

APPENDIX 1: Strategic Risk Assurance Map

No	Risk	Risk Score	First Line of Defence	Second Line of Defence	Third Line of Defence	Assessment
1	<p>Population and Economic Decline</p> <p>Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.</p>	<p>Red 16</p>	<ul style="list-style-type: none"> • Service planning linked to Corporate Outcomes and the A&B Outcome Improvement Plan (ABOIP) • Community and multi-agency links through Community Planning Partnership • Parliamentary forum • Argyll, Lomond and Islands Rural Regeneration Initiative • Argyll and the Isles Strategic Tourism Partnership • Promotion and marketing of Argyll & Bute (ABplace2B campaign) • Business Gateway Service focused on helping local businesses grow • Council Leader engaging with leaders of other west coast councils suffering population decline 	<ul style="list-style-type: none"> • Economic Strategy and Action Plan monitored by ED&I Committee • CPP report on the progress being made against the outcomes and vision of the ABOIP and issue annual reports. • Monitoring of CPP plan and performance at CPP Management Committee. • Area Community Action Plans progress reported to Community Planning Groups • ABOIP targets population and economic recovery • Performance reports considered by A&SC, strategic committees and area committees <p>Future</p> <ul style="list-style-type: none"> • Rural Growth Deal 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Rural Resettlement Fund (2017/18 - Substantial) <p>External Audit</p> <ul style="list-style-type: none"> • Best Value Assurance Report (May 2020) highlights Council's and CPP partners commitment to a shared vision and that they recognise the challenges including the declining and aging population <p>Future</p> <ul style="list-style-type: none"> • Scrutiny - Economic Strategy (Currently in Progress) 	<p>There is a range of assurance sources across the three lines of defence.</p>

2	<p>Condition and suitability of Infrastructure & Asset Base</p> <p>Infrastructure and asset base does not meet current and future requirements and is not being used or managed efficiently and effectively.</p>	<p>Amber 12</p>	<ul style="list-style-type: none"> • R&A Control Hub and Joint Operations Team • Operational risks monitored quarterly • Strategic Asset Mgt Board • Corporate Asset Management Strategy and Corporate Asset Management Plan • Service Asset Management Plans • Community Empowerment and Community Asset transfer arrangements in place • Roads Asset Management Plan • One Council Property Approach • Routine inspections of roads infrastructure to deal with potential weak areas • Revised capital management procedures 	<ul style="list-style-type: none"> • D&I performance reporting to ED&I Committee • Asset Mgt Plans reviewed annually by Council as part of the budget setting process • Status and Options reports to ED&I Committee 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Community Empowerment Act (2018/19 - High) • Land & Asset Disposal (2018/19 - Reasonable) <p>Scrutiny</p> <ul style="list-style-type: none"> • Roads Maintenance (2018/19) <p>Future</p> <ul style="list-style-type: none"> • Internal Audit - Capital Monitoring (2020/21) • Internal Audit – Management of Property Contracts (2020/21) 	<p>There is a range of assurance sources across the three lines of defence.</p>
3	<p>Financial Sustainability</p> <p>Insufficient resource to meet current and future service requirement.</p> <p>Budget not aligned / does not support</p>	<p>Amber 12</p>	<ul style="list-style-type: none"> • Budget preparation and monitoring • Medium term financial strategy revisited annually with worst case, mid case and best case scenario planning • Treasury Mgt Policy • 5 year budget outlook updated quarterly • Financial Services 	<ul style="list-style-type: none"> • Financial monitoring and financial risk monitoring to P&R/BCC Committee • Budget and budget working papers considered by full Council 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Continuous Monitoring • Financial Planning (2018/19 - Substantial) • Fees & Charges (2017/18 – Reasonable) • Earmarked Reserves (2017/18 – Substantial) 	<p>There is a range of assurance sources across the three lines of defence.</p>

