

Registers of Scotland

RoS Board

14 March 2024

Key Risk Register (KRR)

Purpose

1. The paper provides an update on the KRR 2022-27 Year 2 following the January risk workshop, EMT and Audit & Risk Committee (ARC) reviews, and ongoing Key Risk Owner (KRO) review.
2. It supports the board in its role of providing strategic advice to the Keeper and in 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 content of the paper and the KRR summary at Annexes 1 and 2 and advise the Keeper and EMT on the update.

Background

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

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. Key Risk profile	Every Board meeting	Advice on strategic risk exposure as recorded in the KRR
2. New / escalating risks	As relevant	Advice on risk scenario assessments and/or the risk response (i.e. controls)
3. Risk response delays / controls not delivering anticipated risk response	As relevant	Advice on risk scenario assessments and/or the risk response (i.e. controls)

KRR reporting element 1 - Key Risk Profile

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

KRR reporting element 2 – New / Escalating Risks (x7)

7. KR1 Financial Health (Annual Performance) *
 - risk reassessed with increase in score from 8 to 12
 - income has been below forecast in several months from May to January and is expected to continue in the mid-low range
 - combination of additional and previously identified savings (predominately from DDAT directorate) will be required to achieve break even position
 - all options being kept under review by Finance team for action as required
8. KR8 Information Security*
 - route to target updated to make clearer that work to build capability and maturity (step 1, ongoing) enables a round of information security risk assessments (step 2, from now until Q3 24/25) and establishment of an information security 'risk baseline'
 - step 2 will identify risks under each information security control domain (e.g. physical security, access control) across RoS removing 'known unknowns' in the information security risk landscape
 - when step 2 is complete the Information Security key risk may close, replaced by continuous information security risk management at directorate level
9. KR10 Customer Satisfaction*
 - route to target updated to show (i) ETS alpha phase concluding and (ii) extension of CSAT citizen survey with results in Q1
 - ETS is anticipated to increase customer satisfaction offset by an anticipated decrease in CSAT results as the survey extends to a wider group
 - the extended CSAT survey results will be used to inform risk response activity to achieve the target score of 9
10. Key Risks 12 and 13 are being re-assessed as threats with ownership transferring to the Director for Customer & Business Development. This reflects EMT's view of the potential effect of our business development plans on the key risk profile. Once fully assessed these will be reported on in the usual way.
11. Key Risk scenario 12 changes from:

There is an opportunity to fully unlock the potential of RoS data and maximise its use, delivering increased value and benefits to RoS, our customers and the wider Scottish economy, *to*:

There is a threat that in pursuit of business development opportunities RoS fails to find a balance between over or under exploiting its data
12. Key Risk scenario 13 changes from:

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 and public sector is recognised and supported, *to*:

There is a threat that pursuit of Business Development opportunities has a negative impact on our relationships with SG and other stakeholders

13. Two new risks (discussed at the January risk workshop) are being assessed for inclusion in the KRR and to be provisionally owned by the Keeper. Draft scenario descriptions:

There is a threat that RoS fails to effectively engage with and influence Public Service Reform resulting in unintended consequences for our customers

There is a threat that RoS is unable to make the transition from delivering Corporate Plan 22-27 to pursuing the 2030 Vision

KRR reporting element 3 – Risk response delays / controls not delivering anticipated risk response (x2)

14. KR3 Operational Capacity ([link to progress against stretch plan](#)) *

- route to target updated with 1-quarter delay to automation of (i) RLP discharges (ii) securities and (iii) dispositions
- this was due to a combination of time required to overcome resource constraints, emerging complexity and delays in the earlier automation elements having a knock-on effect to the later elements
- risk reduction expected in Q4 will now happen in Q1 as automation releases AOs for upskilling
- with potentially lower market activity forecast in Q4 some AOs may be released for upskilling ahead of automation (noting the priority is extra capacity to settle more complex cases, with automation a means to that end)

15. KR11 LRC – Realising Benefits*

- route to target updated with 1-quarter delay (from Q2 to Q3 24/25) to the Public Beta 'data surfacing' platform (Internal & Business users)
- resources assigned to developing the platform are focussing instead on efforts to reduce open casework

*See Annex 2 for updated key risk routes to target

Conclusion

16. RoS Board to review the KRR update and consider the background, topic matter and recommendations in this paper for advice to the Keeper and EMT.

