

Registers of Scotland

RoS Board

14 March 2023

Key risk register (KRR)

Purpose

1. The purpose of this paper is to provide the board with an update on the KRR 2022-27 following EMT and Audit & Risk Committee (ARC) reviews, continuous Key Risk Owner (KRO) reviews.
2. The paper supports the board in fulfilling its role to provide strategic advice to the Keeper and for its focus on setting a framework of prudent and effective controls that enables risk to be assessed and managed.

Recommendation

3. RoS Board is requested to review the KRR summary at Annex 1 and advise the Keeper on the update.

Background

4. RoS KRR contains the key risk scenarios that may affect delivery of our corporate plan objectives and the risk response strategies for these threats and opportunities. The KRR is a 'live' document which is reviewed and updated at least monthly by KROs and submitted to EMT for approval as part of their monthly corporate governance review process. The KRR is also submitted to RoS Board and ARC meetings for noting and/or advice as a summary report or as the RoS Assurance Framework report.

Key risk register (KRR)

5. The paper adopts a 'reporting by exception' approach comprising 3 elements:

Reporting element	Frequency of reporting	Board input / 'Ask of the Board'
1. RoS Key Risk profile	Every Board meeting	Advice on whether strategic risk exposure continues to be captured by the KRR
2. New/developing risks	As relevant	Advice on how risks have been assessed in terms of 'causes - scenario - impacts' and the risk response (i.e. controls)
3. Risks trending away from target risk score / controls not delivering anticipated risk response	As relevant	Advice on how risks have been assessed in terms of 'causes - scenario - impacts' and the risk response (i.e. controls)

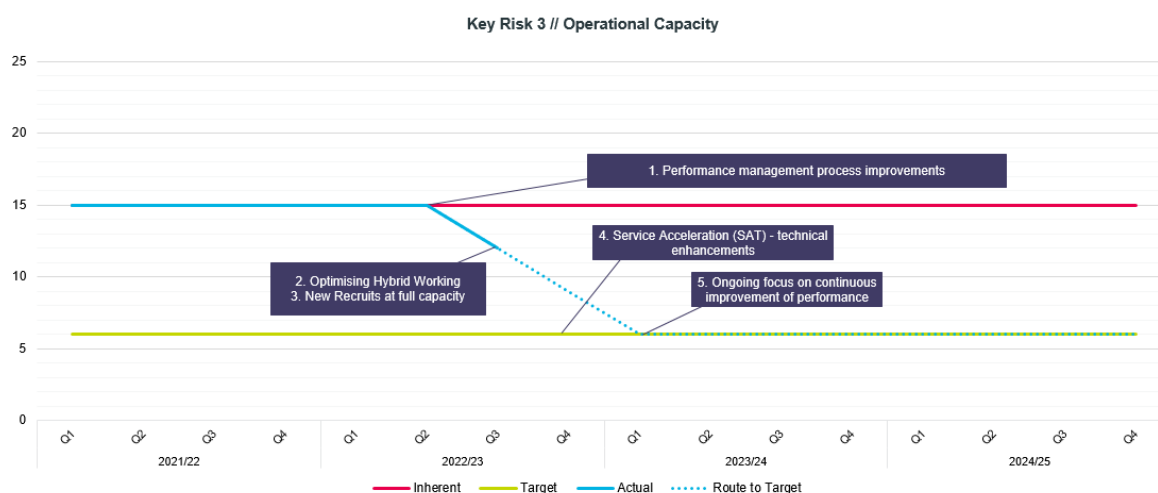
KRR reporting element 1 - RoS Key Risk Profile

6. KROs have reviewed their key risks and updated where appropriate risk descriptions, appetite, proximity, scoring, controls and assurance opinions. A summary of the KRR as at the date of this paper is at Annex 1. The 'Live' KRR will be available to RoS Board at its March 2023 meeting.

7. The annual EMT, ARC and Board risk workshop took place on 17 January 2023. A summary of the discussion is included at Annex 2. Outcomes will inform the review and re-shaping of a number of key risks across the course of the coming financial year.

