

## 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><b>Population and Economic Decline</b></p> <p>Failure to identify relevant factors contributing to the decline and failure to develop strategies and actions targeting these factors.</p>	<p><b>Red 16</b></p>	<ul style="list-style-type: none"> <li>• Service planning linked to Corporate Outcomes and the A&amp;B Outcome Improvement Plan (ABOIP)</li> <li>• Community and multi-agency links through Community Planning Partnership</li> <li>• Parliamentary forum</li> <li>• Argyll, Lomond and Islands Rural Regeneration Initiative</li> <li>• Argyll and the Isles Strategic Tourism Partnership</li> <li>• Promotion and marketing of Argyll &amp; Bute (ABplace2B campaign)</li> <li>• Business Gateway Service focused on helping local businesses grow</li> <li>• Council Leader engaging with leaders of other west coast councils suffering population decline</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Strategy and Action Plan monitored by ED&amp;I Committee</li> <li>• CPP report on the progress being made against the outcomes and vision of the ABOIP and issue annual reports.</li> <li>• Monitoring of CPP plan and performance at CPP Management Committee.</li> <li>• Area Community Action Plans progress reported to Community Planning Groups</li> <li>• ABOIP targets population and economic recovery</li> <li>• Performance reports considered by A&amp;SC, strategic committees and area committees</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Rural Growth Deal to be signed late 2022 or early 2023</li> <li>• Preparation of bid</li> </ul>	<p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• 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</li> </ul> <p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>• Economic Strategy (2019/20)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence.</p>

				<p>to Levelling Up Fund – preparing for Jan/Feb 2022 in time for submission expected Spring 2022</p> <ul style="list-style-type: none"> <li>• Settlement Officer post agreed to be funded 50:50 from HIE/Council focusing on barriers to people living in communities, housing and others.</li> <li>• Preparation of a pipeline of projects across Argyll and Bute in order to be able to react to any other bid funding as and when it is announced.</li> </ul>		
2	<p><b>Condition and suitability of Infrastructure &amp; Asset Base</b></p> <p>Infrastructure and asset base does not meet current and future requirements and is not being used or managed efficiently and effectively.</p>	Amber 12	<ul style="list-style-type: none"> <li>• R&amp;A Control Hub and Joint Operations Team</li> <li>• Operational risks monitored quarterly</li> <li>• Strategic Asset Mgt Board</li> <li>• Corporate Asset Management Strategy and Corporate Asset Management Plan</li> <li>• Service Asset Management Plans</li> <li>• Community Empowerment and Community Asset transfer arrangements in</li> </ul>	<ul style="list-style-type: none"> <li>• D&amp;I performance reporting to ED&amp;I Committee</li> <li>• Asset Mgt Plans reviewed annually by Council as part of the budget setting process</li> <li>• Status and Options reports to ED&amp;I Committee</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Community Empowerment Act (2018/19 - High)</li> <li>• Capital Monitoring (2020/21 - Substantial)</li> <li>• Management of Property Contracts (2020/21 - Reasonable)</li> <li>• Land &amp; Asset Disposal (2021/22 - Substantial)</li> <li>• Internal Audit – Fixed Asset Register (2021/22) – Reasonable)</li> </ul>	There is a range of assurance sources across the three lines of defence.

			<p>place</p> <ul style="list-style-type: none"> <li>• Roads Asset Management Plan</li> <li>• One Council Property Approach</li> <li>• Routine inspections of roads infrastructure to deal with potential weak areas</li> <li>• Revised capital management procedures</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Modern Workspace Programme to review, and rationalise property portfolio for future needs of the Council. Changes on phased and town by town basis. Programme will be running for 3 years - April 2024</li> </ul>		<p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>• Roads Maintenance (2018/19)</li> <li>• Scrutiny – Community Asset Transfers (2021/22)</li> </ul>	
3	<p><b>Financial Sustainability</b></p> <p>Insufficient resource to meet current and future service requirement.</p> <p>Budget not aligned / does not support business outcomes.</p>	Amber 12	<ul style="list-style-type: none"> <li>• Budget preparation and monitoring</li> <li>• Medium term financial strategy with worst case, mid case and best case scenario planning</li> <li>• Treasury Mgt Policy</li> <li>• 5 year budget outlook updated quarterly</li> <li>• Financial Services Team aligned to service delivery</li> <li>• Regular engagement between budget holders and appointed finance contact</li> <li>• Reserve balances monitored throughout year</li> </ul>	<ul style="list-style-type: none"> <li>• Financial monitoring and financial risk monitoring to P&amp;R/BCC Committee</li> <li>• Budget and budget working papers considered by full Council</li> <li>• Financial Strategy reported to P&amp;R Committee</li> <li>• 5 year budget outlook to P&amp;R Committee</li> <li>• Treasury Mgt Annual Report to P&amp;R Committee</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Continuous Monitoring</li> <li>• Financial Planning (2018/19 - Substantial)</li> <li>• Capital Monitoring (2020/21 - Substantial)</li> <li>• Internal Audit – Fixed Asset Register (2021/22) – Reasonable)</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• Assessment of financial mgt via annual audit</li> <li>• Best Value Assurance Report (May 2020) highlights Council has good financial planning</li> </ul>	There is a range of assurance sources across the three lines of defence.

