



Audit and Assurance Committee

Date of Meeting	Tuesday 13 September 2022
Subject	Risk Management Update
Agenda No.	
Paper No.	
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 2022.

2. Key points

- 2.1. Update of risk management function activity including:
- Progressing Principal Risks
 - Changes to overall risk profile
 - Risk Review Group Terms of Reference.

3. Conclusion

- 3.1. The Audit and Assurance Committee are asked to note the content of this report.



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 supports risk based decision making.
<p>Economy, society and environment</p> <p>Contributing to our economy, society and protection of our environment.</p>	Early identification of, and management of threats to our business objectives, allows us to deliver on our Charter commitments, thereby contributing to society.

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

This update provides an update on the following:

- Development of principal risks
- Changes to the way we report on our risk profile; and
- Recent activity from the Risk Review Group.

1. Principal Risks

The development of principal risks for the organisation has progressed within the reporting period. The risk management team are now consulting with stakeholders within the agency to review the proposed themes and draft wording. Final approval will be sought from our Agency Leadership Team and ultimately our Accountable Officer, David Wallace.

During drafting of the Annual Report, Audit Scotland highlighted reporting requirements we need to meet when we are describing our principal risks. An interim summary statement of principal risks has been drafted and will be provided within the Annual Report and Accounts.

It is expected that work to capture and define our principal risks will be completed by January 2023.

2. Risk Profile

We no longer plan to set out changes to the risk profile within this paper. A “Risk Landscape and Heatmap” word document is provided alongside this update to provide greater context.

As discussed at the previous Committee meeting, following the introduction of principal risks we will continue to present the risk profile for the strategic risk register. This will be reviewed on a 6 monthly basis. Profile reporting will also be reviewed to incorporate principal risks.

3. Risk Review Group

The Risk Review Group Terms of Reference are currently under review. The risk management function will present the reviewed Terms of Reference to the next meeting of the Audit and Assurance Committee. Changes are expected to be around:

- Definition of quorum
- Chair’s veto
- Auditable voting record
- Hybrid meetings