



## Audit and Assurance Committee

<b>Date of Meeting</b>	Tuesday 22 November 2022
<b>Subject</b>	Risk Management Update
<b>Agenda No.</b>	
<b>Prepared By</b>	Risk Management Function
<b>Purpose</b>	Discuss

### 1. Background

- 1.1. To provide Audit and Assurance Committee with an update since its last meeting in September 2022.

### 2. Key points

- 2.1. Update of risk management function activity including:
  - Identification of any strategic risks for which Committee has questions
  - Progressing Principal Risks
  - Changes to overall risk profile
  - Risk Review Group Terms of Reference
  - Risk awareness training

### 3. Conclusion

- 3.1. The Audit and Assurance Committee are asked to note the content of this report.



#### 4. GOVERNANCE CHECKLIST

Strategic Objective	Contribution
<p><b>Dignity, fairness and respect</b></p> <p>Delivering a service with dignity, fairness and respect at its core.</p>	n/a
<p><b>Equality and tackling poverty</b></p> <p>Promoting equality and tackling poverty.</p>	n/a
<p><b>Efficiency and alignment</b></p> <p>Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.</p>	The work undertaken by the risk management function increases risk awareness and supports risk based decision making.
<p><b>Economy, society and environment</b></p> <p>Contributing to our economy, society and protection of our environment.</p>	Early identification of, and management of threats to our business objectives, allows us to deliver on our Charter commitments, thereby contributing to society.

Strategic consideration	Impact
Environment	n/a
Governance	Providing regular contact with and updates from risk action owners, agreed by risk owners to provide assurance that risk is being managed.
Data	n/a
Finance	n/a
Staff	n/a
Equalities	n/a
Estates	n/a
Communications and Presentation	n/a



**Impact Assessment**

n/a



## Risk Management Function Update

This update provides an update on the following:

- Development of principal risks;
- Changes to our risk profile;
- Recent activity from the Risk Review Group and
- Risk awareness sessions

In addition the Committee is invited to identify any strategic risks in advance of the Committee meeting that they would like to discuss in more detail or have specific questions. This is to allow risk action owners to be invited to speak to the risks during the meeting and so avoid the need to follow up clerically.

### 1. Principal Risks

It was hoped that the draft principal risks would be available for presentation to the Audit and Assurance Committee in November, but there have been developments in this work.

After discussion with James Wallace, Deputy Director Finance and Corporate Services, and the Head of Risk Management Policy, Directorate for Financial Management, the focus is now on risk reporting, rather than the creation of new risks. It is envisioned that the principle risks will now be a small number of themes that group together similar risks that exist on the strategic register.

A workshop is being planned before the end of this calendar year to scrutinise the strategic risk register, with a view to removing any risks that are no longer felt to be strategic and to group the remaining risks into the principal risk themes. Divisional risk logs will also be scrutinised at that workshop to ascertain whether any risks recorded there could be aggregated and categorised as being strategic.

### 2. Risk Profile

One risk (AS-R064) was de-escalated to the Chief Digital Officer divisional risk log.

Two risks were closed:

- Risk AS-R080 was closed as IT security policies and mandatory training are now in place. The specific threat from MS Teams access is no longer applicable.
- Risk AS-R087 was closed due to the risk being fully mitigated (functionality in place to change the client payment delivery pattern).

Four risks (AS-R001a, AS-R002a, AS-R060 and AS-R078) have changed action ownership due to personnel changes.

One new strategic issue (AS-I016) was added to the Strategic Issue Log

### 3. Risk Review Group

The Risk Review Group is in need of revitalisation, to refresh the attendance and ensure consistency of governance. The Terms of Reference are currently with



James Wallace for review, and will be presented to the Audit and Assurance Committee next meeting.

#### **4. Risk Awareness**

The Risk Team is being approached to provide risk awareness sessions to various teams within the organisation. While this has been provided informally in the past, and there are Scottish Government risk learning resources available on the Pathways learning portal, it is thought that a more tailored approach would be beneficial.

The risk team are currently creating a risk awareness presentation that will be trialled with the Fraud team and Adult Disability Payment team later this month. It is expected that as this will evolve into a bespoke learning package or packages on the Pathways learning portal, with the introductory level potentially being a mandatory learning item for all Social Security Scotland staff.