

Strategic Risk Register

1 Purpose of the paper.

1.1 To provide the Board with an update on the management of the Strategic Risk Register (Annex A) as well as the on-going development and management of a new approach to the management of Strategic Risks.

1.2 The Board is asked to:

- **Discuss** the information provided in this report and within the Strategic Risk Register at Annex A, including the assessed levels of risk, direction of travel and action taken to mitigate any risks identified.
- **Note** a new strategic risk register is currently under development.

2 Strategic aims

2.1 This work supports all of the FSS Strategic outcomes.

3 Background




3.1 Corporate Risk and the associated Risk Registers have been the subject of regular discussion by both the Board and ARC following FSS vesting in April 2015. These discussions have resulted in the evolution of how risks are managed and reported within FSS, primarily as our early Strategic Risk Register was focussed on the risks associated with being a new organisation and undergoing significant organisational change. A full discussion on strategic risk took place with the Board in August 2016 and the Executive were tasked with developing a revised Strategic Risk Register following this discussion.

3.2 Strategic Risk Register was developed and then presented to the Board at its August 2016 meeting. The Strategic Risk Register has now become a fundamental part of day-to-day business within FSS.

3.3 Risk continues to be discussed monthly at ELT and Directorate level and quarterly at ARC in line with published FSS Risk Management Policy and Guidance. The Board held its annual discussion on strategic risk management in February 2021. The Board confirmed they were satisfied with the level of risk management being undertaken by the Executive, as well as agreeing that their risk appetite statement remained relevant and appropriate, and it should continue to be the baseline for any decision making on risk management issues.

4 Discussion

- 4.1 The Strategic Risk Register was last reviewed by the ARC in August 2021 where it was agreed that the risks detailed in table 3.2 will remain on the strategic risk register with the addition of the newly identified risks linked to the Strategy and Corporate Plan delivery. It was also agreed that the remaining 7 risks were de-escalated to the ELT risk register. The Board meeting on the 15th September supported the addition of the risks identified under the new strategy and this was further discussed at the Board seminar in October.
- 4.2 There are currently 3 risks on the Strategic risk register which have been properly assessed and scored, detailed below.

Risk	Current Score	Trend
<p>R1</p> <p>Event: Given the Market Access Principles set out in the Internal Market Act, the UK Parliament may legislate in a way that overrides FSS/SG policy as it might have automatic effect in Scotland.</p> <p>Cause: Internal Market Act discourages collaboration and due process as outlined in Common Frameworks and UK Ministers may choose to prioritise a trade/industry/deregulatory agenda ahead of a consumer-led one.</p> <p>Effect: Scrutiny by devolved parliaments for laws that would take effect in devolved administrations would be reduced; a deregulatory approach to safety and standards is applied in Scotland; legal challenge made for any unilateral measures taken in Scotland even where within SM (spell out SM) competence following FSS advice; levers available to FSS/Senior Managers to deliver strategies reduced; enforcement landscape made more complex; food and feed safety and standards traded off against consumer interest.</p>	<p>4*50 = 200</p>	<p>No changes since last report</p> 
<p>R2</p> <p>Event: Local Authorities fail to deliver food law controls as required by the Food Law Code of Practice.</p> <p>Cause: due to inadequate capacity and capability.</p> <p>Effect: leading to interventions being missed increasing the opportunity for unsafe food practices and opportunity of food fraud within food businesses.</p>	<p>3*50 = 150</p>	<p>No changes since last report</p> 
<p>R3</p> <p>Event: FSS unable to recruit sufficient veterinary personnel to deliver official Controls or service demand for export health certification</p> <p>Cause: UKG policies on recruitment of EU nationals hampers inflow of veterinary graduates to work in veterinary public health</p> <p>Effect: Inability to delivery meat Official Controls or complete export certification could impact the Scottish meat and fish sectors in their ability to produce and export their products.</p>	<p>4*25 = 100</p>	<p>No changes since last report</p> 

- 4.3 Since then FSS have continued to revise their approach to the presentation of Strategic Risks. This is still subject to ongoing work.
- 4.4 To provide addition governance and oversight of risks across FSS, a newly created Risk Management Forum (RMF) has been established, the inaugural meeting scheduled for 10th December 2021. It is intended that the 3 pre-existing risks (detailed above) and the 5 risks as identified in the 5 year Strategy will be considered and scored at the RMF and presented to ARC at a date thereafter.
- 4.5 In the meantime ELT continue to manage and monitor strategic risks as per the agreed Risk Management policy.

Strategic risk matrix

Impact	Multiplier	1	2	3	4	5	Total	Trend
Very High	50			R2	R1 R3		3	3
High	25						0	0
Medium	10						0	0
Low	5						0	0
	Multiplier	1	2	3	4	5		
	Likelihood	Rare	Low	Medium	High	Very High		

5 Conclusion/Recommendations

5.1 The Board is asked to:

- **Discuss** the information provided in this report and within the Strategic Risk Register at Annex A, including the assessed levels of risk, direction of travel and action taken to mitigate any risks identified.
- **Note** a new strategic risk register is currently under development.

Please direct queries to:

Ruth Dewar
Business Performance Reporting Officer
Ruth.Dewar@gov.scot
11th November 2021

Annex A

Equality Impact Assessment and Fairer Scotland Duty

- 1.1 Board members have asked that Equality Impact Assessments are included in board papers. From now on, board papers **must** include a section on Equality Impact Assessment (EQIA), whether it has been undertaken or if not the reason why it was not considered necessary/relevant. If you need to complete an EQIA, FSS has its own EQIA document which is included in the board paper guidance.
- 1.2 Board papers **must** now also include a section on the Fairer Scotland Duty. The aim of this duty is to help the public sector make better policy decisions and deliver fairer outcomes. FSS is named in the legislation and is subject to the duty. The Fairer Scotland process is different from the EQIA process. Please check the guidance, which is linked into the board paper guidance, and consider whether the Fairer Scotland assessment is necessary and include this section in the board paper. If you want to know more about the Fairer Scotland duty please refer to this link on Saltire:

<http://saltire/my-workplace/preparing-policy/Impact-assessments/Pages/Fairer-Scotland-assessment.aspx?pageid=5c284792-1d46-429a-a73d-cb2df2a55715>

Annex B

Options appraisal [if required]

This section, if required, should be relatively short, up to half a page.

- 1.1 [As above although there is likely to be more precise information e.g. the discussion above might consider the range in terms of resource implications (e.g. option 1 costs £x through to option 4 costing £y)]
- 1.2 [Text]

Annex C