PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 27 November 2013
Scrutiny Committee – 27 November 2013

CORPORATE RISK MANAGEMENT STRATEGY 2013/14
& ANNUAL RISK REPORT 2012/13

Report by Depute Director (The Environment Service)

ABSTRACT
This report presents the Council's Corporate Risk Management Strategy 2013/14 and Annual Risk Report 2012/13.

1   BACKGROUND

1.1   The Corporate Risk Management Strategy aims to integrate risk management within the Council's wider strategic improvement framework. As part of the redevelopment of the Corporate Risk Management Strategy last year, a review of the Corporate Risk Management Objectives was conducted to ensure that they remain relevant and provide a clear focus on continuous improvement. These revised objectives remain the same for 2013/14 and reflect current 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 each of these objectives and identifies key areas of improvement for 2013/14. Combining the Corporate Risk Strategy with the Annual Risk Report provides Councillors 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 2012/13

2.1   This year the Corporate Plan and Community Plan/Single Outcome Agreement (SOA) were reviewed to reflect national and local priorities, most notably the current economic downturn and the increase in pace of public service reform. As a result, the Corporate Risk Management Strategy has been revised to align to the Council's five new Strategic Objectives and ensure that the key risks associated with their delivery are effectively

managed. In turn, the Council's performance and risk management reporting mechanisms, at a corporate and service level, have also been reviewed to ensure significant issues and risks linked to the Council's key priorities continue to be identified and acted on early.

2.2 Services have continued to receive support to ensure a consistent approach to project and risk management is applied to all projects within the Council's Transformation Programme and Capital Programme.

3 AREAS FOR IMPROVEMENT 2013/14

3.1 The following areas have been identified for improvement over the next year:

- Revise the corporate guidance on producing Service Risk Profiles to ensure consistency in format and approach across all Council Services.
- 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.

4 CORPORATE RISKS 2013/14

4.1 Following the revision of the Corporate Plan, the Corporate Risk Management Strategy has been reviewed by Service Management Teams and the Executive Officer Team 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 2013/14 are:

    I. Support the most vulnerable in our society during welfare reform
    II. Protect adults at risk
    III. Protect vulnerable children and families
    IV. Plan for demographic change (including planning for housing growth)
    V. Effectively manage changing financial circumstances
    VI. Implementation of Perth City Plan
    VII. Deliver the capital programme
    VIII. Prevention of public sector fraud and corruption
    IX. Health and safety
    X. Effective corporate governance

5 DELETED CORPORATE RISKS

5.1 It is proposed that three risks which were monitored as corporate risks last year are now managed by the responsible service as part of the Service Risk Profile 2013/14. Robust controls are in place for these risks, dramatically reducing the likelihood of the risk occurring and the impact, should it materialise. The following deleted risks will continue to be monitored by the responsible service as part of their Service Risk Profile:

- Maintain the homeless targets set by the Scottish Government – Housing and Community Care

- Deliver on equalities and diversity across the Council – Housing and Community Care
- Deliver on the Curriculum for Excellence – Education and Children's Services

6 NEW CORPORATE RISKS

6.1 It is proposed that three new risks are monitored at a corporate level as part of the Corporate Risk Management Strategy 2013/14:

i) Prevention of public sector fraud and corruption – Housing and Community Care

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. Therefore it is proposed that this area of risk is managed and controlled at a corporate level.

ii) Ensure the health, safety and wellbeing of Council employees and those who are affected by the Council's work – The Environment Service

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. Therefore it is proposed that health and safety is managed and controlled at a corporate level.

iii) Effective corporate governance – The Chief Executive's Service

Sound corporate governance is fundamental to the effective management of Council business and ensures openness, transparency and integrity in Council decision making. It is proposed that this area of risk is managed and controlled at a corporate level.

6.2 Appendix 1 to the attached Corporate Risk Management Strategy contains the Council's full Corporate Risk Profile 2013/14. This includes a description of each corporate risk and 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 2012/13, highlighting any deleted, changed or new risks for 2013/14. A colour coding system has been applied to illustrate the impact of the service risk before and after controls are in place.

7   CONCLUSION

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   It is recommended the Strategic Policy and Resources Committee:

i)   approves the Corporate Risk Management Strategy 2013/14
     & Annual Risk Report 2012/13; and
ii) approves the Corporate Risk Profile 2012/14 at Appendix 1.

7.3   It is recommended 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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Approved

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Barbara Renton	Depute Director (The Environment Service)	20 November 2013

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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.

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4.   Background Papers

The background papers referred to within the report are:

Report 12/394   Corporate Risk Management Strategy 2012/13 & Annual Risk Report 2011/12

Corporate Risk Management Strategy 2013/14

& Annual Risk Report 2012/13

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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 sector 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 year we have revised our Corporate Risk Management Strategy to strengthen links with the Corporate Plan 2013-18 and Community Plan/ SOA 2013-23. It sets out our risk management objectives and provides an update on how we have progressed these over the last year. It 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 Golden Thread

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, running throughout 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 by reducing the occurrence of risk events and minimising the severity of any consequences should they happen.

1.1.2 Risk management ensures that the Council delivers 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, also known as 'the golden thread'. 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 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.

Diagram 1: Perth and Kinross Council's Golden thread

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   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 and any Corporate Risks that they have responsibility for and reporting on the progress of mitigating the risk by implementing controls.

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. 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 (The Environment Service) is the Senior Responsible Officer.

1.3.3   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.

2   PROGRESS UPDATE 2012/13

The following paragraphs provide a progress update against the Council's Risk Management Objectives and agreed areas for improvement 2012/13.

