



Audit and Assurance Committee

Date of Meeting	Tuesday 14 th May 2024
Subject	Risk Management Update
Agenda No.	7
Paper No.	26a
Purpose	Discuss

1. Background

- 1.1. The following update for Audit and Assurance Committee covers the period February 2024 to April 2024

2. Key points

- 2.1. Since the last meeting with Committee members in February 2024 the following changes to the risk profile have taken place:
- **CR-003a Value for money** - while the overall residual risk score has not changed from 12, the impact score has increased from 3 to 4 and the likelihood reduced from 4 to 3. The action owners feel that current controls reduce likelihood and that the overall impact of this risk will always be a 4, as should this risk materialise the impact on the organisation would always be severe. Target score also reduced to 8 to reflect this.
 - **CR-008 Organisational resilience** is being re-assessed to reflect a more targeted risk on business continuity. After discussion, the risk owner and action owner feel that organisational resilience would be demonstrated through the overall control and management of the corporate risk profile.
 - **CR-010 Cyber security**- the residual risk score has increased from 15 to 20, with likelihood increasing from 3 to 4. This is due to increased (unsuccessful) cyber-attacks being experienced by Social Security Scotland; the recent successful attack of an NHS Scotland trust equally demonstrates that this is a growing threat to the organisation.
- 2.2. The profile of the register has not changed since February 2024.
- 2.3. An action was taken away from the last Audit and Assurance Committee meeting to provide details of the escalation route of Social Security Scotland's corporate level risks to our Portfolio Sponsor, Director General Communities. Strategic risks formed part of the agenda at the Portfolio Sponsor meeting on 12 April and the Head of Corporate Support, [Redacted], provided a short update on changes to risk profiles with DG Communities as summarised above. As these meeting develop and establish a more regular rhythm, we would like to explore with Committee Members the possibility of having the Chair of the Audit and Assurance Committee also attend these meetings. This will provide



an additional layer of scrutiny and assurance to support DG Communities as Portfolio Sponsor.

2.4. The following bullets lay out the suggested escalation criteria provided by DG Communities Project Management Office:

Committee Members are asked to note that a risk score alone is not an escalation indicator, the risk score must be considered in terms of impact to cost, schedule, quality, or any other key performance indicator with the following:

- After implementing mitigation efforts, the risk score has worsened and/or nearing risk appetite levels for reasons outside of your control i.e. *trend, impact*
- There is a delay to mitigation efforts outside of your control for which more senior influence is required i.e. *magnitude, severity of impact, risk proximity, external factors*
- Something unforeseen has diverted resource and budget elsewhere (or you have resource / budget constraints) resulting in the reprioritisation of risk mitigation i.e. *thresholds, impact*
- A risk is better aligned / managed outside of your Directorate / Programme or requires significant mitigation from other Directorates / Programmes i.e. *complexity, dependencies*
- There are significant reputational factors i.e. *magnitude*

3. Conclusions

- 3.1. To ask committee if they continue to feel they are receiving the right level of detail to be assured that risk is being managed.
- 3.2. To ask committee to decide the next risk deep dive for August 2024.



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 from 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.
<u>Child Rights and Wellbeing Impact Assessment (CRWIA)</u>	N	Not relevant	
<u>Data Protection Impact Assessment</u>	N	Not relevant	
<u>Equality Impact Assessment (EQIA)</u>	N	Not relevant	
<u>Fairer Scotland Duty assessment</u>	N	Not relevant	
<u>Future proofing legislation</u>	N	Not relevant	
<u>Human rights in policy making</u>	N	Not relevant	
<u>Islands Communities Impact Assessment (ICIA)</u>	N	Not relevant	
<u>Strategic Environment Assessment (SEA)</u>	N	Not relevant	