				<ul style="list-style-type: none"> <li>and A&amp;SC</li> <li>• Joint SMT/Policy Leads meetings include discussions around financial issues</li> </ul>	<p>arrangements in place but could take steps to enhance its long-term strategy. (Strategy revise in 2021)</p> <ul style="list-style-type: none"> <li>• Assessment of budget monitoring arrangements</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Internal Audit – Management of Debt and Recovery (2022/23)</li> </ul>	
4	<p><b>Governance and Leadership</b></p> <p>Governance and leadership arrangements are not conducive to effective working and lead to a lack of strategic direction.</p>	Amber 8	<ul style="list-style-type: none"> <li>• Corporate Governance Improvement Plan</li> <li>• Ongoing member development</li> <li>• Mentoring and coaching for SMT</li> <li>• Leadership development programme</li> <li>• Chief Exec Bilaterals</li> <li>• A&amp;B Manager's Course</li> <li>• Established partnership governance</li> <li>• Effective internal audit function</li> <li>• Scrutiny function</li> <li>• Performance Improvement framework</li> <li>• Council constitution</li> <li>• Codes of conduct for staff and members</li> <li>• Code of Corporate Governance and</li> </ul>	<ul style="list-style-type: none"> <li>• Oversight provided by Audit &amp; Scrutiny Committee</li> <li>• Decision making committees open to public</li> <li>• Constitution updated and approved annually by Council</li> <li>• IA reports and follow up to DMT and SMT</li> <li>• Annual assurance statements</li> <li>• Fortnightly DMTs – weekly ELT and monthly SMTs</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Continuous Monitoring</li> <li>• Organisational Culture (2018/19)</li> <li>• Performance Mgt (2018/19 - High)</li> <li>• Member Support (2018/19 - Substantial)</li> <li>• Risk Mgt 2018/19 – Substantial)</li> <li>• Following The Public Pound (2019/20 - Reasonable)</li> <li>• Annual self-assessment of PSIAS – external peer review every 5 years</li> <li>• Formal Induction of new Audit and Scrutiny Committee Members 2022</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• Ongoing independent assurance reported in AAR</li> <li>• Best Value Assurance Report (May 2020)</li> </ul>	There is a range of assurance sources across the three lines of defence

			<p>Annual Action Plan</p> <ul style="list-style-type: none"> <li>• Scrutiny framework and scrutiny plan</li> <li>• Risk management embedded</li> <li>• Policy lead meetings</li> <li>• Area Committee Business Days</li> </ul>		<p>recognises improvements in relationships between members and senior officers and more constructive and focused decision making</p>	
5	<p><b>Engagement and Understanding the needs of the Community</b></p> <p>The Council fails to understand service user needs and emerging demographic trends and does not align service delivery to meet these.</p>	<p><b>Amber 9</b></p>	<ul style="list-style-type: none"> <li>• Annual budget consultation</li> <li>• Complaints process</li> <li>• Community Engagement Strategy</li> <li>• Customer Service Board</li> <li>• Various user feedback (i.e. Refugee Resettlement, commissioned services, community council surveys)</li> <li>• Parental engagement strategy</li> <li>• Outreach service</li> <li>• Democracy matters consultation</li> <li>• Development Mgt user forums</li> </ul>	<ul style="list-style-type: none"> <li>• Community Planning Partnership</li> <li>• Service Committees</li> <li>• Area Committees</li> <li>• DMT and SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Community Empowerment Act (2018/19 - High)</li> <li>• Complaints Handling (2021/22 – High)</li> </ul> <p><b>Other Agencies</b></p> <ul style="list-style-type: none"> <li>• Education Scotland and Care Inspectorate seek views of service users</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• 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 capacity to enable communities to take more ownership of decision-making. The Council has a comprehensive action plan to address these issues and is contained within the</li> </ul>	<p>There is a range of assurance sources across the three lines of defence however BV report flagged scope for improvement in relation to community engagement – this is currently being considered by a Scrutiny topic.</p>