2.1   Risk Management Objective 1: Corporate and partner risk management processes support delivery of positive outcomes for Perth and Kinross

2.1.1   Areas for improvement agreed last year

- *Develop a joint approach to risk management across the Perth and Kinross Community Planning Partnership*
- *Support Services through training to increase their risk appetite (tolerance to risk taking) by improving their knowledge and understanding of benefits that can be realised when using risk management techniques*
- *Include risk assessment in Council Committee Reporting template to further embed risk management in the Council's decision making processes*

2.1.2   Over the last year the Council has developed the Corporate Plan 2013-18 and has worked with Community Planning Partners to develop the Perth and Kinross Community Plan/ SOA 2013-23. Both documents reflect evolving national and local priorities and set out how the Council will work with Community Planning Partners to meet local needs through the delivery of five new outcome focussed strategic objectives.
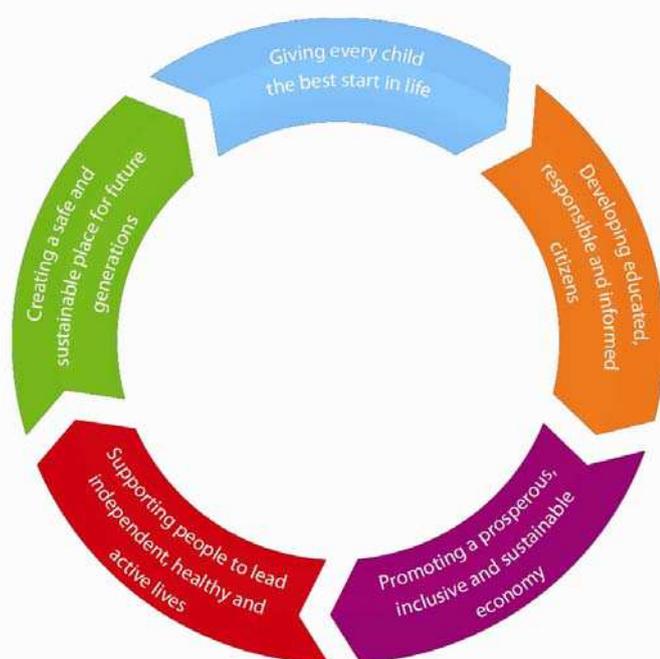
- Giving every child the best start in life;

- 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.

2.1.3   Following the revision of these strategic plans, the Council's Corporate Risk Management Strategy has been reviewed to ensure that the corporate risks associated with delivery of the five strategic objectives are identified and controlled effectively. Support in terms of facilitating risk workshops and providing training continues to be provided to Services as required to help improve their understanding and tolerance to risk taking using risk management techniques. The governance and accountability

arrangements of the CPP are currently being reviewed and will include a joint approach to performance and risk management. It is envisaged that the support currently available to Council Services will be extended to colleagues across the CPP to ensure shared areas of risk are identified, assessed and managed jointly.

2.1.4   The Council's committee reporting template was revised in February 2013 and guidance on using the template was produced as part of the process of supporting sound decision-making. Services are required to use this guidance and reporting template for all reports where decisions are required. The reporting template places an emphasis on risk management and helps further embed risk management by ensuring Services consider the risks involved in making recommendations to the Council's committees. The guidance explains that risks could be financial, reputational or operational. It asks Services to set out the key risks associated with the proposals within the report, including any implications for the corporate risk management process, and also the controls required to mitigate those risks.

2.2   Corporate Risk Objective 2: Risk management is further embedded by all Council Services

2.2.1   Areas for improvement agreed last year

- *Continue to deliver training to further develop Services' skills and understanding of risk and how it can be managed to achieve greater benefits for the organisation*
- *Enhance the identification and management of environmental and equalities risks through Equality Impact Assessment and Strategic Environmental Assessment*

2.2.2   The Corporate Performance, Planning and Risk Group continues to meet on a monthly basis to ensure that the Council's performance and risk management framework is implemented. The Group provides a support network to Service representatives, improving their knowledge and understanding of the benefits that can be realised when using risk management techniques. The Group continues to be instrumental in developing the Council's approach to embedding risk management within the Council's wider performance management framework. Training requirements are identified on an ongoing basis to ensure Services have the skills and understanding of how risk can be managed to achieve greater benefits for the organisation.

2.2.3   Underpinning the Corporate Plan and Corporate Risk Strategy are Service Business Management and Improvement Plans (BMIPs) and Service Risk Profiles. These documents have also been updated to align to the Council's new strategic objectives and ensure that, at a Service level, the risks associated with these new objectives are being effectively managed. Details of the Service Risks are provided at Appendix 2.
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2.2.4 The Equality Impact Assessment and Strategic Environmental Assessment Toolkits are essential mechanisms used by Services to identify environmental and equalities risks on an ongoing basis for management at a Service and/ or Team level. The Council's new committee reporting template also enhances the identification and management of environmental and equalities risks through the requirement to consider the proposals for Equality Impact Assessment and Strategic Environmental Assessment.

2.2.5 The Council has developed a new Civil Contingencies Management Policy. The document identifies key post holders with responsibilities for ensuring that risks associated with emergencies affecting communities and/or council services are effectively managed across the council and in partnership with other statutory emergency responders.

2.3 Corporate Risk Objective 3: Strong links continue to be developed between performance and risk management

2.3.1 <u>Areas for improvement agreed last year</u>

- *Explore further opportunities to develop management information that articulates the linkages between risk and performance management information and financial monitoring and reporting*

2.3.2 The Monthly Performance and Risk Reports to the Executive Officer Team have been re-structured around the new strategic objectives outlined within the Corporate Plan 2013-18 and Community Plan/ SOA 2013-23. The monthly reports provide a regular update on management of performance and risk in priority areas. They also ensure that any emerging issues are identified and acted on quickly throughout the year. Service Management Teams also consider performance and risk information on a regular basis. This is to identify areas where corrective action needs to be taken to get performance back on track or mitigate potential risks to the Service.

