

Report to:	QSMTM Q4
Report by:	Helen Gardner-Swift, Head of Corporate Services (HOCS)
Meeting Date:	25 May 2022
Subject/ Title: (and VC no)	Risk Management VC169777
Attached Papers (title and VC no)	C1 Risk Management Policy 2022-23 DRAFT VC Strategic Risk Register 2022-23 VC170321 Operational Risk Register 2022-23 VC170311

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 Governance Reporting Arrangements, seek approval of the Risk Management Policy 2022-23 and seek approval for the Strategic Risk Register 2022-23 and for the Operational Risk Register 2022-23.

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 2022-23
 - (iii) the Commissioner approves the C1 Strategic Risk Register 2022-23 (SRR 2022-23)
 - (iv) the Commissioner approves the C1 Operational Risk Register 2022-23 (ORR 2022-23)
 - (v) the Commissioner/Senior Management Team (SMT) agree that this CR can be published but that the SRR 2022-23 and the ORR 2021-are not published for the reasons set out in paragraph 20.

Executive summary

3. The Key Document C1 Governance Reporting Arrangements 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 2022-23 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 internal audit report, referred to in paragraph 5 above, at their meeting on 9 March 2022.
7. The Strategic Plan 2020-2024 has been approved, laid before Parliament and came into effect from 1 April 2020.

Assurance

8. 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 policy is necessary.
9. For the financial year 2022-23, the following have been prepared in draft:
 - C1 Risk Management Policy 2022-23
 - SRR 2022-23
 - ORR 2022-23

Risk Management Policy

10. As the current risk management is effective, it is recommended that the Risk Management Policy is reviewed without any substantial change.

Risk Registers 2022-23

11. The draft SRR 2022-23 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 2022-23.
12. The draft ORR 2022-23 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 2022-23.

Risk impact

13. 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

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

Privacy impact

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

Resources impact

16. None.

Operational/ strategic plan impact

17. None.

Records management impact (including any key documents actions)

18. The Risk management Policy 2022-23, the SRR 2022-23 and the ORR 2022-23 will all fall within Class1, the HOCS will be the Responsible Manager for each document and the relevant key document actions will be undertaken.

Consultation and Communication

19. QSMTM Q4 minute and publication of CR.

Publication

20. The CR should be published but the internal audit report, the SRR 2022-23 and the ORR 2022-23 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.