					<p>Best Value action plan to 'Work with communities and community groups to improve engagement'</p> <ul style="list-style-type: none"> <li>- Engage with communities to understand and improve levels of satisfaction with council services in order to understand and address their concerns.</li> <li>- Improve the quality of engagement with our communities and reflect this in service improvements.</li> <li>- Implement a programme to improve engagement skills across the organisation.</li> </ul> <p>Progress on all of these areas are reported annually to Committee.</p> <p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>• Scrutiny – Community Asset Transfers (2021/22)</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Customer Service Centre (2022/23)</li> </ul>	
6	<p><b>Service Delivery</b></p> <p>Insufficient resources to ensure effective service delivery</p>	<p><b>Green</b></p> <p><b>6</b></p>	<ul style="list-style-type: none"> <li>• Performance Improvement Framework</li> <li>• Rolling out programme of service self-assessment</li> <li>• Service improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Performance reporting to A&amp;SC, Service Committees and Area Committees</li> <li>• LGBF Review to A&amp;SC, Service</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Performance Mgt (2018/19 - High)</li> <li>• Complaints Handling (2021/22 – High)</li> <li>• IA annual plan is risk</li> </ul>	<p>There is a range of assurance sources across the three lines of defence however BV report has highlighted</p>

			<p>plans</p> <ul style="list-style-type: none"> <li>• Workforce planning</li> <li>• Complaints process</li> <li>• Use of LGBF</li> <li>• Strategic Plans with Success Measures aligned to Business Outcomes</li> <li>• Performance Improvement Officers</li> </ul>	<p>Committees and Area Committees</p> <ul style="list-style-type: none"> <li>• Self-Assessments reported to SMT and A&amp;SC</li> </ul>	<p>based but also designed to provide annual coverage of all Heads of Service</p> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• 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</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>• Review of Council's Performance Mgt Framework being carried out by CE Unit</li> </ul>	<p>performance management as an area for improvement – there is an ongoing project to review the Council's PM framework (Oct 2020 – June 2022).</p>
7	<p><b>Health and Social Care Partnership</b></p> <p>Failure to deliver strategic objectives and integrate Health and Social Care services in an efficient and effective manner exposes the Council, as a key partner, to unacceptable financial and reputational risk.</p>	<p><b>Amber 12</b></p>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Integration Scheme</li> <li>• IJB has elected member representation including Council Leader</li> <li>• Elected member representation on IJB Audit Committee (inc Vice Chair)</li> <li>• Council's CIA regularly attends IJB Audit Committee</li> <li>• Regular engagement between Council CFO and HSCP CFO</li> </ul>	<ul style="list-style-type: none"> <li>• Performance and financial monitoring and reporting in place and reported to IJB Board</li> <li>• HSCP Chief Officer sits on Council's ELT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• The IJB has their own IA function provided by the Council's IA function (Contract started 1 April 2021)</li> <li>• Council's IA function also provide assurance over social work services on an annual basis</li> <li>• Internal Audit - Charging for Non-Residential Services (2020/21 – Substantial)</li> <li>• Child Protective Services (2021/22)</li> <li>• Care Programme Approach (2021/22)</li> <li>• Complaints handling</li> </ul>	<p>There is a range of assurance sources across the three lines of defence</p>

					<p>(2021/22 - Limited)</p> <ul style="list-style-type: none"> <li>• Workforce Planning (2021/22)</li> </ul> <p><b>External Audit</b></p> <ul style="list-style-type: none"> <li>• IJB's external auditors are Mazars from October 2022</li> </ul> <p><b>Future Internal Audits</b></p> <ul style="list-style-type: none"> <li>• Client Funds (2022/23)</li> <li>• Learning and physical Disabilities Care Packages (2022/23)</li> </ul>	
8	<b>Civil Contingency &amp; Business continuity arrangements are not effective.</b>	<b>Green 6</b>	<ul style="list-style-type: none"> <li>• Critical activity recovery plans</li> <li>• Emergency planning test events</li> <li>• West of Scotland local resilience partnership</li> <li>• Community resilience plans</li> <li>• EU withdrawal tactical group</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency Mgt Support Team</li> <li>• EU tactical group progress reported to SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Business Continuity (2019/20 - Reasonable)</li> <li>• Internal Audit - Disaster Recovery Planning (2020/21 - Limited)</li> <li>• Internal Audit – Civil Contingencies (2021/22- Substantial)</li> </ul>	<p>Limited third level of defence assurance at current time. 2019/20 and 2020/21 audits highlighted issues regarding how robust CARPs were and a need for testing of DRPs. This is an area that will merit a follow up audit in the medium term future.</p> <p>However assurance can be taken from the Council's response to COVID which was fast paced and has proven to be effective.</p>