2.4 Corporate Risk Objective 4: Effective risk management processes that support transformational change and continuous improvement are strengthened

2.4.1 <u>Areas for improvement agreed last year</u>

- *Improve links between risks, robust business cases and benefits realisation programmes to deliver customer focused quality services for the future*
- *Strengthen risk management processes by streamlining and developing further the capital budget monitoring framework*

2.4.2 Services have continued to receive support to ensure a consistent approach to project and risk management is applied to all projects within the Council's Transformation Programme. Risk and benefits management continue to be key areas of improvement for Services to ensure they take a whole project approach within business cases at project start up. Services are supported to ensure that Project Risk Profiles are in place for

each project with clearly mapped out action plans. This ensures any risks identified as part of the benefits mapping exercise are also captured. 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.

2.4.3 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 ensures that all capital projects are 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). Importantly, the new process ensures that financial data is reconciled by Service finance teams to ensure the information presented is accurate and reliable.

2.5   Key areas for improvement 2013/14

2.5.1 The following areas have been identified for improvement over the next year:

- Revise the corporate guidance on producing Service Risk Profiles to ensure consistency in format and approach across all Council Services.

- 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' or by facilitating risk workshops if required.

APPENDIX 1   CORPORATE RISK PROFILE 2013/14

CONTENTS

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 welfare reform including helping people to move into and progress in work, while supporting the most vulnerable.

Relevant Strategic Objectives: Giving every child the best start in life; and Promoting a prosperous, inclusive and sustainable economy.

Risk manager   Housing and Community Care
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 update against improvement actions
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	B	Review membership of the Partnership to ensure appropriate representation from senior management – December 2013 Develop Partnership Action Plan to achieve employability outcomes – December 2013	**In progress.** **In progress.**
Perth and Kinross Employability Strategy and Action Plan outlines an approach for tackling worklessness in Perth and Kinross.	Head of Planning & Regeneration	A	Review the employability strategy – March 12	**Complete.**
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	External report commissioned to provide impact analysis of the downturn in the economy and the changes in welfare reforms – August 13	**Complete.**

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
			Support for food bank – report to Housing and Health Committee – 14 August 13	**Complete.**
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	**Complete.** 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 – early 2013.
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.	Head of Community Care and Depute Director of Education and Children's Services	A		
Ongoing briefings to staff to raise awareness of current developments in welfare reform and potential impact on the Council.	Head of Finance and Support	A		
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 and Strategic Commissioning	B	Development of online Hub containing welfare benefit information and forms to compliment the existing services available – December 12 Development of credit union – April 13	**Complete.** **Revised Timescale – February 14.** Update report to Housing and Health Committee

New Controls

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Management				
Rent Arrears Steering Group oversees implementation of rent arrears action plan and performance management framework	Head of Housing and Strategic Commissioning	A	Review procedures to ensure focus on early intervention – September 13	**New action.**

Deleted Controls

Internal Control	Explanation
Management	
Youthbuild is designed to give 16-24 year-olds who have been in care or are known to Youth Justice services access to a wide range of training and employment opportunities, and to help them reach their full potential.	Youthbuild ceased to exist at the end of 2012

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 children and vulnerable adults.

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 update against improvement actions
Leadership				
Chief Social Work Officer post in place to provide clear professional leadership and accountability.	Chief Executive	A		
Support effective leadership of the Community Planning Executive Officer Group.	Executive Director of Housing and Community Care	A	Increase attendance of key partners at key strategic and operational meetings – Ongoing	**In progress.**
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 and Strategic Commissioning	B	Head of Community Care to review performance reporting requirement of the Executive Officer Team – December 12. Monitor institutional quality of care – March 14	**Complete.** **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 update against improvement actions
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 and Families' Services	A		
Regular involvement of and feedback from service users to ensure services are designed to meet their needs.	Head of Community Care	A		
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 – March 15	**In progress.**
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 and in place to give a consistent approach to the management of offenders across Perth and Kinross.	Head of Community Care	A		

New Controls

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Management				
Audit and Improvement processes in place. Specifically Adult Care and Inspection as part of the evaluation process.	Head of Community Care	B	3 Monthly Report to Service Management - October 13	**New action.**

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 help reduce the risk happening. This corporate risk focuses on the protection of children and vulnerable adults.

