

# Annual Review of the Strategic Risk Register and Strategic Issue Register

## 1 Purpose of the paper

- 1.1 To provide the FSS Board with an update on the management of the Strategic Risk Register (Annex A) as well as the ongoing development and management of a new Strategic Issue Register (Annex B) to aid the management of strategic issues.
- 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.
  - **Discuss** the information provided in this report and within the Strategic Issue Register at **Annex B**, including the assessed levels of issues, direction of travel and action taken to mitigate any issues identified.

## 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 over recent months. These discussions have resulted in a bespoke risk register template which was positively received by members of the ARC and FSS Board.
- 3.2 At the September 2022 ARC it was agreed that a Strategic Level Issue Register be developed to complement the Strategic Risk Register. Now, when a strategic risk has materialised, and mitigation to prevent the risk is no longer appropriate, the risk will transfer across to the Strategic Issue Register. It will also allow new strategic issues to be identified, managed and monitored at the strategic level.
- 3.3 Risks and issues continue to be discussed at Directorate Level and ELT for proposed escalation with subsequent review at the quarterly Strategic Risk Management Forum (SRMF) before submission to the ARC. This is in line with the FSS Risk Management Policy and Guidance.
- 3.4 The Strategic Risk Register has also been updated to include Integrated Assurance using the Three Lines of Defence Model. This helps to align and optimise FSS assurance with the management of risk and core business activities in line with the

risk appetite, and exists to support the ARC and The Board's risk oversight. This approach replaces the previous separate Assurance Mapping Exercises carried out by Branch Heads twice yearly.

3.5 The Three Lines of Defence Model includes the following:

- **First line:** contains the day-to-day arrangements that have been implemented to ensure risks are identified and managed
- **Second line:** oversees the first line via strategic measures or management
- **Third line:** comes from Internal Audit providing independent assurance

## 4 Discussion

4.1 The Strategic Risk Register was last reviewed by the Board 16 March 2022, where the new 7 strategic risks were agreed plus a recommendation to include an additional strategic risk on the war in Ukraine and the consequences of food and feed supply chains (**risk 1**). At the request of the 15 June 2022 Board meeting this risk has now been broadened in terms of food security.

4.2 The Strategic Risk Register was last reviewed by the ARC 07 September 2022, with the following recommendations agreed:

- The risk movement of **risks 3 and 6**, as requested by 08 June 2022 ARC and 07 Regulatory Strategy Programme Board, respectively.
- **Risk 3** be removed from the Strategic Risk Register, be broadened to an overall FSS Budget allocation issue and presented separately on a Strategic Issues Register with confirmation to the FSS board of this approach (now **Issue 1** on the Strategic Issue Register, **Annex B**).
- A request to consider a new risk on the Retained EU Law (REUL) Bill and potential implications for FSS.

4.3 As discussed at the 07 September 2022 ARC meeting, a new risk is being drafted to capture the risk implications, to FSS, of external policy pressures, such as the Retained European Union Law (REUL) bill. Due to the current uncertainty around REUL the proposed risk was discussed at the Strategic Risk Management Forum (SRMF) and is still subject to further consideration by FSS colleagues at DGG level. A paper, on Retained EU law, is also being presented to the Board meeting on 07 December 2022 for discussion and decision.

4.4 At time of writing the 30 November 2022 ARC meeting is yet to occur however the following recommendations are proposed (noted in **paragraphs 4.5 and 4.6**) and a verbal update at the 07 December 2022 FSS Board can be provided if required.

4.5 **Risk 6 (Figure 1)** has now effectively materialised and it is proposed this is escalated to the Strategic Issue Register for action and management.

**Figure 1**

Risk Description	Score
<p><b>PUBLIC SECTOR RESOURCING: Increasing pressures on Local Authorities and FSS result in a delivery model which lacks the resilience needed to meet future challenges.</b></p> <ul style="list-style-type: none"> <li><b>Cause:</b> The Public Sector has failed to invest in the training and supply of professional resource, mainly due to funding cuts.</li> <li><b>Event:</b> Local Authorities are unable to deliver food law requirements as prescribed in the Food Law Code of practice.</li> <li><b>Effect:</b> The demand for professionally qualified staff within Local Authority Environmental Health and Public Analyst Services far outstrips supply risking the ability to meet statutory food law intervention requirements.</li> </ul>	5*50 = 250

4.6 The SRMF also proposed that **risk 4 (Figure 2)**, be de-escalated to be managed at Directorate Level 3. This risk has changed in context and given the process changes at FSA/FSS, along with alignment, it would be better managed and rearticulated at Directorate Level.

**Figure 2**

Risk Description	Score
<p><b>Emerging Technology: Ensuring regulation and assurance keeps pace with new products and e-commerce and the expansion of online food markets.</b></p> <ul style="list-style-type: none"> <li><b>Cause:</b> FSS failure/inability to adapt and develop suitable regulatory responses or measures that keep pace with, and take account of changes in technology in the food chain or at point of sale etc.</li> <li><b>Event:</b> Divergent regulatory frameworks across the UK or regulatory frameworks in Scotland that are not fit for purpose and not based on science and evidence.</li> <li><b>Effect:</b> Lack of clarity for FBOs, industry, enforcers and consumers. Unintended consequences with regards to the operation of the Internal Market Act in Scotland</li> </ul>	3*50 = 150

## 5 Equality Impact Assessment and Fairer Scotland Duty

5.1 Completion of an Equality Impact Assessment and Fairer Scotland Duty Assessment are not required for this paper.

## 6 Conclusion/Recommendations

6.1 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.
- Discuss the information provided in this report and within the Strategic Issue Register at **Annex B**, including the assessed levels of issues, direction of travel and action taken to mitigate any issues identified.

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