9	<p><b>Welfare Reform</b></p> <p>Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis</p>	<p><b>Green</b> <b>6</b></p>	<ul style="list-style-type: none"> <li>Welfare Reform Working Group (WRWG)</li> <li>Joint working with DWP and CPP</li> <li>Rent aligned with local Housing Allowance to increase affordability.</li> </ul>	<ul style="list-style-type: none"> <li>WRWG report to SMT</li> <li>SMT monitor of risk and consider high and medium hardship cases</li> <li>Anti-poverty strategy approved by Council</li> <li>Child poverty action planning monitored by WRWG</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>HB &amp; CTR (2018/109 – Substantial)</li> <li>Internal Audit - Scottish Welfare Fund (2020/21 - Substantial)</li> <li>Internal Audit - Welfare Rights (2020/21 - Substantial)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence</p>
10	<p><b>Waste Management</b></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>	<p><b>Red</b> <b>16</b></p>	<ul style="list-style-type: none"> <li>Council rolling out new waste strategy</li> <li>Using education and publicity to increase recycling</li> </ul>	<ul style="list-style-type: none"> <li>Performance reporting to EDI Committee</li> <li>Progress monitoring by DMT and SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Waste Mgt (2018/19 - Limited)</li> </ul> <p><b>Scrutiny</b></p> <ul style="list-style-type: none"> <li>Waste Mgt Strategy (2020/21) - On 27 April 2021 the Head of Roads and Infrastructure Services provided a presentation to the A&amp;SC regarding the Council's Waste Strategy followed by a question and answer session. Following the presentation the A&amp;SC members agreed they were assured that appropriate progress was being made in relation to the Council's waste strategy and that inclusion of a specific scrutiny topic focusing on the Strategy would not add value at this time.</li> <li>A briefing note was requested by the A&amp;SC in June 2022 relating to Waste Mgt and to be presented by the HoS in</li> </ul>	<p>Assurances over this risk are currently moderate due to the Council's Waste Strategy being in its infancy and the full impact of the BMW ban still to be realised. However full implementation is not till 2025. The A&amp;SC determined they are content that progress is reported to the EDI Committee and that the A&amp;SC will maintain a watching brief.</p>

					September 22.	
11	<p><b>Service Delivery - Cyber Security</b></p> <p>Unable to deliver services to customers because of failure of ICT systems following major cyber security breach</p>	Red 15	<ul style="list-style-type: none"> <li>ICT Security &amp; compliance officer in post, producing weekly threat analysis.</li> <li>Regular patching regimes in place</li> <li>ICT Disaster recovery plans tested regularly</li> <li>Critical activities have recovery plans developed (CARP's)</li> </ul>	<ul style="list-style-type: none"> <li>Progress monitoring by DMT and SMT</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Business Continuity (2019/20 - Reasonable)</li> <li>Disaster Recovery Planning (2020/21 - Limited)</li> </ul> <p><b>Other Agencies</b></p> <ul style="list-style-type: none"> <li>PSN and Cyber Essentials Plus accreditations for corporate network (doesn't cover education network)</li> </ul> <p><b>Future</b></p> <ul style="list-style-type: none"> <li>Internal Audit – Cyber Security (2022/23)</li> </ul>	Assurances over this risk are currently moderate due to audits highlighting issues regarding how robust CARPs were and a need for testing of DRPs. This is an area that will merit a follow up audit in the medium term future.
12	<p><b>Withdrawal from the EU</b></p> <p>Insufficient preparedness for exit from the European Union</p>	Amber 10	<ul style="list-style-type: none"> <li>Establishment of tactical team with direct reports to Chief Executive as Strategic Lead</li> <li>Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.</li> <li>Risk register and action plan in place and monitored regularly by Tactical Group</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting to the SMT and the Industry and Regional Development Sounding Board as the strategic group.</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>Ongoing assurance – Previous CIA sat on EU withdrawal tactical team Group through role as Interim Head of Financial Services.</li> </ul>	There is a range of assurance sources across the three lines of defence.

13	<p><b>Impact of COVID - 19</b></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>	<p><b>Amber 12</b></p>	<ul style="list-style-type: none"> <li>• Establishment of Strategic and Tactical Groups with links to HSCP, NHS and national/regional resilience groups</li> <li>• Tactical team via the Civil Contingencies Manager liaising/ collaborating with Regional Resilience Partnerships and other resilience partners.</li> <li>• Development and delivery of an integrated approach to deliver decisions and mitigations</li> <li>• Development and Economic Growth Recovery Working Group established</li> <li>• Economic Recovery Plan approved</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reporting to the ELT/SMT</li> <li>• Economic Recovery Plan and wider economic activity reported to BCC</li> <li>• Throughout peak of COVID weekly updates from Tactical Group to Strategic Group with key activity and decisions reported on to Leadership Group</li> </ul>	<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>• Previous CIA contributed to Strategic Group through role as Interim Head of Financial Services and also sits on the Development and Economic Growth Recovery Working Group.</li> <li>• Use of Covid-19 funding – Early Years (2022-23)</li> </ul>	<p>There is a range of assurance sources across the three lines of defence.</p>
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