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   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 update against improvement actions
Leadership				
Chief Social Work Officer post in place to provide clear professional leadership and accountability.	Chief Executive	A		
Effective leadership of the Children & Young People's Strategic Partnership to ensure we work effectively with our partners to deliver seamless services.	Executive Director of Education and Children's Services	A	Review the Integrated Children's Services Plan (ICSP) – September 13	**New action.**
			Children & Young People's Strategic Partnership to undertake a How Good is Our Partnership self-evaluation – October 13	**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 Children and Family Services)	A		Implementation of the Child Protection Committee self-evaluation calendar is ongoing to identify areas for continuous improvement. Outcomes reported in the CPC Annual Standards and Quality Reports. Continued development of six monthly management information report.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Child protection frameworks in place to ensure the best possible outcomes for vulnerable children.	Head of Children and Family Services / Chief Social Work Officer	B	Review of joint children and adult service practice to address more effectively our approach to engaging with hard to reach families – March 14	**New action.**
Proportionate intervention in line with GIRFEC (Getting it Right for Every Child)	Head of Education (Early Years and Primary) and Head of Children and Families' Services	B	Continued roll out the GIRFEC Implementation across all Services – March 13	**Complete**. The Integrated Children's Services Planning Group has now been replaced with the GIRFEC Strategic Group. A self-evaluation exercise was undertaken in March 13.
			Deliver further training for all key staff – March 14	**New action**.
			Embed the updated integrated assessment framework across all services (multi agency) – March 14	**New action.**
Partnership working with SCRA to reduce delays to processing Children's Hearings and decision making	Head of Children and Family Services	B	Chair Children's Hearing Performance Group and report issues – March 14	**New action.**
			Implement agreed improvement plan with SCRA – March 14	**New action.**
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 and Family Services	A	Develop community engagement model that encourages active participation by communities in keeping children safe – March 13	**Complete.** Community engagement project in Rattray undertaken in 2012. Evaluation Reports submitted to Scottish Government Public Engagement Task Group, P&K CPC, P&K Partnership Coordinators and P&K Making the Connections Liaison Group. Further Local Engagement Workshop (Protection and Safety) undertaken in August 13.
Regular involvement of and feedback from service users to ensure services are designed to meet their needs.	Head of Children and Family Services	B	Develop approaches for increasing engagement with, and feedback from service users – March 14	**New action.**

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
			Develop a more structured approach to learning from the collective views of children who are looked after and subject to a Child Protection Measure – December 13	**New action.**
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 – March 15	**In progress.**

CORPORATE RISK 4   Plan for demographic change (including planning for housing growth)

In the past 10 years we have experienced the second highest population growth in Scotland (9.5%), more than 3 times the national average. Our population is projected to grow by 27% by 2033 which is again the second highest growth in Scotland. We face real challenges to service delivery, including an increased demand for affordable housing, an increase in in-migration, an aging population and growing numbers of children.

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	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 update against improvement actions
Leadership				
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 and Regeneration	B	Action Programme for the implementation of the LDP to be finalised – February 2014	**In progress**. LDP with Scottish Government reporter. Examination of the unresolved issues is reaching its final stages. Over 40 requests for further written submissions have been responded to and a hearing session took place on 25 July to discuss how access to proposed strategic development site H70 might be achieved. No further hearings are proposed. The target date for the submission to the Council of the examination findings is 15 November 2013.
Management				
Sustainable development framework in place to manage the impact of plans, programmes and strategies on people, the economy and the environment.	Head of Planning and Regeneration	A		The Annual report was submitted to SP&R in September 12.

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Regular 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 and Regeneration	B	A major review of monitoring information is planned for 2013 when accurate baseline information becomes available from the census. - 2013	**In progress.** The latest results from the 2011 Census in Scotland were published in March 2013. Further releases are planned for July, September, late autumn and winter.
			Finalise report to EOT on innovative and new means of forwarding major infrastructure investment capable of delivering required infrastructure improvements in the new economic climate – September 12	**Complete.** The Commercial Property Investment Programme was approved by SP&R on 18 September 13.
			Review membership and role of the Demographics Group in conjunction with census data release - 2013	**Revised timescale – May 2014.** Initial cross service meeting held and work ongoing. The group will reconvene in 2014 once all the 2011 census data has been released by the Scottish Government.
Strategic Environmental Assessment toolkit to support environmental improvement and better manage the environmental impact of Council plans, programmes and strategies.	Head of Planning and Regeneration	A		SEA activity is now mainstreamed and the toolkit is complete.
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 and Regeneration	A		The housing land audit was conducted in March 2012 and published in October 2012. It provides a statement of land supply within the administrative boundary of Perth and Kinross Council.

CORPORATE RISK 5   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 action and timescale	Progress update against improvement actions
Leadership				
Effective corporate governance and leadership of transformation programme.	Executive Director (ECS)	A		
Securing the Future Strategy to support the delivery of savings through revised service delivery models and ongoing improvement activities in the Council.	Executive Director (ECS)/ Executive Director (HCC)	A	Implement workforce management measures – March 2015	
Reserves Strategy in place to cushion the impact of uneven cash flow, unexpected events or to meet liabilities.	Head of Finance	A		The updated Reserves Strategy was considered by the Council on 14 Feb 13.
Corporate Workforce Plan to recruit and retain high quality staff.	Depute Director (HCC)/Head of Human Resources	A	Revise Corporate Workforce Plan –September 12	**Complete.** Corporate Plan approved by SP&R Committee on 17 Apr 13. As a result, strength of this control has changed from a B last year to an A this year.
Medium Term Financial Plan setting out financial direction for the Council.	Head of Finance	A		The Medium Term Financial Plan was updated and approved by the Council on 19 Dec 12.
Corporate Asset Management Plan in place to manage the Council's infrastructure and assets.	Head of Performance and Resources	B	Revise Corporate Asset Management Plan – September 12	**Revised timescale – March 14.** The Strategic Improvement Group have recommended the establishment of an asset sub-group to apply appropriate professional and Service expertise

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
				to the development of asset planning and the initial scrutiny of investment proposals. This group will support the review of the Corporate Asset Management Plan.
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 (TES)	A	Quarterly monitoring to EOT and MOWG - Ongoing	**In progress.** Quarterly monitoring to EOT and MOWG undertaken. A review of the programme has also been undertaken as part of budget review process. Strategic Investment Group now in place.
Elected Member cooperation/ collaboration in setting priorities for the future.	Head of Cultural & Community Services	A		Further engagement on Corporate Plan / Community Plan undertaken March – June 2013. Development programme for elected members nominated to new CPP Outcome Delivery Groups under development.
Budget monitoring process to highlight issues which may prevent Services from delivering within planned budget.	Head of Finance	A		
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 consultation with members of the public around the budget process	Head of Finance / Head of Democratic Services	A	Develop a Communications Action Plan around the 2013/14 budget - February 13	**Complete.** The Council budget for 13/14 was published on 15/02/13. As a result, strength of this control has changed from a B last year to an A this year.

