



Audit and Assurance Committee

Date of Meeting	Tuesday 9 November 2021
Subject	Risk Management Update
Agenda No.	5
Paper No.	15.4 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 September 2021

2. Key points

- 2.1. Update of risk management function activity including :
 - Progressing EY Recommendations
 - Changes to overall risk profile.

3. Conclusion

- 3.1. The Audit and Assurance Committee are asked to note the content of this report.
- 3.2. **Principal Risks**- what would the Committee like to see added? Is the Committee content with the themes of the Principal Risks?
- 3.3. **Risk Deep Dive**- how would committee like to proceed in the selection of risks for Deep Dive and the frequency of their undertaking?

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

One new risk has been added to the risk profile since September, one has been rephrased and re-scored and two risks have been de-escalated to Divisional or branch risk logs for on-going management.

- **AS-R086**- New Risk- Impact from migrating disability cases that may not be covered by fraud offence provisions.
- **AS-R032a**- De-escalated to Division Log- Impact on recruiting/developing future specialist resources.
- **AS-R082**- De-escalated to Division Log- Impact from failure to comply with human rights instruments and legislation.
- **AS-R084**- Rephrased and re-scored- Impact of failing to access near real-time data with implementation of Business Information Reporting Tool (BIRT)

2. Risk and Management Review- EY Recommendations

The risk management function has progressed the work on the Principal Risks. An initial review was undertaken by the Risk Review Group and input from that work has been added. The amended version was presented to the Risk Review Group for discussion (28th October) with recommendations to share with the Agency Leadership Team in November for their input.

A Quality Review of the Principal Risks will be carried with key stakeholders across Social Security Scotland once a more completed version is available.

A draft version has been included here for the Committee to consider the following:

What would the Committee like to see added to the Principal Risks?

Is the Committee content with the themes of the Principal Risks?

The risk management function will conduct a review of the strategic risk register early in 2022 (previously reviewed Summer 2020).

This will include a full re-assessment of each risk and develop improved scoring techniques, broader risk category alignment, details of source and impact controls and a refresh of risk appetite and tolerance. Simplicity and accessibility will be a key focus of this work.

Once the risk register review has been completed a further exercise will be undertaken to capture the controls and mitigations in place that will be key to managing the Principal Risks. Each risk on the Strategic Risk Register is hoped to have a detailed single page that will be used for assessment and deep-dive when necessary; capturing more detailed controls, scoring breakdown and key risk categories for source and impact.

Upon completion this will significantly complete recommendations made by EY early within 2022. Once this activity has been approved and embedded, the strategy document will be written to reflect the new approach.

As this work proceeds how would the committee wish to proceed on the selection of risks for deep dive and their frequency throughout the year?

3. Risk Review Group

An initial review of Principal Risks was completed with Risk Review Group and amendments have been made based on the feedback received.

The Risk Framework has now been agreed by Risk Review Group, Agency Leadership Team and Audit and Assurance Committee. A final version has been provided.

The Terms of Reference for the group is now under review for completion in November 2021. It is hoped they will be accepted and agreed before the end of the year.



Annex A

EY Recommendations- Work to Date

Risk Framework- Final version

Principal Risk Draft Document.