	business outcomes.		<p>Team aligned to service delivery</p> <ul style="list-style-type: none"> • Regular engagement between budget holders and appointed finance contact • Reserve balances monitored throughout year 	<ul style="list-style-type: none"> • Financial Strategy reported to P&R Committee • 5 year budget outlook to P&R Committee • Treasury Mgt Annual Report to P&R Committee and A&SC • Joint SMT/Policy Leads meetings include discussions around financial issues 	<p>External Audit</p> <ul style="list-style-type: none"> • Assessment of financial mgt via annual audit • Best Value Assurance Report (May 2020) highlights Council has good financial planning arrangements in place but could take steps to enhance its long-term strategy. (Strategy to be revised for agreement when setting 21/22 budget) • Assessment of budget monitoring arrangements <p>Future</p> <ul style="list-style-type: none"> • Internal Audit - Capital Monitoring (2020/21) 	
4	<p>Governance and Leadership</p> <p>Governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction.</p>	Amber 12	<ul style="list-style-type: none"> • Corporate Governance Improvement Plan • Ongoing member development • Mentoring and coaching for SMT • Leadership development programme • Chief Exec Bilaterals • A&B Manager's Course • Established partnership governance • Effective internal audit function • Scrutiny function • Performance Improvement 	<ul style="list-style-type: none"> • Oversight provided by Audit & Scrutiny Committee • Decision making committees open to public • Constitution updated and approved annually by Council • IA reports to SMT • Annual assurance statements • Fortnightly DMTs – weekly SMTs 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Continuous Monitoring • Performance Mgt (2017/18 – Substantial) • Organisational Culture (2018/19) • Performance Mgt (2018/19 - High) • Member Support (2018/19 - Substantial) • Risk Mgt 2018/19 – Substantial) • Following The Public Pound (2019/20 - Reasonable) • Annual self-assessment of PSIAS – external peer review every 5 years 	There is a range of assurance sources across the three lines of defence

			<p>framework</p> <ul style="list-style-type: none"> • Council constitution • Codes of conduct for staff and members • Code of Corporate Governance and Annual Action Plan • Scrutiny framework and scrutiny plan • Risk management embedded • Policy lead meetings • Area Committee Business Days 		<p>External Audit</p> <ul style="list-style-type: none"> • Ongoing independent assurance reported in AAR • Best Value Assurance Report (May 2020) recognises improvements in relationships between members and senior officers and more constructive and focused decision making <p>Future</p> <ul style="list-style-type: none"> • Review of Council's Corporate Boards being carried out by CE Unit 	
5	<p>Engagement and Understanding the needs of the Community</p> <p>The Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these.</p>	Green 6	<ul style="list-style-type: none"> • Annual budget consultation • Complaints process • Community Engagement Strategy • Customer Service Board • Various user feedback (i.e. Refugee Resettlement, commissioned services, community council surveys) • Parental engagement strategy • Outreach service • Democracy matters consultation • Development Mgt user forums 	<ul style="list-style-type: none"> • Community Planning Partnership • Service Committees • Area Committees • DMT and SMT 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Community Empowerment Act (2018/19 - High) <p>Other Agencies</p> <ul style="list-style-type: none"> • Education Scotland and Care Inspectorate seek views of service users <p>External Audit</p> <ul style="list-style-type: none"> • Best Value Assurance Report (May 2020) highlights that Council has made good progress with the Community Empowerment Act, but needs to make processes easier to follow and accessible to all communities. Also scope to improve community engagement to make the approach more inclusive, achieve wider representation and build 	<p>There is a range of assurance sources across the three lines of defence however BV report has flagged scope for improvement in relation to community engagement.</p>