CORPORATE RISK 6   Implementation of Perth City Plan

The restoration of Perth's city status has presented the Council with a unique opportunity to increase investment in Perth and generate benefits throughout Perth and Kinross. Controls are in place to capitalise upon the economic, social and cultural benefits associated with the formal recognition of Perth as one of Scotland's 7 cities and develop the City as an excellent place to live, work, visit and invest.

Relevant Strategic Objectives: Promoting a prosperous, inclusive and sustainable economy; and Creating a safe and sustainable place for future generations.

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 update against improvement actions
Leadership				
Economic Partnership in place to ensure we work effectively with local businesses and key partners.	Head of Democratic and Legal Services	A	Complete review of governance and scrutiny structures - December 12	**Complete.** At its meeting on 26 June 2013, the Council agreed to establish an Economy and Lifelong Learning Outcome Delivery Group which will replace the Economic Partnership. The first meeting is to be held after the summer recess. As a result, strength of this control has changed from a B last year to an A this year.
Draft Regeneration Strategy developed	Head of Planning and Regeneration	B	Complete development of the strategy – March 13	**Revised timescale - December 13.** The document has now been renamed "An Action Plan to Promote a Prosperous, Sustainable and Inclusive Economy" and work on it is on-going.
Economic Leadership Board established to inform and drive forward the implementation of the Economic Strategy	Executive Director (The Environment Service)	B	Refresh Board following Economic Summit - March 13

Perth City Development Board to be formed following agreement by the Council at its | **Complete.** As a result, strength of this control has changed from a C last year to a B this year.

New action. |

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
			meeting on 26 June on its remit and governance. Membership delegated to Chief Executive and Leader prior to first meeting in October 2013.	
Draft Action Plan for the City of Perth in place to optimise the benefits of City Status.	Head of Planning and Regeneration	A	Complete consultation with key stakeholders and finalise the draft strategy – December 12	**Complete.** Action Plan approved by Council in February 2013. As a result, strength of this control has changed from a B last year to an A this year.
City Development Group in place to oversee implementation of the City Development Action Plan	Head of Planning and Regeneration	A	Review progress of the new group and effectiveness of governance arrangements – March 13	**Complete.** Perth City Development Group established with representation including HOS and senior managers with responsibility for identified projects to support the Perth City Plan. As a result, strength of this control has changed from a B last year to an A this year.
Management				
Project and performance management arrangements in place to monitor Council progress in implementing the City Action Plan and highlight any issues which may impact on delivery of the strategy.	Executive Director of The Environment Service	A	Further development of project and performance reporting arrangements – March 13	**Complete.** Key outcomes and delivery timescales identified within overarching action plan and RAG framework based on capital reporting format to be used as reporting mechanism. As a result, strength of this control has changed from a B last year to an A this year.
Regeneration, Enterprise and Strategy and Policy Team Plans are in place to take forward the themes of the City Action Plan	Head of Planning and Regeneration	A	Review teams plans to ensure they reflect City Development priorities – March 13	**In progress.** Draft regeneration, Enterprise and Strategy and Policy Team Plans to be finalised following approval of City Action Plan

CORPORATE RISK 7   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	4 - Major
Risk probability with controls	2 - Unlikely
Risk control effectiveness	B

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Leadership				
Effective leadership of the delivery of the programme.	Executive Director (TES)	B	Complete review of governance and scrutiny structures – December 12. Implement actions from review - June 14.	**Complete**. The Best Value Review of Property has been approved. Improvement actions from the review are being progressed. **New action.**
Financial and Service Capital Programmes in place	Executive Director (TES)	B	Develop Overall Capital Programme – December 12.	**Revised timescale – October 13.** The Capital Programme has been agreed and is being delivered.
Draft contract arrangements in place to take due account of the need to ensure probity in the expenditure of public money.	Executive Director (TES)	B	Complete external review of construction contract types – December 12. Further review to be carried out as part of the Best Value Property Review and rolled out for other types of contracts if agreed. Decision to be taken - December 13.	**Complete.** Review carried out in November 12. **New action.** Work on this is progressing.
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		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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, SMTs, Corporate Resources Group (CRG) and Committee.	Executive Director (TES)	B	Complete review of governance and scrutiny structures – Dec 12. Implement actions from review – June 14.	**Complete.** The Best Value Review of Property has been approved. Improvement actions from the review are being progressed. **New action.**
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 (TES)	B	Complete review of governance and scrutiny structures – Dec 12. Implement actions from review - June 14.	**Complete.** The Best Value Review of Property has been approved. Improvement actions from the review are being progressed**.** **New action.**

CORPORATE RISK 8   Prevention of 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.

