



Audit and Assurance Committee

Date of Meeting	Tuesday 21 st September 2021
Subject	Risk Management Update
Agenda No.	3
Paper No.	13.2 a
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 May 2021

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.
 - An overview of our response to the recommendations from the Risk Management Review to date; Table of recommendations provided at **Annex A**.
 - Update from the Risk Review Group.

3. Conclusion

- 3.1. The Audit and Assurance Committee are asked to note the content of this report.
- 3.2. Members are also asked for advice on our approach to the prioritisation of the recommendations from the Risk Management Review.
 - Is the move towards developing principle risks an approach that will give the committee appropriate view of the main threats to our objectives?
 - Would a member of the committee be willing to dedicate some time, once a month, to support the risk management function in progressing the recommendation and ensure we are providing the right assurance to the committee?



4. GOVERNANCE CHECKLIST

Strategic Objective	Contribution
<p>Dignity, fairness and respect</p> <p>Delivering a service with dignity, fairness and respect at its core.</p>	n/a
<p>Equality and tackling poverty</p> <p>Promoting equality and tackling poverty.</p>	n/a
<p>Efficiency and alignment</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 risk based decision making to improve the work undertaken to the benefit of the people we serve.
<p>Economy, society and environment</p> <p>Contributing to our economy, society and protection of our environment.</p>	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 May 2021 there have been four new risks approved by Risk Review Group. The profile of these risks are set in context against on-going concerns around areas of compliance in light of policy requirements, Information Technology and the development of future payment systems. One risk has been closed and another de-escalated to be managed at Divisional Level.

Other changes to profile include:

- **AS-R012**- risk score has increased from 8 to 16; likelihood increasing from 2 to 4, with no change to impact. This is in light of uncertainty on budget prioritisations.
- **AS-R047**- closed
- **AS-R070**- risk score has decreased from 20 to 15; this will reflect the scoring of HM Government National risk register.
- **AS-R072**- score change
- **AS-R073**- de-escalated
- **AS-R075**- risk score has decreased from 20 to 16; likelihood has decreased from 5 to 4. A tactical solution has been deployed and outstanding decisions were escalated to the Executive Team and resolved.

The risk management function has taken on two risk co-ordinators and is now increasing their capability within the team.

2. New risks

(1) AS-R082- Potential threat from failing to comply with human rights instruments and legislation.

(2) AS-R083- Impact of failing to conduct (or complete) Equalities Impact Assessments (EQIA).

Risk was escalated from Strategy, Change, Data and Engagement Division to reflect increased impact on activity that had not undertaken an Equalities Impact Assessment. Assessments that have been undertaken are published externally.

Recently published procurement strategy includes Equalities Impact Assessment requirements (currently Equalities Impact Assessments are undertaken on contracts valued over £50k)

(3) AS-R084- Impact of failing to access near real-time data with implementation of Business Information Reporting Tool (BIRT)



(4) AS-R085- Impact from prolonged loss of Social Programme Management system (SPM), or it's linked elements.

This risk is to undergo further assessment to qualify current Service Level Agreements and controls that are in place.

3. Risk and Management Review-Ernst and Young Recommendations

The Risk Framework is being presented to Executive Team on 14th September. This will conclude the governance route from Risk Review Group, through the Agency Leadership Team and on to Executive Team.

The hope is that it will be approved and published.

This successfully completes recommendation **3.2.1**, **3.5.1** and supports recommendations **3.1.1**, and **3.3.2** to partial completion.

Recording of risk responses has been added to the risk register with clear definitions added in supporting tab. This completes recommendation **3.5.7**.

The risk management function is now focused on two key items that will complete more recommendations and provide partial completion to others:

- The development of Principle Risks; for the purposes of use within Social Security Scotland, a Principle risk will be defined as: a risk or combination of risks that can seriously affect the performance or reputation of the organisation;
The principle risks will sit above the current iteration of the risk register with a single page for each principle risk. They will be linked to Business Plan priorities and risk captured on the current strategic risk register; and
- A clear definition of risk appetite and tolerance. We will set out how these will be set, their application and the frequency of their review (e.g. after each new benefit launch).

Is the move towards developing principle risks an approach that will give the committee appropriate view of the main threats to our objectives?

4. Risk Review Group

The Risk Review Group continues to meet monthly to assess the current landscape of risk and issues across Social Security Scotland.

The group continue to monitor progress of the Ernst and Young recommendations.

With this in mind, would a member of the committee be willing to offer some time (half an hour per month) to discuss and view progress with the Risk Management Team?



Annex A

Ernst and Young Recommendations- Work to Date