					capacity to enable communities to take more ownership of decision-making.	
6	Service Delivery Insufficient resources to ensure effective service delivery	Green 6	<ul style="list-style-type: none"> Performance Improvement Framework Rolling out programme of service self-assessment Service improvement plans Workforce planning Complaints process Use of LGBF Strategic Plans with Success Measures aligned to Business Outcomes Performance Improvement Officers 	<ul style="list-style-type: none"> Performance reporting to A&SC, Service Committees and Area Committees LGBF Review to A&SC, Service Committees and Area Committees Self-Assessments reported to SMT and A&SC 	Internal Audit <ul style="list-style-type: none"> Performance Mgt (2018/19 - High) Performance Mgt (2017/18 – Substantial) IA annual plan is risk based but also designed to provide annual coverage of all Heads of Service External Audit <ul style="list-style-type: none"> Best Value Assurance Report (May 2020) highlights that there is limited evidence of the Council using performance information to drive improvement and that Council's performance reporting makes it difficult to conclude what progress has been made against its six corporate outcomes Future <ul style="list-style-type: none"> Review of Council's Performance Mgt Framework being carried out by CE Unit 	There is a range of assurance sources across the three lines of defence however BV report has highlighted performance management as an area for improvement
7	Health and Social Care Partnership Failure to deliver strategic objectives and integrate Health and Social Care	Red 15	<ul style="list-style-type: none"> Strategic Plan Integration Scheme IJB has elected member representation including Council Leader Elected member representation on IJB 	<ul style="list-style-type: none"> Performance and financial monitoring and reporting in place and reported to IJB Board HSCP Chief Officer sits on 	Internal Audit <ul style="list-style-type: none"> The IJB has their own IA function provided by Scott Moncrieff Council's IA function provide assurance over social work services on an 	There is a range of assurance sources across the three lines of defence

	services in an efficient and effective manner exposes the Council, as a key partner, to unacceptable financial and reputational risk.		<p>Audit Committee (inc Vice Chair)</p> <ul style="list-style-type: none"> • Council's CIA regularly attends IJB Audit Committee • Regular engagement between Council CFO and HSCP CFO 	Council's SMT	<p>annual basis</p> <p>External Audit</p> <ul style="list-style-type: none"> • IJB's external auditors are Audit Scotland <p>Future Audit</p> <ul style="list-style-type: none"> • Internal Audit - Charging for Non-Residential Services (2020/21) • Internal Audit - Learning Disability (2020/21) <p>Future Scrutiny</p> <ul style="list-style-type: none"> • Council's Scrutiny Framework established scrutiny arrangements for Council and any other body who the Council has an SLA with for service delivery including HSCP – first HSCP review is on Out of Authority Care Placements 	
8	Civil Contingency & Business continuity arrangements are not effective.	Green 6	<ul style="list-style-type: none"> • Critical activity recovery plans • Emergency planning test events • West of Scotland local resilience partnership • Community resilience plans • EU withdrawal tactical group 	<ul style="list-style-type: none"> • Emergency Mgt Support Team • EU tactical group progress reported to SMT 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Business Continuity (2019/20 - Reasonable) <p>Future</p> <ul style="list-style-type: none"> • Internal Audit - Disaster Recovery Planning (2020/21) 	<p>Limited third level of defence assurance at current time. 2019/20 audit highlighted issues regarding how robust CARPs were. This is an area that would merit a further audit in the medium term future.</p> <p>However assurance can be taken from the</p>