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 update against improvement actions
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	B	Update policy to include specific reference to the requirements of the Bribery Act 2010 – March 14	**New action.**
			Training provided to staff to ensure they are aware of how the new policy will apply in the work place – March 14	**New action.**
Council standing orders provide a clearly understood structure of duties and responsibilities among elected members, employees and contractors	Head of Democratic Services	A		
Contract rules provide policy and guidance on contract and tendering activity	Head of Legal Services	A	Revise policy to against new procurement legislation – December 14	**New action.**
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	Head of Finance	A	Review financial regulations in light of new procurement legislation – December 14	**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	Elected member development programme to include session on raising awareness of responsibilities – December 14	**New action.**

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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 HR Manager	A	Review the Employees' Code of Conduct to ensure it is more accessible and relevant to staff – February 14	**New action.**
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	B	Review Gifts and Hospitality Policy – December 14	**New action.**
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 and Support Services	B	Undertake data matching exercise using the electoral register to detect any potential fraud – July 14	**New action.**
Management				
Counter Corruption Group established to ensure collaboration with Police Scotland and other agencies with an anti-crime role	Chief Executive	B	The Group will meet for the first time on 20 November 13	**New action.**
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	B	Internal Audit will complete its approved 2013/14 plan on time and will continually evaluate any changes to the control environment– April 14	**New action.**
Fraud and Irregularity Procedures in place relating to the investigation of suspected fraud or corruption	Head of Finance	B	Fraud & Irregularity procedures which are in place will be reviewed for consistency with the revisions to the Fraud & Corruption Policy– March 14	**New action.**
Whistleblowing Procedures	Head of Finance	A	Review procedures to ensure they remain fit for purpose – March 14	**New action.**
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	**New action.**

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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 HR Manager	A	Review the Council's Recruitment Selection Policy and procedures including processes for vetting/ screening employees – September 14 Revise corporate induction programme to highlight employee responsibilities in this area – April 2014	**New action.**
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	A review of the Information Management Strategy will be completed by the end of 2013 and progress of the related actions monitored by the Policy and Governance Group – December 14 Accreditation by Public Sector Network Authority to ensure our systems are compliant and secure – December 13	**New action.** **New action.**

CORPORATE RISK 9   **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 update against improvement actions
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				
Regular 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		
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		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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 – May 2014.	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 – Dec 2014.	New action.
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		
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		
Council premises remain safe through appropriate repair, maintenance, inspection, examination and testing regimes.	Head of Property	A		
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	A	Start an Audit Programme following the introduction of Health and Safety Performance Records – Dec 2014	New action.

CORPORATE RISK 10   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 update against improvement actions
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 – December 14	**New action.**
Medium Term Financial Plan	Head of Finance	A		
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 – December 14	**New action.**
The Scheme of Administration sets out the membership, powers and responsibilities of the Council's committees, sub-committees and working groups and lists the areas where the Council has delegated decision-making to officers	Head of Democratic Services	A		
Perth and Kinross Council standing orders for the regulation of proceedings and business of the council	Head of Democratic Services	A		
Member/ Officer Protocol	Head of Democratic Services	A		
Councillor's Code of Conduct sets out the standards of behaviour expected of Councillors in Perth and Kinross	Head of Legal Services	A		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Contract rules provide policy and guidance on contract and tendering activity	Head of Legal Services	A	Revise policy to against new procurement legislation – December 14	**New action.**
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		
Medium term financial plan	Head of Finance	A		
Fraud and Irregularity Procedures	Head of Finance	A		
Whistleblowing Procedures	Head of Finance	A		
Employees' Code of Conduct sets out the standards of behaviour expected of Council employees	Corporate HR Manager	A	Review the Employees' Code of Conduct to ensure it is more accessible and relevant to staff – February 14	**New action.**
Code of Guidance on Following the Public Pound	Head of Legal Services	A	Working group currently working on simplifying the rules – December 14	**New action.**
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 monthly basis	Head of Legal Services	A		
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 and 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 (The Environment Service)	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 (The Environment Service)	A		
Service Business Management and Improvement Plans underpin Council's key strategic documents which are reported on six monthly	Depute Director (The Environment Service)	A		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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		
Signed agreements and monitoring arrangements in place with external agencies for services provided. This includes regular reporting to Service Senior Management Teams and the Purchase Services Board within Housing and Community Care.	Executive Directors	A	Review client monitoring arrangements in place with Live Active Leisure and Horsecross – January 14 Elected member development programme includes refresher session on the role of members on external agency boards – May 14	**New action.**
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 sector reform agenda – April 14	**New action.**
Risk based internal audit plan is prepared annually in a process which reviews all the significant activities and systems that contribute to the achievement of the Council's objectives.	Head of Finance	B	Internal Audit will complete its approved 2013-14 audit plan and provide evidence of improved working practices to the Audit Committee – April 14	**New action.**
Arrangements in place for the management of information risk including an information security policy and standards.	Senior Information Risk Owner	B	A review of the Information Management Strategy will be completed by the end of 2013 and progress of the related actions monitored by the Policy and Governance Group – December 13	**New action.**
Council's employment policies and practices promote the public sector equalities duties, are legally compliant and support Council objectives	Corporate HR Manager	A	Adapt the Council's Maximising Attendance Policy to apply to all Council staff – February 14	**New action.**

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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 – December 14	**New action.**
Committee Report Template	Head of Legal Services	B	Conduct a review of the first year of reporting using the new Committee Report Template – March 14	**New action.**

DELETED CORPORATE RISKS

DELETED CORPORATE RISK   Maintain the homeless targets set by the Scottish Government

The Scottish Government is committed to the target that all households assessed as unintentionally homeless by local authorities will be entitled to settled accommodation.

