



REPORT TO: Grampian Valuation Joint Board on 21 June 2019

SUBJECT: Risk Management

BY: The Assessor & ERO

1. Reason for Report

1.1 To advise the Board on the current risk management position.

2. Recommendation

2.1 The Board note the current version of the risk register and the plans for future reviews.

3. Background

3.1 The Board's Code of Corporate Governance requires the identification and prioritisation of risks to the Organisation's aims and objectives; the evaluation of the risks being realised and the resultant impact and finally the management of risks.

3.2 The Risk Register is subject to ongoing review with reports submitted to the Board on an annual basis.

3.3 Apart from ongoing reviews by individual risk owners, the Management Team, that meets regularly, has risk management as a standing item on its agenda.

4.0 Current Position

4.1 The strategic risk register that is provided as an appendix to this report was reviewed by the Management Team on 4 April 2019.

4.2 A summary of the risk status is provided in the table below.

Risk Rating	2014	2015	2016	2017	2018	2019
High	2	2	3	3	4	3
Moderate	4	4	3	3	3	3
Low	2	2	3	4	4	5
Tolerable	14	14	12	12	12	12
Obsolete	8	8	9	9	9	9
Total number of live risks	22	22	21	22	23	23

4.3 “High” level risks

- 4.3.1 The number of high level risks has been reduced from 4 to 3 over the last 12 months.
- 4.3.2 Risk 1g concerns the Banff server room environmental controls. Remote monitoring has continued over the last 12 months and whilst this is being refined, non-structural improvements are likely to be necessary to control this risk.
- 4.3.3 Risk 5e identifies the possibility of a strategic shift in the taxation ethos as a high level risk for the organisation. The Assessor has an active role in policy development and planning however ultimately the decisions made at government level will dictate outcomes in relation to this risk.
- 4.3.4 Risk 6c concerns the reliance on a small number of IT personnel and is difficult to mitigate to a degree that reduces the net risk to a moderate or low risk rating simply due to the size and resources of the organisation. The move towards externally supplied software solutions driven through the procurement action plan and supported by formal contracts/service level agreements has continued with the new electoral registration system going live on 1 April.

4.4 “Moderate” level risks

- 4.4.1 The number of risks with a ‘moderate’ overall rating has remained unchanged over the last 12 months.
- 4.4.2 Risks 5h and 5i concern business continuity planning and the introduction of electoral registration policy changes. The previously reported business continuity control measures that help reduce the risk to Moderate include full Public Service Network accredited IT health checks have now been supplemented with Cyber Essentials plus accreditation being achieved during the last 12 months.
- 4.4.3 Risk 6a identifies inadequate numbers of trained/skilled personnel being available to fulfil the statutory function of the Assessor & ERO. In common with many areas of professional practice in the NE Scotland public sector, this risk continues to challenge the management team and advice continues to be taken from the Treasurer and Moray Council Head of Personnel. Recruitment of qualified chartered surveyors is proving particularly challenging and current terms and conditions do not compete with those available in the private sector. This is driving the Management Team to review task allocation.

4.5 “Low” level risks

- 4.5.1 There is little change to the existing low level risks in the last 12 month period. Risk 5f (inadequate funding) was re-evaluated by the Management Team following the publication of the Financial Memorandum to the NDR (Scotland) Bill 2019. To maintain this risk rating the Board will need to ensure that it requisitions the necessary baseline funding and secures the additional NDR Reform funding identified in the the Financial Memorandum.

5.0 Conclusion

- 5.1 The identification, evaluation and control of risk are continuous processes and remain live issues for the Management Team and the organisation as a whole. The stability of the risk rating profile over time reflects the fact that the organisation is constantly improving controls to respond to the emergence of new threats and risks or the alteration of existing threats and risks. The risk register provides a useful risk evaluation tool, not only for the management and staff of the organisation, but also for Board members and officials, internal and external audit and the wider stakeholder community against a dynamic landscape of threat and risk.

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