

Registers of Scotland

RoS Board

March 2022

Key risk register 2021-26 (KRR)

Purpose

1. The purpose of this paper is to provide RoS Board with an update on the KRR 2021-26 following EMT and Audit & Risk Committee (ARC) reviews and continuous Key Risk Owner (KRO) reviews.
2. The paper supports the board in fulfilling its role to provide strategic advice to the Keeper 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 the People & Change update at Annex 2 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) reporting format

5. The paper continues the 'reporting by exception' approach approved at the September 2021 RoS Board meeting, 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 KRR 2021-26
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)

Key risk register – reporting element 1

6. KROs have reviewed the KRR and updated 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 2022 meeting.

Key risk register – reporting element 2

7. The People and Change threat has been updated to include control effectiveness indicators (see red, amber and green indicators in Annex 2a). From this a 'route to target' has been identified (see Annex 2b) describing how and when the risk will reduce within appetite as controls are designed, developed and deployed.

8. The four 'route to target' controls are:

- a. sequenced to enable each to build on the capabilities or outcomes delivered by the preceding control
- b. being developed in parallel, with the first three providing the foundations for the fourth ('Employee Value Proposition' and organisational cultural change)

9. With these controls operating or ready to operate (in combination with existing controls) it is anticipated the People & Change threat that our workforce is not aligned to organisational needs up to and beyond 2024 will reduce and fall within risk appetite.

10. Progress towards target is monitored on a regular basis with the KRO and control owners, with exceptions reported to at EMT Corporate Governance and Board meetings. An ARC deep dive into the People & Change key risk is scheduled for September 2022.

Key risk register – reporting element 3

11. Existing risk responses for all key risks continue to deliver the expected risk reduction effects. The ongoing introduction of new controls and/or enhancements to existing controls is continuing as planned in each risk's 'route to target'.

Conclusion

12. RoS Board to review the KRR 2021-26 update, Annexes 1 and 2 and consider the background, topic matter and recommendations in this paper for advice to the Keeper and EMT.

**Head of Enterprise Risk Management
Corporate
17 February 2022**

Annex 1 – KRR Summary

Threats							
1. Financial Health	Current Score 8 ▼ 7 vs Inherent ↔ 0 vs Last Month	Target Score 4	Risk Appetite Minimalist	2. Financial Capability	Current Score 9 ▼ 6 vs Inherent ↔ 0 vs Last Month	Target Score 6	Risk Appetite Cautious
			Risk Response Treat				Risk Response Treat
3. Operational Capacity	Current Score 15 ▼ 0 vs Inherent ↔ 0 vs Last Month	Target Score 6	Risk Appetite Cautious	4. LRC - Ministerial Target 2024	Current Score 12 ▼ 0 vs Inherent ↔ 0 vs Last Month	Target Score 4	Risk Appetite Minimalist
			Risk Response Treat				Risk Response Treat
5. Public Trust in the Registers	Current Score 8 ▼ 2 vs Inherent ↔ 0 vs Last Month	Target Score 4	Risk Appetite Minimalist	6. Uncertainty of future business model beyond 2024	Current Score 8 ▼ 0 vs Inherent ↔ 0 vs Last Month	Target Score 6	Risk Appetite Cautious
			Risk Response Treat				Risk Response Tolerate
7. People and Change	Current Score 16 ▼ 9 vs Inherent ↔ 0 vs Last Month	Target Score 4	Risk Appetite Minimalist	8. Cyber Resilience	Current Score 16 ▼ 9 vs Inherent ↔ 0 vs Last Month	Target Score 9	Risk Appetite Cautious
			Risk Response Treat				Risk Response Treat
9. Product Sustainability	Current Score 16 ▼ 4 vs Inherent ↔ 0 vs Last Month	Target Score 9	Risk Appetite Cautious				
			Risk Response Treat				
Opportunities							
10. LRC - Realising Benefits	Current Score 2 ▲ 1 vs Inherent ↔ 0 vs Last Month	Target Score 16	Risk Appetite Open	11. Maximising Use of RoS Data	Current Score 4 ▲ 3 vs Inherent ↔ 0 vs Last Month	Target Score 20	Risk Appetite Open
			Risk Response Treat				Risk Response Treat
12. Sustain and Improve Customer Experience	Current Score 12 ▲ 11 vs Inherent ↔ 0 vs Last Month	Target Score 20	Risk Appetite Open	13. Relationship with SG	Current Score 9 ▲ 8 vs Inherent ↔ 0 vs Last Month	Target Score 16	Risk Appetite Open
			Risk Response Treat				Risk Response Treat