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	4 - Major
Risk probability with controls	1 - Rare
Risk control effectiveness	A - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Leadership				
Perth and Kinross Housing Forum to enable improved communication and joint working between housing providers.	Head of Housing and Strategic Commissioning	A		
Homeless Strategy & Improvement Plan sets out what Perth & Kinross Council is planning to do, in co-operation with our partners, to meet the homeless targets by 2012.	Head of Housing and Strategic Commissioning	A	Review strategy – November 12	**Complete.** New strategy (2013/14) agreed by Housing and Health Committee in March 13
Strategic Housing Investment Plan supports the Local Housing Strategy and shows how affordable housing investment priorities will be delivered in practice.	Head of Housing and Strategic Commissioning	A		
Management				
Joint working with Education and Children's Services to support young people in temporary accommodation	Head of Housing and Strategic Commissioning	A		
Performance management systems in place to monitor progress against delivery of the Homelessness Improvement Plan and Affordable Housing Plan.	Head of Housing and Strategic Commissioning	A		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
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, including current developments in welfare reform.	Head of Housing and Strategic Commissioning	A		
Private Sector Access Team provides high quality, professional services for landlords whilst assisting homeless households and those with modest incomes or who are reliant on Local Housing Allowance.	Head of Housing and Strategic Commissioning	A		
Housing options scheme in place to look at different ways of accessing housing, including council housing, renting from a private landlord or a specialist housing association, or buying through a low cost ownership scheme.	Head of Housing and Strategic Commissioning	A	Review housing options scheme – December 12.	**Complete.** Self serve web based Housing Options portal implemented. As a result, strength of this control has changed from a B last year to an A this year.
The Rent Bond Guarantee Scheme aims to help people who urgently need accommodation to access housing opportunities in the private rented sector.	Head of Housing and Strategic Commissioning	A		

New Controls

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Management				
Scheme of Assistance to bring empty properties back into use and rented through the Rent Bod Guarantee Scheme; development of Houses for Multiple Occupation (HMOs) and flatmate schemes; Council house buy-back scheme and renovation of HRA properties for Council housing are all schemes to increase the availability of housing and prevent homelessness	Head of Housing and Strategic Commissioning	A		
Targets set for the allocation of properties to homeless people	Head of Housing and Strategic Commissioning	A		

DELETED CORPORATE RISK   **Deliver on equalities and diversity across the Council**

The Corporate Plan 2013-18 sets out the key local outcomes that the Council is committed to achieving for the people and communities of Perth and Kinross. It builds on the strategic direction of, and commitments within, the Community Plan/Single Outcome Agreement (2013-18) and is integral to delivering our priorities for the area.

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 & Community Care/Chief Executive's Service
Risk impact with controls	2 - Minor
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 update against improvement actions
Leadership				
Equalities Strategic Group chaired by the Chief Executive to provide strategic direction regarding Corporate Equality activities.	Senior Corporate Strategy Manager	A		
Corporate Equalities Strategy and Action Plan sets out our vision for equalities and commitment to our staff and our citizens.	Senior Corporate Strategy Manager	A	Revised strategy and action plan in response to Equality Act 2010 - October 12	**Complete.** Revised Corporate Equalities Strategy Action Plan in place. Progress reported via MOWG. Equality Outcomes approved by SP&R and published 30 April 2013.
Management				
Equalities Action Plans in place across all Services to highlight areas for additional development.	Senior Corporate Strategy Manager	A		
Equality and Diversity Member Officer Working Group in place to monitor implementation of corporate and service equalities action plans.	Senior Corporate Strategy Manager	A		
Scrutiny by the Strategic Policy and Resources Committee and Scrutiny Committee of Service progress against equalities action plans.	Senior Corporate Strategy Manager	A		

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Community Equalities Advisory Group in place to consult and involve all areas of the community in equalities issues.	Senior Corporate Strategy Manager	A	Increase collaborative opportunities with partners to deliver best value in respect of implementation of legislation including joint consultation and engagement activities to inform Council and CPP policies - October 12	**Complete.** The attendance at the Community Equality Advisory Group meetings continues to increase. The group was involved in assisting to identify Equality Outcomes for publication in Apr 2013. As a result, strength of this control has changed from a B last year to an A this year.
Corporate Workforce Plan to recruit and retain high quality staff, addressing any equalities issues.	Corporate Human Resources Manager	A	Revise Corporate Workforce Plan – September 12	**Complete.** Corporate Plan approved by SP&R on 17 April 2013. As a result, strength of this control has changed from a B last year to an A this year.
Regular monitoring, analysis and reporting of workforce, including monthly recruitment and workforce reports and annual equal pay audits for all employee groups.	Corporate Human Resources Manager	A	Expand current monitoring and reporting to cover all protected characteristics – September 2012	**Complete.** Employment Equalities Monitoring Development Plan agreed by the Equalities Member Officer Group in August 2012. As a result, strength of this control has changed from a B last year to an A this year.
HR (Employment) Action Plan in place to ensure requirements of Equality Act 2010 are met.	Corporate Human Resources Manager	A		The new policy – Time off for Medical Appointments which was approved by SP&R on 17 April 2013 has ensured Council compliance with the Equality Act 2010.
Policy Planning Forum in place to prioritise HR policy for review to meet the Council's legislative and business needs and ensure policy takes into account any equalities issues.	Corporate Human Resources Manager	A		

DELETED CORPORATE RISK   **Deliver on the Curriculum for Excellence**

Our vision in Perth and Kinross is for all learners to achieve to their fullest potential. We want all our children and young people to become responsible citizens, successful learners, effective contributors and confident individuals. To support this we have developed a strategy for creating a curriculum for excellence.

Relevant Strategic Objectives: Developing educated, responsible and informed citizens; and Promoting a prosperous, inclusive and sustainable economy.

