

[

Report to:	QSMTM Q4 2022-23
Report by:	Helen Gardner-Swift, Head of Corporate Services (HOCS)
Meeting Date:	26 May 2023
Subject/ Title: (and VC no)	Risk Management VC187302
Attached Papers (title and VC no)	C1 Risk Management Policy 2023-24 (draft) VC187286 C1 Strategic Risk Register 2023-24 (draft) VC187318 C1 Operational Risk Register 2023-24 (draft) VC187314

Purpose of report

1. The purpose of this Committee Report (CR) is to provide assurance that risk is being managed effectively as required by the key document C1 Governance Reporting Arrangements (GRA), seek approval of the Risk Management Policy 2023-24 and seek approval for the Strategic Risk Register 2023-24 and for the Operational Risk Register 2023-24.

Recommendation and actions

2. The following are recommended:
 - (i) the Commissioner/Senior Management Team (SMT) note the CR and the assurance provided
 - (ii) the Commissioner/Senior Management Team (SMT) approves the C1 Risk Management Policy 2023-24
 - (iii) the Commissioner approves the C1 Strategic Risk Register 2023-24 (SRR 2023-24)
 - (iv) the Commissioner approves the C1 Operational Risk Register 2023-24 (ORR 2023-24)
 - (v) the Commissioner/Senior Management Team (SMT) agree the publication arrangements as set out in paragraph 21.

Executive summary

3. The GRA require the provision of an annual assurance from the HOCS that risk is being managed effectively and, also, an annual review of the risk management policy.
4. In December 2015, the management of risk was reassessed and this resulted in the identification of 'strategic' and 'operational' risks, which led to the creation of a Strategic Risk Register (SRR) which is reviewed quarterly at the QSMTM and an Operational Risk Register (ORR) which is reviewed every 2 months at a Monthly Senior Management Team (MSMTM).

5. An internal audit relating to governance and risk management arrangements was undertaken in 2021-22 Q3 and the internal audit report (VC165372) concluded that:
 - the Commissioner has effective and appropriate corporate governance and risk management processes in place
 - there is also clear evidence of proactive risk management controls and practices
 - no reportable weaknesses were identified as regards the robust risk management policy
 - which has a defined, consistent and embedded approach for the accurate and timely identification and evaluation of risks related to achievement of business objectives
 - mitigating actions are identified to manage residual risk down to an acceptable level, in line with an agreed risk appetite/tolerance, with actions allocated and risk reported in line with agreed frequencies
6. The Advisory Audit Board (AAB) is aware of our risk management arrangements, the general approach to risk and reviews and provides advice annually on the SRR. The AAB considered the Risk Management Policy 2022-23 and the Strategic Risk Register 2022-23 at their meeting on 24 November 2022.
7. The AAB suggested that more detail could be included in the controls section, for example, an additional column to indicate whether each control is effective, partially effective or not effective. I have considered this suggestion (as regards both the strategic and operational risk registers) and, taking a proportionate approach, I am of the view that an additional column is not required for the following reasons:
 - the SMT review the controls in place when reviewing each register
 - any actions to be taken in respect of partially or not effective controls would be noted in the action planned.
8. The Strategic Plan 2020-2024 has been approved, laid before Parliament and came into effect from 1 April 2020.

Assurance

9. I can provide the following assurance:
 - risk has been, and continues to be, managed effectively
 - there are no indications to suggest that a revision of the existing risk management arrangements and policy are necessary.
10. For the financial year 2023-24, the following have been prepared in draft:
 - C1 Risk Management Policy 2023-24
 - SRR 2023-24
 - ORR 2023-24

Risk Management Policy

11. The draft Risk Management Policy 2023-24 is attached. As the current risk management is effective, it is recommended that the Risk Management Policy 2023-24 is reviewed/approved without any substantial change.

Risk Registers 2023-24

12. The draft SRR 2023-24 is attached and submitted for approval by the Commissioner – a full review of this should take place as soon as possible so that the risks, risk assessments and action planned can be updated for 2023-24.
13. The draft ORR 2023-24 is attached and submitted for approval by the Commissioner – a full review of this should take place as soon as possible so that the risks, risk assessments and action planned can be updated for 2023-24.

Risk impact

14. Risk management is a control in the management of strategic risk and operational risk. Not having an effective risk management policy and appropriate risk registers in place would result in an ineffective control mechanism.

Equalities impact

15. There is no direct equalities impact arising from this report.

Privacy impact

16. There are no privacy implications arising from this report.

Resources impact

17. None.

Operational/ strategic plan impact

18. None.

Records management impact (including any key documents actions)

19. The Risk Management Policy 2023-24, the SRR 2023-24 and the ORR 2023-24 will all fall within Class 1, the HOCS will be the Responsible Manager for each key document and the relevant key document actions will be undertaken.

Consultation and Communication

20. QSMTM Q4 minute and publication of CR.

Publication

21. The publication arrangements are:
 - the CR is published in full

- the attached paper, Risk Management Policy 2023-24 (draft), is withheld in full on the basis that it is exempt from disclosure under section 27(1) of FOISA (Information intended for future publication) as the document will be published once the necessary key document actions have taken place and the document is in its final form
- the internal audit report (referred to in the CR), the SRR 2023-24 (draft and final) and the ORR 2023-24 (draft and final) should be withheld on the basis that the exemption(s) in Sections 30(b)(ii), 30(c) and 39(1) of the Freedom of Information (Scotland) Act 2002 would apply if a request were, at this stage, to be made for the information.