Social Security Scotland
Tèarainteachd Shòisealta Alba

Audit and Assurance Committee	
Date of Meeting	Tuesday 27th February 2024
Subject	Risk Management Update
Agenda No.	7
Paper No.	26.6
Purpose	Discuss

1.   Background

1.1. Work continues to mature the risk management approach now that the revised corporate risk register is developing

1.2. The risk management team have established the reporting cycle and are meeting with action owners in month to review and update the risk register; key changes are being communicated to risk owners and the Risk Review Group.

2.   Key points

2.1. Since the last meeting with Committee members in November the following changes to that risk profile have taken place:

- CR-001 Workforce planning and organisational design- the residual score of this risk has increased from 9 to 12 (impact rising from 3 to 4) to reflect the higher scoring divisional level risk that link to this corporate risk; the divisional level risks are scoring [Redacted].

- CR-003b Financial management- the residual score has decreased from 25 to 20 (likelihood reducing from 5 to 4). Parliamentary budgets have been settled for 2024-25 and Social Security Scotland now has certainty over the indicative budget.

- CR-005 Performance, culture and inclusion - the main factor contributing to the rise in the residual risk score from 6 to 12 (likelihood rising from 2-4) is due to issues identified [Redacted].

- CR-006 Technology and systems corporate risk has been reviewed by Andy McClintock and CDO senior managers. The risk has been rephrased (see dashboard).

- CR-009 Delivering for our clients- the residual score has increased from 10 to 20 across likelihood (rising from 2 to 4). The action owners felt that the initial residual score was too low and did not reflect the threat level presented within this risk which includes staff turn over, the challenges with future launches and the financial constraints that limit continuous improvement activity.

2.2. All risk score changes were agreed by the risk owners.

2.3. Four new corporate level risks have been identified and added since November 2023:

- CR-002 Fraud; this replaces Asset Security which was seen as a control for several risks rather than a risk itself;

- CR-012 Management Information and Performance (data);

- CR-013 Protective Security; and

- CR-014 Data Protection

All details of the risks are captured within the dashboard, and assessments are underway at time of writing this document.

2.4. During the monthly update cycle some of the action owners have asked for the risks to be subdivided to allow subject matter experts to be engaged and to allow accurate planning and targeted controls to be developed or captured.

Current examples are:

- CR-003a Value for money has been split in to economy, efficiency and effectiveness.

- CR-006 Technology and systems has had two sub headings recommended: maintenance and enhancement.

- CR-008 Organisational resilience has been recommended to be spit in to people, policy, finance and business resilience to ensure that the risk does not solely focus on business resilience, which is not the single response to overall organisational resilience.

- CR-009 Delivering for our clients has been recommended to be split in to assurance from business as usual activity, continuous improvement activity, measurements of performance, internal audit reports and the single prioritised backlog.

- CR-011 Programme closure has been recommended to be split in to longer term capabilities, operating model/service model, change structures and legacy portfolio.

3. Conclusions

3.1. Committee members are asked to provide feedback on this quarter's update specifically:

- The new risks added: Fraud, Management Information and Performance (data), Protective Security and Data Protection; and

- The level of detail provided for the risk profile changes.

4. GOVERNANCE CHECKLIST

> **Please ensure that you detail which Corporate Plan Strategic Objective the paper contributes to. These strategic considerations should be used to assist you with the content of your paper.**

Strategic Objective	Contribution
Helping to deliver a social security system with dignity, fairness and respect.	Managing risk enables Social Security Scotland to deliver the right systems for those that need to access our services.
Supporting people in Scotland to access devolved benefits that they are entitled to.	Managing risk provides the best possible systems to those who need to access our services.
Running our service in a responsible way.	Management of risk ensures that resource and cost are used efficiently and effectively.

> **State here how the paper considers these areas and any consultation undertaken in the agency. Only complete the section(s) relevant to your paper.**

Strategic consideration	Impact
Environment	Not Applicable
Governance	Not Applicable
Data	Not Applicable
Finance	Not Applicable
Staff	Not Applicable
Equalities	Not Applicable
Estates	Not Applicable
Communications and Presentation	Not Applicable

An Impact Assessment must be carried out during the development of all new Agency policies and services and when making significant changes to policies and services. The Corporate Assurance team should be involved form an early stage to provide guidance and advice relating to completing impact assessments.

Impact Assessment Saltire Page

General Impact Assessment Queries: Corporateassuranceteam@socialsecurity.gov.scot

Equality Impact Assessment Queries: Corporateassuranceteam@socialsecurity.gov.scot

Please complete the below table.

Type of Impact Assessment	Required (Y/N)	If No - briefly state reason e.g. Not relevant/Not eligible – agreed with Deputy Director	If yes – briefly state progress to date, highlight any significant issues.
Child Rights and Wellbeing Impact Assessment (CRWIA)	N	Not relevant	
Data Protection Impact Assessment	N	Not relevant	
Equality Impact Assessment (EQIA)	N	Not relevant	
Fairer Scotland Duty assessment	N	Not relevant	
Future proofing legislation	N	Not relevant	
Human rights in policy making	N	Not relevant	
Islands Communities Impact Assessment (ICIA)	N	Not relevant	
Strategic Environment Assessment (SEA)	N	Not relevant	