Risk manager	Education and Children's Services
Risk impact with controls	3 - Moderate
Risk probability with controls	1 - Rare
Risk control effectiveness	B - Controls are working effectively

Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Leadership				
Education Services Improvement Plan established with a key focus around the delivery of Curriculum for Excellence	Heads of Education	B	Review and update Education Services Improvement Plan – August 13	**New action.** Due to the number of improvement actions which have been identified for this control, the control effectiveness has been assessed as a B rather than an A as it was last year.
			Evaluate impact of strategic curriculum plans across primary and secondary schools – June 14	**New action.**
			Implement school based curriculum plans for senior phase to include effective implementation of national 4 and 5 qualifications – June 14	**New action.**
			All schools will implement streamlined process of tracking and monitoring in relation to assessment and moderation – June 14	**New action.**
			Support and evaluate assessment and moderation in schools – June 14	**New action.**

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Current Internal Controls	Control Owner	Strength	Improvement action and timescale	Progress update against improvement actions
Appropriate involvement of key partners to ensure a joined up approach and to share knowledge and best practice.	Head of Education (Secondary)	A	Prepare draft ECS Employability Strategy – December 12	**Complete.** Perth and Kinross School Guarantee agreed by ECS SMT, Perth City Campus report considered by LLLC, May 13.
Management				
Education and Children's Services Management Team receive regular updates and briefings.	Heads of Education	A		
Communication to ensure that parents, elected members, senior managers and staff are well informed.	Heads of Education	A	Annual briefing with attainment report to Executive Officer Team – October 12.

Curriculum for excellence is a standing item on the Biannual Parent Council chairs meeting – Ongoing. | **Complete.** Presentation to elected members scheduled for 1 October 13. Heads of Education to provide an update to LLL Sub Committee in November about the curriculum.

New action. Attainment report annual presentation made to parents at Bi annual Parent Council meeting in March 13. |
| Education Services School Improvement process to ensure that effect support and challenge is provided to schools. | Heads of Education | A | | |

Deleted Controls

Internal Control	Explanation
Management	
Implementation of Curriculum for Excellence developed through Education and Children's Services' "Transformational Change" project.	Curriculum for Excellence is now embedded in service delivery and monitored by SMT.
Implementation of new national qualifications.	Incorporated in Education Services Improvement Plan, implementing school based curriculum plans for senior phase.
Appropriate involvement of key partners to ensure a joined up approach including national and cross authority liaison/ networking to share knowledge and best practice	Captured in second control, appropriate involvement of key partners to ensure a joined up approach and to share knowledge and best practice.

APPENDIX 2   SERVICE RISKS 2012/13

Key

(green)	Will achieve critical deadlines
(yellow)	Monitor
(orange)	Monitor with concern
(red)	Won't achieve critical deadlines

Chief Executive's Service Risks 2012/13

Service Risk	Risk without controls in place		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
Adequately address the issues relating to equal pay claims.	Major	Possible	Moderate	Rare	Equal Pay Group to assess the relevance of this risk for 2014/15.
Comply with legal requirements.	Major	Possible	Minor	Unlikely	
Communicate effectively with members of the public.	Moderate	Likely	Minor	Unlikely	
Provide the required level of independent assurance through the internal audit process.	Critical	Possible	Moderate	Unlikely	
New Risks for 2013/14					
Effectively manage changing financial circumstances (**corporate risk**).	Critical	Likely	Major	Possible	Transferred from the Education & Children's Service

No risks have been deleted from the Service Risk Profile.

Key

🟩	Will achieve critical deadlines
🟨	Monitor
🟧	Monitor with concern
🟥	Won't achieve critical deadlines

Education and Children's Services Risks 2012/13

Service Risk	Risk without controls in place		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
There is a risk that we fail to deliver on the Curriculum for Excellence (**corporate risk**).	Critical	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 children and families at risk (**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	
Continue to deliver the benefits from Investment in Learning Programme and maintain a sustainable cost model.	Major	Likely	Moderate	Unlikely	
No New Risks for 2013/14					

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:

- Deliver the Single Outcome Agreement (SOA)
- Failure to support the Council's response to public sector reform

Key

🟩	Will achieve critical deadlines
🟨	Monitor
🟧	Monitor with concern
🟥	Won't achieve critical deadlines

Housing and Community Care Risks 2012/13

Service Risk	Risk without controls in place		Risk with controls in place		Current status
	Impact	Probability	Impact	Probability	
Protect adults at risk (**corporate risk**).	Critical	Likely	Critical	Rare	
Maintain the homeless targets set by the Scottish Government for 2012 (**corporate risk**).	Major	Possible	Major	Rare	
Deliver the Housing Standard Delivery Plan.	Major	Possible	Major	Rare	
Support the most vulnerable in our society during welfare reform (**corporate risk**).	Critical	Likely	Major	Unlikely	
Deliver on equalities and diversity across the Council (**corporate risk**).	Moderate	Possible	Minor	Unlikely	
New Risks for 2013/14					

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:

- Self Directed Support

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Key

🟢	Will achieve critical deadlines
🟡	Monitor
🟠	Monitor with concern
🔴	Won't achieve critical deadlines

The Environment Service Risks 2012/13

Service Risk	Risk without controls in place		Risk with controls in place		Current status
	Impact	**Probability**	**Impact**	**Probability**	
There is a risk that we fail to effectively manage the transition to a reduced level of resources.	Critical	Likely	Critical	Unlikely	
There is a risk that we fail to plan for demographic change (including planning for housing growth) (**corporate risk**).	Major	Unlikely	Major	Rare	
There is a risk that PKC does not comply with Health and Safety legislation.	Major	Likely	Major	Possible	
There is a risk that we fail to deliver on the waste management strategy.	Major	Unlikely	Major	Rare	
There is a risk that we fail to sustain the supply of serviced land for when the economy turns around.	Moderate	Possible	Moderate	Rare	
There is a risk of not divesting vacant properties.	Major	Likely	Major	Possible	
Deliver the Council's Capital Programme (**corporate risk**)	Major	Likely	Major	Unlikely	
Implementation of Perth City Plan (**corporate risk**)	Major	Likely	Moderate	Unlikely	
No New Risks for 2013/14					

No risks have been deleted from the Service Risk Profile.

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