



Audit and Assurance Committee

Date of Meeting	Tuesday 9 February 2021
Subject	Risk Management Update
Agenda No.	3
Paper No.	11.2 a
Prepared By	Risk Co-ordinator
Purpose	Discuss

1. Background

- 1.1. To provide Audit and Assurance Committee with an update since its last meeting in November 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 commissioned work with Ernst and Young
 - Overview of risks proposed for next 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

1. General update

Since November 2020 there have been four new risks approved by the Risk Review Group. The profile of these risks are set in the context of the increase in exposure across operational readiness in light of Scottish Child Payment going live in February 2021, with focus turning towards Disability and Carer's benefits going live later in 2021.

2 New risks

(1) AS-R075- Insufficiently developed processes to maintain benefits, leading to inaccurate records/incorrect awards/ impact on cost/fraud/non-compliance.

This risk has been accepted to and mirrored on the Social Security Programme Risk Register.

[Redacted]

(2) AS-R076- Scottish Child Payment digital solution tested/effective controls potential increased fraud/error/, leading to cost/missed payments.

This risk will be mirrored as either a risk or an issue at the next Social Security Scotland Programme Risk Panel in February 2021. A meeting is set for later in February to assess the risk and decide whether it should be retained or move to an issue.

Both AS-R075 and AS-R076 are being prioritised across various groups including the Programme Delivery Board and the Programme Delivery Steering Group.

(3) AS-R077- Failure to understand/model headcount and skills requirement leads to incorrect blend of people at any point, then inefficiencies/disengagement.

Current scoring reflects the proximity of this risk to materialising and is unchanged from the inherent risk score. This risk also directly relates to "Dundee as Headquarters" as a major theme captured from the Executive Team.

(4) AS-R078- The development of the Change Control as a function to safely assess benefits in payment and new benefits to launch.



The Risk Management Function acknowledge the increasing nature of the Strategic Risk Register in the last quarter. While there are strong reasons due to the proximity of the launch of Scottish Child Payment, there is planning going ahead that looks to re-baseline the Strategic Risk Register.

In preparation of the outcome of the Ernst and Young review we are reviewing all risks against our strategic objectives (as published in the Corporate Plan). We will also take into account the outcome of planned reviews of risk appetite. We expect the Strategic Risk Register to reduce following this process and will look to reconsider what information we can proactively publish.

This is a process of maturing that we have anticipated for some time and is one of the reasons behind commissioning Ernst and Young. The current process in place has reflected the needs of the organisation up to this point, but moving forward we will look to address the landscape of threat at strategic level in a more direct way, with controls provided from the high level, operational risk register.

Ernst and Young Risk Management Engagement

The Committee will be aware that we have commissioned Ernst and Young to undertake a short piece of work looking at our Risk Management approach, and help us shape what our future risk management framework must do to support the organisations future and growing needs.

The project started in December and they have undertaken an extensive desktop exercise reviewing key documentation, held a number of interviews with key stakeholders and undertaken two surveys.

We now have a copy of the draft report and are currently reviewing this ahead of socialising this further with key stakeholders. A copy of the final report will be presented to the Committee in due course.

The recommendations resulting from this work will be used by the Risk Management Function to undertake extensive planning and map out key tasks and activities over the next 12-18 months. We are also currently recruiting a Risk Manager and this additional capacity will help drive forward our approach.

Risk Review Group

The Risk Review Group has met three times since the last Audit and Assurance Committee.

Once the Ernst and Young work has been completed the Risk Review Group will begin to analyse the recommendations and implement where appropriate and in agreement with the Executive Team.

Membership of the group will also be reviewed to ensure decisions being made are done with the right input from across Social Security Scotland.

We are also planning a further review of Risk Appetite and Tolerance that will support risk based decision making and make suitable changes to the register to improve reporting.

Risk Review Group continues to reflect monthly on horizon scanning provoking thorough discussion on rising threats that bringing together views and concerns from all areas of Social Security Scotland.

Deep Dive Session

The Committee are asked to consider the risks below recommended for Deep Dive in May 2021. The risks selected were based on a variety of factors that included inherent and residual risk score, control confidence levels, target score and tolerance. We also consulted with the Executive Advisory Body.

1. AS-R034- [Redacted]
2. AS-R048- [Redacted]

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