						Council's response to COVID which was fast paced and has proven to be effective.
9	<p>Welfare Reform</p> <p>Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis</p>	Amber 12	<ul style="list-style-type: none"> Welfare Reform Working Group (WRWG) Joint working with DWP and CPP Rent aligned with local Housing Allowance to increase affordability. 	<ul style="list-style-type: none"> WRWG report to SMT SMT monitor of risk and consider high and medium hardship cases Anti-poverty strategy approved by Council Child poverty action planning monitored by WRWG 	<p>Internal Audit</p> <ul style="list-style-type: none"> HB & CTR (2018/109 – Substantial) <p>Future</p> <ul style="list-style-type: none"> Internal Audit - Scottish Welfare Fund (2020/21) Internal Audit - Welfare Reform (2020/21) 	Limited third level of defence assurance at current time – this will be re-assessed after IA review of SWF and Welfare Reform
10	<p>Waste Management</p> <p>Unable to dispose of waste in landfill sites due to the implications of the biodegradable municipal waste (BMW) landfill ban in 2021</p>	Red 16	<ul style="list-style-type: none"> Council rolling out new waste strategy Using education and publicity to increase recycling 	<ul style="list-style-type: none"> Performance reporting to EDI Committee Progress monitoring by DMT and SMT <p>Future</p> <ul style="list-style-type: none"> Lobbying SG for derogation for island waste 	<p>Internal Audit</p> <ul style="list-style-type: none"> Waste Mgt (2018/19 - Limited) Waste Mgt (2017/18 – Limited) <p>Future</p> <ul style="list-style-type: none"> Internal Audit or Scrutiny – Waste Mgt Strategy (timing tbc) 	Assurances over this strategic risk are limited at the current time due to the Council's new Waste Strategy being in its infancy and the full impact of the BMW landfill ban still to be realised. However full implementation of the ban has been delayed till 2025
11	<p>Service Delivery - Cyber Security</p> <p>Unable to deliver services to customers because of failure of ICT systems following</p>	Green 6	<ul style="list-style-type: none"> ICT Security & compliance officer in post, producing weekly threat analyses, Regular patching regimes in place ICT Disaster recovery plans tested regularly 	<ul style="list-style-type: none"> Progress monitoring by DMT and SMT 	<p>Internal Audit</p> <ul style="list-style-type: none"> Business Continuity (2019/20 - Reasonable) <p>Other Agencies</p> <ul style="list-style-type: none"> PSN and Cyber Essentials 	There is a range of assurance sources across the three lines of defence.

	major cyber security breach		<ul style="list-style-type: none"> Critical activities have recovery plans developed (CARP's) 		<p>Plus accreditations for corporate network (doesn't cover education network)</p> <p>Future</p> <ul style="list-style-type: none"> Internal Audit - Disaster Recovery Planning (2020/21) 	
12	<p>Withdrawal from the EU</p> <p>Insufficient preparedness for exit from the European Union</p>	Amber 10	<ul style="list-style-type: none"> Establishment of tactical team with direct reports to Chief Executive as Strategic Lead Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners. Risk register and action plan in place and monitored regularly by Tactical Group 	<ul style="list-style-type: none"> Regular reporting to the SMT and the Industry and Regional Development Sounding Board as the strategic group. 	<p>Internal Audit</p> <ul style="list-style-type: none"> Ongoing assurance – CIA sits on EU withdrawal tactical team 	There is a range of assurance sources across the three lines of defence.
13	<p>Impact of COVID - 19</p> <p>The Council are unable to deliver core services as a result of Covid-19 virus with adverse impact to community, the economy</p>	Red 20	<ul style="list-style-type: none"> Establishment of Strategic and Tactical Groups with links to HSCP, NHS and national/regional resilience groups Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners. Development and delivery of an integrated approach to deliver decisions and 	<ul style="list-style-type: none"> Regular reporting to the SMT Economic Recovery Plan and wider economic activity reported to BCC Throughout peak of COVID weekly updates from Tactical Group to Strategic Group with key activity and decisions 	<p>Internal Audit</p> <ul style="list-style-type: none"> CIA contributes to Strategic Group through role as Interim Head of Financial Services and also sits on the Development and Economic Growth Recovery Working Group 	There is a range of assurance sources across the three lines of defence.

			<p>mitigations</p> <ul style="list-style-type: none">• Development and Economic Growth Recovery Working Group established• Economic Recovery Plan approved• Return from lockdown group established which served its purpose and was superseded by Recovering Council Group to take more strategic and longer term view of re-establishing Council Services	<p>reported on to Leadership Group</p>		
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