

Report to:	QSMTM
Report by:	Helen Gardner-Swift
Meeting Date:	25 April 2018
Subject/ Title: (and VC no)	Risk Management VC101402
Attached Papers (title and VC no)	C1 Risk Management Policy v05 DRAFT VC101406 Strategic Risk Register 2018-19 VC100834 Operational Risk Register 2018-19 VC100826

Purpose of report

1. The purpose of this report is to provide assurance that risk is being managed effectively and to review the Risk Management Policy, as required by the Governance Reporting Arrangements.

Recommendation and actions

2. The Commissioner/SMT is asked to:
 - (i) note the report and the assurance provided
 - (ii) agree that the annual assurance report on risk is made to the QSMTM in the first quarter of each year (i.e. April) instead of the second quarter (to enable the assurance to be taken into too account on the Annual Report
 - (iii) confirm that the Risk Management Policy remains appropriate
 - (iv) agree the Strategic Risk Register 2018-19
 - (v) agree the Operational Risk Register 2018-19
 - (vi) confirm that this report can be published but that the Strategic Risk Register 2018-19 and the Operational Risk Register 2018-19 are not published.

Executive summary

3. Our governance reporting arrangements require the provision of an annual assurance that risk is being managed effectively, including a review of the Risk Management Policy.
4. In 2015, Scott-Moncrieff carried out an internal audit of corporate governance. The report provided the following assurance:

“Control Objective: Risk management arrangements are defined and embedded

We identified no significant weaknesses in relation to this control objective.

The Risk Management Policy sets out SIC’s approach and arrangements, including their risk appetite and approach to setting tolerance levels. Strategic and Operational Risk Registers are in place and scrutinised by the SMT on a monthly basis. New risks or changes to current

risks are considered and summarised in a risk heat map, which is reported to the SMT on a quarterly basis. Planned actions identified in the risk registers are included in the Operational Plan to ensure risk management is embedded within operational management.”

5. The Risk Management Policy was the subject of a full review in December 2015. This resulted in the identification of ‘strategic’ and ‘operational’ risks, and led to the creation of a Strategic Risk Register (SRR) which is reviewed quarterly by the QSMTM and an Operational Risk Register which is reviewed monthly by the SMT.
6. The AAB is aware of the Risk Management Policy and the general approach to risk and reviews and provides advice annually on the SRR.
7. I can provide the following assurance:
 - (i) risk is being managed effectively
 - (ii) there are no indications to suggest that a revision of the existing risk management policy is necessary.
8. As the current risk management is effective, it is recommended that the Risk Management Policy is reviewed without change.
9. The proposed Strategic Risk Register 2018-19 is attached and submitted for approval by the Commissioner and the SMT.
10. The proposed Operational Risk Register 2018-19 is attached and submitted for approval by the Commissioner and the SMT.

Risk impact

11. Risk Management is identified in Risk 7 of the ORR as a control (detective, preventative, corrective and directive). Not having an effective risk management policy in place would increase the residual assessment of this risk.

Equalities impact

12. The policy on risk management falls within the scope of an administrative function and, therefore, there is no direct equalities impact.

Resources impact

13. None.

Operational/ strategic plan impact

14. None.

Records management impact (including any key documents actions)

15. None

Consultation and Communication

16. QSMTM minutes

Publication

17. I recommend that this committee report is published but that the Strategic Risk Register 2018-19 and the Operational Risk Register 2018-19 are not published.