



Executive Advisory Body

Date of Meeting	Tuesday 29 September 2020
Subject	Risk Management Update
Agenda No.	3
Paper No.	18.1 a
Prepared By	[Redacted]
Purpose	Discuss

1. Background

- 1.1. To update the Executive Advisory Body on the activity of the Risk Management Function, specifically the recently revised Strategic Risk Register.

2. Key points

- 2.1. Over the past six months work has been undertaken by Social Security Scotland's Risk Management Function to further develop and improve our risk management processes. This update focuses on the key work completed and includes an update on:
- Redefined risk categories and updates to risk appetite and tolerance
 - Development of risk themes with Executive Team which lead to revised Strategic Risk Register
 - Revised risk appetite and tolerance
 - Risk mapping and escalation processes
 - Current position of the Strategic Risk register

3. Conclusions

- 3.1. The Risk Management Function welcome any comments on the report. Specific questions we have to help shape discussion and advice are:
- Does the Strategic Risk Register reflect what you view as Social Security Scotland's main risks, and does the information captured provide assurance that the risks are being monitored and managed sufficiently?
 - What mechanisms would you like to see in place to improve overall assurance in regards to risk management?



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 revision work has allowed for a more mature risk management process across Social Security Scotland improving on risk updates and assurances to Agency Leadership Team, Executive Team and Audit and Assurance Committee.
<p>Economy, society and environment</p> <p>Contributing to our economy, society and protection of our environment.</p>	With improved early sight of potential threats to objectives a more concise response may save resource, or focus resource more efficiently and save time and money.

State here how the paper considers these areas and any consultation undertaken in the agency. Only complete the section(s) relevant to your paper.

Strategic consideration	Impact
Environment	N/A
Governance	Improved Governance to Social Security Scotland’s risk management processes (this document has been Quality Reviewed across the organisation, Social Security Scotland Programme and the Chief Digital Office).
Data	N/A
Finance	N/A



Strategic consideration	Impact
Staff	Social Security Scotland Risk Review Group in place to discuss, review and escalate risk and issues; the Group also examines assurance levels and how units are gathering evidence to demonstrate this. The Group will provide assurance by making organisational decisions on risk and issues, and agree appropriate reports to the Chief Executive and Deputy Directors.
Equalities	N/A
Estates	N/A
Communications and Presentation	Risk updates are published as part of the routinely published Audit and Assurance Committee papers. We have also published a copy of our Risk Management Strategy

Impact Assessment
N/A



Social Security Scotland Risk Management Function Update

1. Background

The first half of 2020 has seen the implementation of improvements across the risk management governance processes that have increased assurances to Senior Leaders, the Executive Team and Audit and Assurance Committee.

The work outlined in this paper has been completed and approved by the Executive Team and will now be taken forward by the risk management function to revise Social Security Scotland's Risk Management Strategy; this work will be supported by the Risk Review Group (Chaired by Deputy Director for Finance and Corporate Services, James Wallace), Internal Audit, colleagues across Social Security Scotland and the Executive Team to ensure a strong and cohesive strategy has been developed jointly.

2. Risk Categories Defined

To begin the process of refreshing the risk management strategy the risk register underwent a full review.

The first stage was a revision and update of the ten risk categories that had been agreed when the original strategy was published in 2019.

The key change was the removal of the risk category "Programme" and replaced with "Operational Readiness". This was a more accurate definition of threats in this area.

Once written they were discussed and agreed by the Risk Review Group and agreed by the Executive Team.

The table in section 4 on Appetite and Tolerance contains the new risk category definitions.

3. Development of Risk Themes

The risk management function met with the Executive Team to discuss the threats that they felt were of most concern to Social Security Scotland.

The following themes were discussed and used to map across the Strategic Risk Register:

- Behaviour
- Culture
- Dundee as Head Quarters

- External Relationships/Stakeholder Engagement
- Finance
- Information Governance
- Information Security
- Inclusive Communications
- Operational Readiness
- People
- Reputation
- Workforce Planning

This would complement a “top down, bottom up” approach to risk. The use of themes has allowed the risk management function to assess the risks captured in lower level risk logs and follow the progress of these themes as markers of rising threats.

These themes are to be reviewed every 6 months with the next review to take place in October 2020.

4. Review of Risk Appetite and Tolerance

Risk appetite and tolerance levels were reviewed. The appetite and tolerance levels were last set in January 2019.

The following table shows the work completed- except where stated the appetite and tolerance levels will be reviewed every 6 months.

