service or community provision	Short-term loss of asset critical to service or community provision	Total long-term loss of asset critical to service or community provision
Other services/ organisations	Service delivery by other services /organisations affected but not interrupted	Some interruption to specific services provided by other services /organisations	Disruption to a number of service areas provided by other services /organisations	Shutdown of specific service areas provided by other services /organisations	Shutdown of a number of service areas provided by other services /organisations
Local economy	Low level economic decline/ rise in unemployment	Significant economic decline affecting under 25% of businesses/rise in unemployment across limited no. of areas of P&K	Significant economic decline affecting between 25% and 50% of businesses/rise in unemployment across P&K	Significant economic decline in more than 50% of businesses/rise in unemployment across many areas of P&K	Economic decline and unemployment is significant across all of Perth and Kinross

