



Audit and Assurance Committee

Date of Meeting	Tuesday 15 th February 2022
Subject	Risk Management Update
Agenda No.	6
Paper No.	16.5a
Prepared By	Risk Management Function
Purpose	Discuss

1. Background

- 1.1. To provide Audit and Assurance Committee with an update since its last meeting in November 2021

2. Key points

- 2.1. Update of risk management function activity including :
- Risk Management Governance within Social Security Scotland
 - Principal Risks
 - Revised Risk Register
 - EY Recommendations
 - Risk Review Group Update and Risk Profile Changes

3. Conclusion

- 3.1. The Audit and Assurance Committee are asked to note the content of this report.
- 3.2. Talking points for meeting:
- Providing the right assurance and detail; revised Strategic Risk Register .
 - Role of the Principal Risk and the revised Strategic Risk Register
 - Future Deep Dives based on Principal Risk



4. GOVERNANCE CHECKLIST

Strategic Objective	Contribution
Dignity, fairness and respect Delivering a service with dignity, fairness and respect at its core.	n/a
Equality and tackling poverty Promoting equality and tackling poverty.	n/a
Efficiency and alignment Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	The work undertaken by the risk management function increases risk awareness and risk based decision making to improve the work undertaken to the benefit of the people we serve.
Economy, society and environment Contributing to our economy, society and protection of our environment.	Early sight of potential threats to objectives could provide a planned response which might save resource, or focus resource more efficiently.

Strategic consideration	Impact
Environment	May impact Social Security Scotland's effect on the environment (positive and negative impacts).
Governance	May impact on how we delivery and develop our services.
Data	May impact on Data and Information Governance and our compliance with key legislation.
Finance	May have key financial impacts on the work being delivered within Social Security Scotland.
Staff	May impact staff workforce planning and health, wellbeing and culture.
Equalities	May impact our ability to deliver a fair and equal service and workplace and our compliance with key legislation.
Estates	May impact our work in developing our estates.
Communications and Presentation	May impact how Social Security Scotland communicates internally and externally.



Impact Assessment

n/a



Risk Management Function Update

1. Risk Management Governance within Social Security Scotland

Social Security Scotland has set out to provide assurance that risk is being managed across all levels of the organisation and risk forms a key part of all business decisions.

The Risk Management Framework (provided and published with the minutes of the last meeting of the Committee in Nov 2021) sets out the processes by which this is currently done. The governance of the framework is managed by the risk management function. This is a straight forward approach that identifies, analyses, and evaluates risk in order to develop a suitable treatment plan to manage the threat.

Risks are then managed by Action Owners, who report in to the Risk Owner, and are provided with support from the risk management function across a monthly reporting cycle

At the end of the reporting cycle the risk management function provides updates to the Risk Review Group. The Risk Review Group is attended by representatives across all Divisions in Social Security Scotland and is chaired by the Deputy Director for Finance and Corporate Services, focusing on current and future potential threats and issues, and decides on risks to be escalated or de-escalated to the strategic risk register.

Updates are provided to the Executive Team on a monthly basis, to the Audit and Assurance Committee on a quarterly basis and to the Executive Advisory Board on a six monthly basis.

A formal strategy of managing risk and issues within Social Security Scotland will be set out later in 2022 and will incorporate the outcomes from the current exercises being undertaken as laid out below.

2. Principal Risk

A decision was made to begin developing Principal Risks that will reflect the key threats that are of most concern to the Executive Team.

After discussion with the Deputy Director for Finance and Corporate Services and the Deputy Director for Strategy, Change, Data and Engagement , it was determined that the three areas of initial focus are to be: People, Finance and Technology.

These areas are those key areas which are discussed most frequently with Ministers, the Director General Community and Stakeholders.

At time of writing the risk management function is currently developing a workshop, supported by the Chair of the Agency Leadership Team, to develop the Principal Risks with members across Social Security Scotland in order to fully define these threats.

Once defined, the Principal Risks will act as risk indicators for threats tracked within the Strategic Risk Register allowing for reporting on risk controls in place and those in development, as well as improving assurance on the management of risks to our objectives.

3. Revised Risk Register

The risk register is currently being reviewed and a revised version was presented to Risk Review Group in Jan 2022. Taking account of their recommendations, the risk management function will present it to the Executive Team in February or March for sign off.

The new version of the register includes a single page of risk for each one on the register. The single page now allows for the capture of pre-event and post-event controls and triggers and will show links to the Principal Risks as they develop.

The front page now contains a simplified overview of all risks with an accessible version also in development alongside this.

A copy of both new versions have been included with this paper alongside the current versions of the risk register.

4. Risk Management Review- EY Recommendations

Following on from the publication of the Risk Management Framework alongside the last Audit and Assurance Committee papers and the development of the revised risk register we have completed more EY recommendations.

Of the twenty five recommendations made, five have been completed, four have been partially completed and six have been rated as low priority. This leaves ten still to complete.

A review of the recommendations has been undertaken and work is now underway to engage with those relevant parties whose input is required to complete the action.

5. Risk Review Group

Since last meeting of the committee the Risk Review Group has met and agreed changes reflected in the risk profile. Some of those changes include:

- New risk added- AS-R087: Alignment requirements for policy and service design for Case Transfer payment to maintain client's current payment pattern. And action was taken to develop the impacts of this risk further.



- Risk de-escalated- AS-R061: Impact from failure to capture accurate reporting on Social Security Scotland's success. Risk, as assessed, is no longer valid. Work on reporting maintained and risk to be managed at Division level.
- Risk score change- AS-R002a: Impact from failing to manage dependencies for launch of benefits or related products. Likelihood reduced from 4 to 3 after monthly reporting cycle. Move to new version of risk register has called out specific preventative and corrective controls in place. Action owner and risk owner agreed changes.

Changes to membership have been captured and the Terms of Reference have been agreed, with a review set for June 2022.