**Head of Enterprise Risk Management
Policy and Corporate Services
26 February 2024**

Annex 1 Key Risk Register Summary

Risk 1 // Financial Health (Annual Performance)

There is a threat that RoS is unable to break-even on an annual basis. (*excludes ringfenced budgets)*

Category : Financial
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
15 (High)	12 (Moderate)	8 (Moderate)

Owner : Dir. of Policy & Corporate Services +4 vs Last Quarter

Risk 2 // Financial Sustainability (Longer Term)

There is a threat that RoS is unable to achieve financial sustainability over the medium (3 years) to longer term (5 years).

Category : Financial
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
20 (Very High)	12 (Moderate)	8 (Moderate)

Owner : Dir. of Policy & Corporate Services +3 vs Last Quarter

Risk 3 // Operational Capacity

There is a threat operational capacity is insufficient to substantially reduce open casework and deliver Corporate Plan objectives.

Category : Operations
 Appetite : Minimalist
 Response : Treat

Inherent	Current	Target
15 (High)	12 (Moderate)	4 (Low)

Owner : Dir. of Policy & Corporate Services (temp.) No change.

Risk 4 // People & Change (2023-26)

There is a threat that our people are not ready to deliver the step change in productivity required to substantially reduce open casework. (*including attitudes, skills, behaviours)*

Category : People
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
15 (High)	15 (High)	6 (Moderate)

Owner : Dir. of People No change.

Risk 5 // Public Trust in the Registers

There is a threat of loss of public trust in the keeping of the registers.

Category : Reputational
 Appetite : Minimalist
 Response : Tolerate

Inherent	Current	Target
10 (Moderate)	4 (Low)	4 (Low)

Owner : The Keeper No change.

Risk 6 // Future business model beyond 2024

There is a threat that insufficient strategic thinking and prioritisation of strategic objective 1 will inhibit our ability to realise our long-term vision and respond strategically beyond 2024.

Category : Strategy
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
16 (High)	16 (High)	6 (Moderate)

Owner : The Keeper No change.

Risk 7 // People & Change (2021-2024)

Merged with Key Risk 4
People & Change (2023-26)

Risk 8 // Information Security

There is a threat that our information security is compromised, significantly impacting the confidentiality, integrity and availability of the registers and services provided by Registers of Scotland.

Category : Security
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
25 (Very High)	16 (High)	9 (Moderate)

Owner : Dir. of Digital, Data and Tech. No change.

Risk 9 // Product Sustainability

There is a threat that our residual technical debt is not managed resulting in unexpected business disruptions and failure to realise benefits from digital investment and replacing legacy obsolescence.

Category : Technology
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
20 (Very High)	16 (High)	9 (Moderate)

Owner : Dir. of Digital, Data and Tech. No change.

Risk 10 // Customer Satisfaction

There is a threat to customer satisfaction from initiatives to reduce open casework

Category : Reputational
 Appetite : Cautious
 Response : Treat

Inherent	Current	Target
15 (High)	15 (High)	9 (Moderate)

Owner : Dir. of Customer and Business Development No change.

Risk 11 // LRC - Realising Benefits

There is an opportunity to realise benefits for RoS, our customers and the wider economy from work to complete the Land Register.

Category : Information

Inherent	Current	Target
1 (Low)	9 (Moderate)	16 (High)

Appetite : Open

Response : Take

Owner : Dir. of Policy & Corporate Services No change.

Risk 12 // Maximising Use of RoS Data

There is a threat that in pursuit of business development opportunities RoS fails to find a balance between over or under exploiting its data

Category : Information

Inherent	Current	Target
12 (Moderate)	12 (Moderate)	6 (Moderate)

Appetite : Open

Response : Treat

Owner : Dir. for Customer and Business Development No change.

Risk 13 // Business Development & Relationship with SG

There is a threat that pursuit of Business Development opportunities has a negative impact on our relationships with SG and other stakeholders

Category : Commercial

Inherent	Current	Target
TBC	12 (Moderate)	TBC

Appetite : 0

Response : 0

Owner : Dir. for Customer and Business Development No change.

Risk 14 // Sustain and Improve Customer Experience

Risk Closed

Risk 15 // DRAFT Public Service Reform (PSR)

Category : Strategy

Inherent	Current	Target
TBC	TBC	TBC

Appetite : Cautious

Response : 0

Owner : The Keeper No change.

Risk 16 // DRAFT Post-2026 Transition

There is a threat that RoS is unable to make the transition from delivering Corporate Plan 22-27 to pursuing the 2030 Vision

Category : Strategy

Inherent	Current	Target
TBC	TBC	TBC

Appetite : Cautious

Response : 0

Owner : The Keeper No change.