APPENDIX 2

Recommendations Overdue 01 November 2010 - 31 January 2011

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
DEPARTMENT	**CHIEF EXECUTIVE'S UNIT**				
SERVICE	**STRATEGIC FINANCE**				
REPORT NAME	**REVIEW OF RISK MANAGEMENT 2008-09**				
1	Risk Management Policy & Framework The risk management policy and risk management framework document would benefit from updating to reflect the ongoing development of the risk management process within the Council. Once updated this should be approved by the SMT and the Council. **MEDIUM**	1. Management should implement a risk management framework supported by a risk management policy. The recommendations outlined within the remainder of the risk management report should be reflected in the revised documentation. Once finalised, management should ensure the risk management policy and framework is approved by the SMT and Council. 2. Management should develop a risk management framework document to support the risk management policy by providing a set of tools and techniques. This will form a key milestone within the road map to be developed 31 October 2009	31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
2	Oversight and Challenge The governance responsibilities for risk management have yet to be fully and clearly defined across the organisation, including to all relevant individuals and groups involved within the risk management process. **HIGH**	1. Management should ensure that the risk management framework clearly defines the overall risk governance structure together with the role of the different elements of the Council's management arrangements. 2. Management should ensure that terms of reference for all groups within the Council are clearly outlined, including their responsibilities and role in terms of the risk management process. 3. Information on the roles and responsibilities in respect of the risk management governance process should be clearly outlined within the Council's risk management framework This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**
3	Risk Identification & Assessment The existing risk identification and assessment process should be further developed to provide clear and transparent guidance for all stakeholders. **HIGH**	1. Management should modify existing documentation to develop a risk management framework. 2. Management should consider updating the existing risk register templates in order to strengthen their role as a tool within the risk management process This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**

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4	Risk Aggregation The risk aggregation process has yet to be clearly defined to ensure the effective aggregation of risks from 13 operational risk registers into one strategic risk register **MEDIUM**	1. Management should embed a risk aggregation process within the organisation that defines how risks from the 13 operational risks registers are recorded and distilled onto the strategic risk register. 2. Management should define the risk appetite for the Council within the risk management framework document and referenced within the risk management policy This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**
5	Risk Monitoring & Reporting No formal risk reporting process has yet been developed, however, ongoing developments with Pyramid are acknowledged. **LOW**	1. Management should consider the process for refining the risk reporting process and outputs to ensure risk reports contain relevant, transparent and reliable data. 2. The risk reporting process and examples of effective risk reporting should be documented within the risk management framework guidance. This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**

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6	Communication & Change No road map or implementation plan exists to improve and develop the existing risk management process. **HIGH**	1. Management should develop a road map that defines the ultimate objective for the Council in terms of risk management process and determine that appropriate milestones and resources are allocated to support delivery. 2. Following the approval of an updated risk management policy and framework document, management should formulate and implement an engagement and communication plan to ensure all employees understand and see value in the risk management process adopted by the Council. The road map will incorporate all the points highlighted in this report identifying milestone completion dates that reflect the rating given to the individual findings.	31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**

REPORT NAME   **REVIEW OF THE STRATEGIC RISK REGISTER**

2	Our examination of the current 34 strategic risks found that these did not appear to be arranged in any particular order, although certain risks were similar in nature and could potentially be grouped together. **HIGH**	Consideration should be given to grouping risks under appropriate risk headings to make the risk register more accessible and easier to understand. Our specimen risk framework containing 12 key risk areas has been provided for consideration. See Appendix 3.	31 May 2010 30 September 2010 31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**

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3	The preparation of the Specimen Risk Framework schedule provided a useful audit tool to further examine the linkage of the underlying risks to the strategic risk register. This could also provide the basis for management to ensure that the appropriate linkages initially exist and remain intact as risk management within the Council evolves. **HIGH**	Consideration should be given to preparing a schedule in a similar format to the Internal Audit version, outlined in Appendix 4, on an annual basis to provide a management overview mechanism. This will provide evidence that the appropriate linkages remain intact.	31 May 2010 30 September 2010 31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**
4	In examining the Operational Risk Registers it is not apparent which are strategic risks, included in support of the strategic risk register, and which are separate operational risks, identified as specifically relating to that service. **MEDIUM**	In the operational risk description within Pyramid the services should identify where applicable which strategic risk it is linked to.	31 May 2010 30 September 2010 31 October 2010 30 November 2010 31 January 2011 **28 February 2011**	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**

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5	Our work has identified additional potential strategic risks and suggested refinements for consideration as follows:		31 May 2010 30 September 2010 31 October 2010 30 November 2010 31 January 2011	Draft proposals have been prepared and are due to be considered by the SMT	**Delayed but rescheduled**
	5.1 Failure to realise efficiency gains should be amended to failure develop shared services opportunities – Internal & External	Consideration of the specific risk issues raised should be covered in the current review and development phase of risk management.	**28 February 2011**		
	5.2 Failure in reliable provision of core ICT infrastructure	Consideration will be given to including these risks 5.2 and 5.3.			
	5.3 Failure to develop eProcurement				
	5.4 Strategic risk 24 could be extended to cover 'UK and European' Government Policy (as well as Scottish Government)	Consideration will be given to amending the risk description per 5.4.			
	5.5 Best Value – Policy & Strategy currently take corporate lead, but certain departments have identified a risk in respect of BV in their departments. **MEDIUM**	Creation of a link from the Operational Risk register to the Strategic Risk Register should be considered.			

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DEPARTMENT	**COMMUNITY SERVICES**				
SERVICE	**EDUCATION**				
REPORT NAME	**REVIEW OF CASH INCOME AND BANKING 2010/11**				
5	Non compliance with Circular 1.10 has left one Primary School having no access to school funds money for 3 accounts. **HIGH**	Community Services - Education should contact the Chief Solicitor to monitor progress with the recovery of the 3 school fund account monies	01 January 2011 **31 January 2011**	Communication is ongoing with this school	**Delayed but rescheduled**
REPORT NAME	**REVIEW OF PUPIL WORK PLACEMENT**				
10	Internal Audit has established that 5 operational risks have been potentially breached. These relate to Corporate Governance and Young, Old & Vulnerable. **HIGH**	Management need to review the 5 operational risks to ensure that controls and procedures are in place to mitigate risk.	30 November 2010 **31 March 2011**	The 5 operational risks will be addressed in line with the recommendations 4, 6, 7 and 9. Risk 4 - changes to Scottish Government Policy could mean that this action remains 'ongoing'	**Delayed but rescheduled**
DEPARTMENT	**CUSTOMER SERVICES**				
SERVICE	**FACILITY SERVICES**				
REPORT NAME	**REVIEW OF CAMPBELTOWN COMMUNITY PROJECT PIR**				
3	Certificate of making good defects – this critical project management step remains outstanding even a number of years following practical completion and handover of the facility. **MEDIUM**	Management should determine a resolution path, that includes the results from the BRE investigation, then ensure it is tracked to confirm final resolution of the issues.	30 November 2010 **01 April 2011**	A report is waited from BRE, which is expected by 30 November 2010.	**Delayed but rescheduled**