KRR reporting element 2 – New/developing risks

8. Key Risk 3: Operational Capacity Route to Target was revised to reflect new recruits being at full capacity earlier than originally projected (previously projected for end of Q4). An additional change was made to the date of delivery for SAT Technical Enhancements to allow time for the KRO to receive assurance that a number of the changes are having the desired impact, including Settle UI (previously projected for end of Q3). Confirmation of this is expected within February, therefore, the overall route to target remains on track.



9. Key Risk 6 – Uncertainty of Future Business Model – the word uncertainty has been removed from the risk name following the annual risk and assurance workshop, and in anticipation of its further development in the coming period.

10. Key Risk 8 – Cyber Resilience - revisions to the Route to Target are underway to ensure all risk mitigations are captured and accurately reflected.

11. Key Risk 9 – Product Sustainability – revisions to the Route to Target are underway to ensure alignment to the SAT Roadmap and Product Sustainability Heatmap.

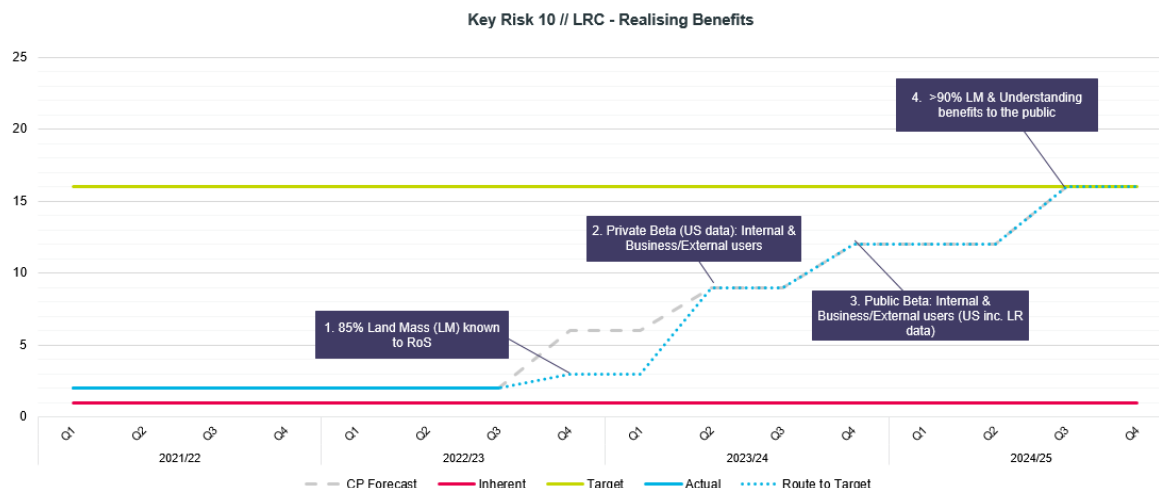
12. Key Risk 13 Relationship with SG scenario changed from:

“There is an opportunity to *develop* our strong and close relationship with SG and other stakeholders in which our role in underpinning the property market and adding value to the Scottish economy is recognised and supported”, to

“There is an opportunity to *maintain and enhance* our strong and close relationship with SG and other stakeholders in which our role in underpinning the property market and adding value to the Scottish economy is recognised and supported”.

KRR reporting element 3 - Risks trending away from target risk score / controls not delivering anticipated risk response

13. Key Risk 10 – LRC Realising Benefits route to target amended to reflect the expected increase in likelihood through successfully achieving the 85% land mass known to RoS target. Although we have the data we are not currently exposing this externally, therefore, we do not expect the increase in impact to be achieved until end of Q2 (23/24). This will result in the risk scoring increasing to 3 at the end of quarter 4 instead of the expected increase to 6.



Conclusion

14. RoS Board to review the KRR update at Annex 1 and note the Annual Key Risk & Assurance Workshop Summary at Annex 2, and consider the background, topic matter and recommendations in this paper for advice to the Keeper and EMT.

