



Executive Advisory Body

Date of Meeting	Tuesday 16 November 2021
Subject	Risk Management Update
Agenda No.	Below the Line
Paper No.	26.6
Prepared By	Risk Management Function
Purpose	Note

1. Background

1.1. To provide Executive Advisory Body with a Risk Management update.

2. Key points

2.1. Update of risk management function activity including :

- An update on the Strategic Risk Register and the significant updates since last presented to the Executive Advisory Body in June 2021.
- An update to the EY recommendations
- Update from the Risk Review Group.

3. Conclusions

3.1. The Executive Advisory Body are asked to note the content of this report.



4. GOVERNANCE CHECKLIST

Please ensure that you detail which Corporate Plan Strategic Objective the paper contributes to. These strategic considerations should be used to assist you with the content of your paper.

Strategic Objective	Contribution
Helping to deliver a social security system with dignity, fairness and respect.	Nor applicable
Supporting people in Scotland to access devolved benefits that they are entitled to.	Not applicable
Running our service in a responsible way.	The work undertaken by the risk management function improves risk and issue awareness by supporting and encouraging risk based decision making at key points within Social Security Scotland. This benefits our clients and stakeholders by providing early insight into potential threats to our objectives and allowing us to act on them promptly to save on resource, or allow resource to be more efficiently used.

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	May impact Social Security Scotland's effect on the environment (positive and negative impacts).
Governance	May impact on how we delivery and develop our services.
Data	May impact on Data and Information Governance and our compliance with key legislation.
Finance	May have key financial impacts on the work being delivered within Social Security Scotland.
Staff	May impact staff workforce planning and health, wellbeing and culture.
Equalities	May impact our ability to deliver a fair and equal service and workplace and our compliance with key legislation.
Estates	May impact our work in developing our estates.
Communications and Presentation	May impact how Social Security Scotland communicates internally and externally.



An Impact Assessment must be carried out during the development of all new Agency policies and services and when making significant changes to policies and services. The Corporate Assurance team should be involved from an early stage to provide guidance and advice relating to completing impact assessments.

[Impact Assessment Saltire Page](#)

General Impact Assessment Queries: Corporateassuranceteam@socialsecurity.gov.scot

Equality Impact Assessment Queries: Marion.Logan@socialsecurity.gov.scot

Please complete the below table.

Type of Impact Assessment	Required (Y/N)	If No - briefly state reason e.g. Not relevant/Not eligible – agreed with Deputy Director	If yes – briefly state progress to date, highlight any significant issues.
Business and Regulatory Impact Assessment (BRIA)	N	Not relevant	
Child Rights and Wellbeing Impact Assessment (CRWIA)	N	Not relevant	
Data Protection Impact Assessment	N	Not relevant	
Equality Impact Assessment (EQIA)	N	Not relevant	
Fairer Scotland Duty assessment	N	Not relevant	
Future proofing legislation	N	Not relevant	
Human rights in policy making	N	Not relevant	
Islands Communities Impact Assessment (ICIA)	N	Not relevant	
Strategic Environment Assessment (SEA)	N	Not relevant	

Risk Management Function Update

1. General update

The risk management function continues to meet with key stakeholders on a monthly basis to provide support, assessment and advice on key risks and issues across Social Security Scotland. A monthly report is provided to the Executive Team highlighting key changes to the risk profile.

Since June 2021 there have been five new risks approved by the Risk Review Group. The profile of these risks are set in the context of the increase in exposure across compliance and finance in light of policy requirements and the development of future payment systems.

Three risks have been de-escalated to lower level risk logs for on-going management. One risk has been closed as the key threat is captured within another strategic risk. The overall risk profile currently stands at 27.

New risks added: AS-R082, AS-R083, AS-R084, AS-R085 and AS-R086

Risk de-escalated: AS-R032a, AS-R073 and AS-R082

Closed risk: AS-R047 (threat captured within AS-R077 and AS-R034)

2. Risk Management Review

The Risk Framework has now been completed and signed off by Risk Review Group, Agency Leadership Team, Executive Team and Audit and Assurance Committee and will be made available with the publication of the minutes from the November meeting of Audit and Assurance Committee.

This successfully completes EY 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, which completes recommendation **3.5.7**. A copy of the recommendations have been provided alongside this update.

A draft version of the Principal Risk document has been shared with Risk Review Group and Audit and Assurance Committee. Based on recommendations received this will be revised and shared with the Agency Leadership Team.

The risk management function will then consider a Quality Review of the Principal Risks. Following this activity we will begin work to formally align these to Social Security Scotland's priorities and objectives.

A review of the Strategic Risk Register is to be undertaken early in 2022, with work now underway to develop improved scoring techniques, broader risk category alignment and to refresh appetite and tolerance. Simplicity and accessibility will be a key focus of this work.

This work 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 to risk management.

3. Risk Review Group

The Risk Review Group was established in December 2019 to provide a cross cutting overview of the key risks facing Social Security Scotland and provide support and advice on the application of mitigations and controls to support those risks. The group continues to meet monthly to assess the current landscape of risk and issues across Social Security Scotland.

Membership has been refreshed in light of changes across all divisions and the next review of Terms of Reference is now underway.

The group have reviewed and agreed the Risk Framework draft document, and are supporting the development of Principal Risks as outlined above. The Risk Review Group plays a key role in monitoring the EY recommendations and their completion, receiving a monthly progress report from the risk management function.

Annex A

Social Security Scotland Risk Framework version 1.4 (Final Version)

EY Recommendations- Work to Date