Table of Categories, Appetite and Tolerance:

Risk Category and Definition	Appetite Level		Tolerance Level	
	Previous	New	Previous	New
Communications: <i>Risks/Opportunities that arise as a result of the Agency’s communications activity e.g. communications that will increase the uptake of benefits, or a failure to use inclusive communications impacting the Agency’s accessibility to all.</i>	Medium/Cautious	Medium/Cautious	20	15



<p>Compliance:</p> <p><i>Risks/Opportunities that arise as a result of requirements on the Agency to comply with its statutory legal and regulatory obligations- e.g. Ministerial Commitment, Social Security Scotland Legislation, Corporate Health and Safety, formal and contractual agreements.</i></p>	<p>Low/Minimalist</p>	<p>Low/Minimalist</p>	<p>10</p>	<p>10</p>
<p>Financial:</p> <p><i>Risks/Opportunities associated with the management of, or which will have a significant impact on Agency (Operational and Corporate) finances – e.g. risk of fraud, risk over overspending etc.</i></p>	<p>Medium/Cautious</p>	<p>Medium/Cautious (To be reviewed in 3 months)</p>	<p>15</p>	<p>15</p>
<p>Governance:</p> <p><i>Risks/Opportunities that arise as a result of how the Agency is directed, administered and controlled; e.g. how the Agency provides assurance on meeting objectives, risk and issue management and corporate decision making.</i></p>	<p>Medium/Cautious</p>	<p>Medium/Cautious</p>	<p>15</p>	<p>15</p>



<p>Operational Delivery: <i>Risks/Opportunities that arise as a result of, or which will have a significant impact on, the Agency's ability to receive applications, determine entitlement, pay benefits to clients, process redeterminations & appeals, or provide local delivery of services according to our charter,.</i></p>	<p>High/Open</p>	<p>Medium/Cautious (To be reviewed in 3 months)</p>	<p>20</p>	<p>15</p>
<p>Operational Readiness: <i>Risks/Opportunities that arise as a result of the introduction of new benefits as they transfer from the Programme to the Agency – e.g. to be fully ready to assume ownership of the service at the point of delivery/handover, and to be able to take responsibility for performing the efficient operation of that service in a sustainable manner.</i></p>	<p>Medium/Cautious</p>	<p>Medium/Cautious</p>	<p>15</p>	<p>15</p>
<p>Policy: <i>Risks/Opportunities that arise as a result of activity in the policy or political space – e.g. changes in policy which impact on the delivery of agency services.</i></p>	<p>Medium/Cautious</p>	<p>Medium/Cautious (To be reviewed in 3 months)</p>	<p>15</p>	<p>15</p>



<p>Resource:</p> <p><i>Risks/Opportunities associated with, or which will have a significant impact on Agency non-financial resources – e.g. risk that the Agency will not have sufficient staff in post, risks around suitability and availability of accommodation etc.</i></p>	High/Open	Medium/Cautious	20	15
<p>Security:</p> <p><i>Risks/Opportunities that arise as a result of requirements on the Agency to ensure that its people and other assets are kept safe and secure – e.g. risk of cyber-security attack.</i></p>	Medium/Cautious	Medium/Cautious	15	15
<p>Technology:</p> <p><i>Risks/Opportunities that arise as a result of changes to, failures or exploitation of technology which impact on the ability of the Agency to deliver services – e.g. system failure which means Agency staff are unable to verify customers’ IDs, or opportunity arising as a result of investing in new technology.</i></p>	Medium/Cautious	Medium/Cautious (To be reviewed in 3 months)	15	15

5. Risk Mapping and Escalation

The landscape of change and delivery has become more complex within Social Security Scotland and the Social Security Programme. It has been recognised that there are multiple risk registers and logs that are capturing the future threats to the delivery of objectives.



There are many interactions between multiple stakeholders to deliver projects and measurable improvements, and the increased complexity of this and the day to day management of Social Security Scotland has highlighted that a defined and streamlined process was necessary.

Through joint working with Social Security Scotland's Project Management Office risk management function we have clarified processes and through process mapping ensured there is a clear process for the assessment and escalation of risk. We have also produced a pictograph that we will use to increase staff understanding of the process and the hierarchy of risk logs to the Strategic Risk Register.

A further result of this is that the Strategic Risk Register will begin to hold high level Project Management Office risks to allow a wider picture of risk to be assessed and controlled.

6. Revised Strategic Risk Register

The work outlined above has led to the revised Strategic Risk Register which has been provided alongside this document.

The Strategic Risk Register has been reduced from 32 risks to 20, with risks either de-escalated to Division or Branch risk logs.

Risks are now reviewed monthly, involving collaboration between the Risk Action Owner and the risk management function; the Risk Owner is informed on any significant changes for approval (e.g. score change, changes to appetite and tolerance, and re-phrasing the risk). The Risk Review Group then discuss and agree monthly updates and changes, offering support and recommendations when necessary.

It is also the role of the Risk Review Group to hear from its members on those risks in their area that are beginning to become more of a wider threat to Social Security Scotland and to seek support and suggestions in developing controls, or to escalate to either the Strategic Risk Register or Programme Risk Register.

The Executive Team receive a monthly update on risk and the risk management functions from Social Security Scotland meets with Programme and CDO equivalents on a monthly basis.

7. Conclusion

To give consideration to the information contained within this paper, to make recommendations on and respond to the questions posed on the cover document.