**Senior Enterprise Risk Officer
Corporate
14 February 2023**

RoS Key Risk Register Summary

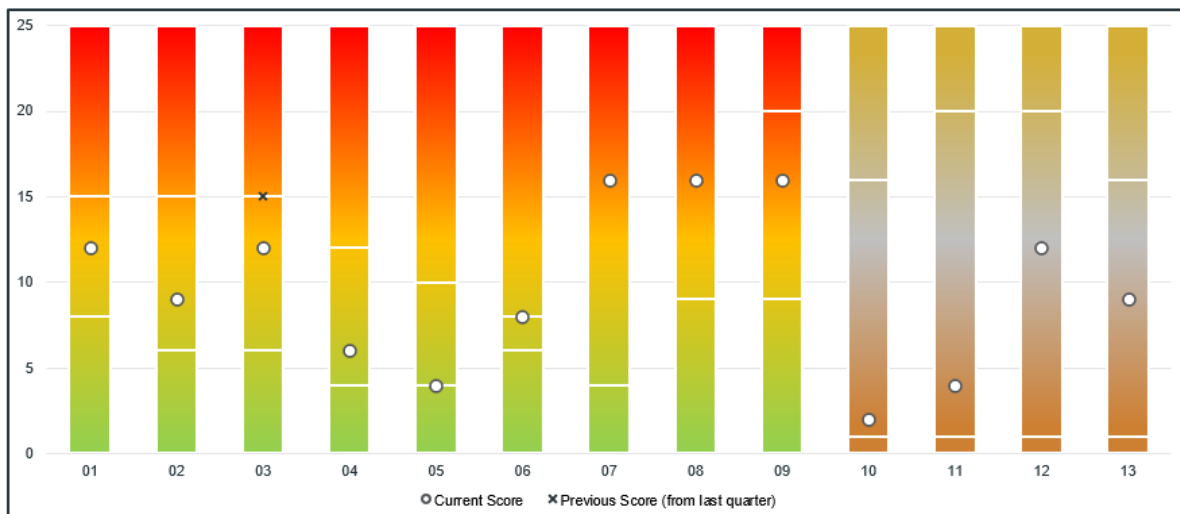
February 2023

Threats

1	Financial Health	Current Score 12	Target Score 8	
	Appetite : Cautious Response : Treat	-3 vs Inherent	0 vs Last Quarter	
2	Financial Capability	9	6	
	Appetite : Cautious Response : Treat	-6 vs Inherent	0 vs Last Quarter	
3	Operational Capacity	12	6	
	Appetite : Cautious Response : Treat	-3 vs Inherent	0 vs Last Quarter	
4	LRC - Ministerial Target 2024	6	4	
	Appetite : Minimalist Response : Treat	-6 vs Inherent	0 vs Last Quarter	
5	Public Trust in the Registers	4	4	
	Appetite : Minimalist Response : Tolerate	-6 vs Inherent	0 vs Last Quarter	
6	Future business model beyond 2024	8	6	
	Appetite : Cautious Response : Treat	+0 vs Inherent	0 vs Last Quarter	
7	People & Change	16	4	
	Appetite : Minimalist Response : Treat	-9 vs Inherent	0 vs Last Quarter	
8	Cyber Resilience	16	9	
	Appetite : Cautious Response : Treat	-9 vs Inherent	0 vs Last Quarter	
9	Product Sustainability	16	9	
	Appetite : Cautious Response : Treat	-4 vs Inherent	0 vs Last Quarter	

Opportunities

10	LRC - Realising Benefits	Current Score 2	Target Score 16	
	Appetite : Open Response : Take	+1 vs Inherent	0 vs Last Quarter	
11	Maximising Use of RoS Data	4	20	
	Appetite : Open Response : Take	+3 vs Inherent	0 vs Last Quarter	
12	Sustain and Improve Customer Experience	12	20	
	Appetite : Open Response : Take	+11 vs Inherent	0 vs Last Quarter	
13	Relationship with SG	9	16	
	Appetite : Open Response : Take	+8 vs Inherent	0 vs Last Quarter	



