Audit and Assurance Committee	
Date of Meeting	Tuesday 10th November 2020
Subject	Social Security Scotland Risk Management Update
Agenda No.	5
Paper No.	10.4 a
Prepared By	Lead Risk Co-ordinator
Purpose	Discuss

1. Background

1.1. To provide Audit and Assurance Committee with an update since last meeting in August 2020

2. Key points

2.1. Update of risk management function activity including :

- A general update on the Strategic Risk Register and the significant updates since the last Committee

- Update from the work of the Risk Review Group

- Overview of risks proposed for a deep dive.

3. Conclusions

3.1. The Audit and Assurance Committee are asked to note the content of this report and specifically provide advice on which risk will be the focus for the next deep dive.

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 a more concise response may save resource, or focus resource more efficiently and save time and money.

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

General update

Since the update in August 2020 there no change to change to the number of risks on the Strategic Risk Register, but there has been some changes to the overall risk exposure. Key changes to bring to your attention include:

- Risk AS-R061 [Redacted] been re-assessed with overall score decrease from 12 to 6 as a result of the Balance Scorecard being produced monthly and reviewed by Executive Team Executive Advisory Body.

- Risk AS-R029 [Redacted] have had a minor change to scoring with impact decreasing to 4 from 5 as a result of the response to the current pandemic, but likelihood increasing from 4 to 5 as we are in this current situation; likelihood is expected to decrease as we move out of lockdown. Overall the risk score remains the same.

- Risk AS-R034a [Redacted] was proposed for a score decrease and de-escalation at Risk Review Group in October. This was rejected as [Redacted]

- Risk AS-R001 [Redacted] risk is to be further reviewed by the Executive Team. The risk is owned by all Deputy Directors and work on developing a complete action plan is moving forward.

- Risk AS-R045- (De-escalated 08/06/20 [Redacted] it was confirmed that the risk was de-escalated to the Health and Safety risk log and is being managed with suitable controls in place [Redacted]

- It was felt that the risk as stated was too binary, and that it required to be rephrased to reflect the threat being around [Redacted]

- To summarise, this risk is not considered to be strategic (important, but not strategic), and the process for de-escalation (discussed and agreed by the Risk Review Group, then moved down onto the appropriate risk log) was properly followed.

More generally the risk management function will continue another round of reviews on all risks captured on the Strategic Risk Register to ensure they are strategic in nature and we have the right risks captured.

The risk management function has also provided a full update to the Executive Advisory Body giving details of the work presented to the Committee in August. This

covered the updated Strategic Risk Register, revisions to the risk appetite and tolerance and the work that has begun to review the Risk Management Strategy.

Specifically on the updated Risk Management Strategy a first draft has been completed and is now being reviewed by members of the wider risk management function across Programme and Project Management Office. We are still hopeful to publish the revised strategy early 2021.

Finally the risk management function has been in discussion with colleagues in National Records Scotland to share best practice. Through this discussion we are hoping to establish a network for risk co-ordinators to discuss best practices and to offer recommendations and support in the work we do.

Risk Review Group

The Risk Review Group meets monthly to address all requests for risk escalation, updates and conducts an horizon scan of possible rising threats to the objectives of Social Security Scotland, implementing actions wherever appropriate. The Risk Review Group are also providing strong challenge to any new risks recommended for escalation to the Strategic Risk Register. With Divisional Risk Register's in place it is important that work is carried out at this level to manage risks also.

The group has met twice since August and have agreed to maintain the current levels of risk appetite and tolerance as laid before the Committee at the last meeting. A full review of the Terms of Reference, risk appetite and tolerance and the membership of the group will take place early 2021.

Deep Dive Session

We agreed in August that we would start a programme of risk deep dive sessions and the following risks have been recommended, after discussion with relevant colleagues, to be presented for deep dive. These risks were selected based on a variety of factors that included inherent and residual risk score, control confidence levels and tolerance:

1. AS-R015a- **[Redacted]**

2. AS-R047- **[Redacted]**

The risk management function asks that the committee for a view and a decision on the agreed risk for assessment.