Annex 2 – Annual Key Risk and Assurance Workshop Summary

Key Risks

1. Key Risk 1 – Financial Health

- Recast the current risk to broaden out from a main focus on SG and re-assess on an annual cycle in line with the annual budgeting process
- Review causes to ensure they capture the causes relating to the SG uncertainty
- Incorporate the longer-term financial view in to, potentially, the future risk around our business model (2030)
- ERM to work with KRO to recast the current financial health risk and consider the longer-term financial position as a separate risk
- Next steps: review meeting scheduled for Friday 3rd February 2023 to pick up on points from the workshop

2. Key Risk 3 – Operational Capacity

- Agreement that progress reported including the controls on the Route to Target allow for the proposed reduction in likelihood score from Very High to High.
- KRO would like to revisit the controls on this risk and ensure we are more explicit in detailing the impact they are having on the various areas of the business. ERM to follow up.
- Next steps: review meeting scheduled for Tuesday 31st January 2023 to pick up on points from the workshop

3. Key Risk 7 – People & Change

- This risk will become 2 risks (time to be determined).
- Risk 1 will focus on the people and change we need for delivering between now and 2024. The target of 4 was noted as being difficult to achieve but not impossible.
- Risk 2 will focus on our future people needs including skills and attitudes. This risk is likely to have a higher risk score than risk 1.
- Diversity & Inclusivity – should this be called out as a Key Control or continue as a supporting control of the Employee Value Proposition? – there's an opportunity to consider how our Diversity & Inclusivity Policy can attract people to work for RoS.
- ERM to discuss timescale for identifying and assessing risk 2 with the KRO and follow up on the Diversity & inclusivity control.
- Next steps: review meeting scheduled for Monday 6th February 2023 to pick up on points from the workshop

4. Key Risk 8 – Cyber Resilience

- Noted that KRO would like to revisit the Route to Target for this risk.
- Challenge on whether the likelihood of this risk will ever reach Medium (3) as suggested.
- Potential to have a control (if not already in place) to ensure the threat level around cyber-attack is communicated (and understood) by the workforce.

- ERM to follow up with KRO.
- Next steps: review meeting scheduled for Monday 6th February 2023 to pick up on points from the workshop

5. Key Risk 6 – Uncertainty of Future Business Model Beyond 2024

- Remove the word uncertainty from the risk name.
- Agreement that this risk will change with the development of the 2030 business model.
- ERM to liaise with KRO to determine a timescale for fully assessing this risk.
- Next steps: review meeting scheduled for Tuesday 21st March 2023 to pick up on points from the workshop

6. Candidate New Risk – Climate Change

- Potential to frame as an opportunity for RoS to ensure we maximise our contribution to climate change.
- Potential to link this to the Employee Value Proposition as progress in this space may attract new employees.
- ERM to follow up with Accountable Officer.
- Next steps: initial meeting held with Accountable Officer who will become the risk owner. Further session arranged to fully identify the opportunity and controls (February).

Next Steps

7. As noted at the workshop itself, RoS key (strategic) risks remain relevant and appropriate moving into 23-24, when several will be managed to within target as the result of control implementation. Thereafter, during the second half of 23-24 and into 24-25, several risks will be re-shaped to align to the future direction of travel and objectives, with the strategic risks likely to look significantly different by 24-25.
8. From February 2023, enterprise risk colleagues will be working closely with Key Risk Owners (KROs) to track the necessary changes to key risks and to ensure that these remain aligned to the direction and objectives of the organisation as these develop over the coming year. Updates to strategic risks will continue to be communicated by KROs through the current corporate governance reporting arrangements.

<p>Senior Enterprise Risk Officer Corporate Directorate 15 February 2023</p>	<p>Head of Risk & Information Governance Corporate Directorate</p>
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