



Agency Board Meeting 24 July 2012

Board Report Number: SEPA 24/12

Risk Management Annual Review

Summary:	<p>Throughout 2011/12, the Corporate Risk Register continued to be reviewed. This paper details changes to the Register of Risks and the reasons for these changes, along with other matters of significance during the year. The paper also details SEPA's risks categorised by influences and assesses the change in risk levels once all mitigating actions are taken.</p> <p>This report was reviewed by the Audit Committee at its meeting of 26 June 2012.</p>
Risks:	Contained within the report.
Financial Implications:	None
Staffing Implications:	None
Environmental and Carbon Impact:	None
Purpose of the report:	For approval
Report Author:	Kim Grant, Business Support Manager, Finance & Corporate Services John Ford, Director, Finance & Corporate Services
Appendices:	<ol style="list-style-type: none"> 1. Risks deleted from Corporate Risk Register during 2011/12 2. Risks added to Corporate Risk Register during 2011/12 3. Risks both added to and deleted from Corporate Risk Register during 2011/12 4. Risks where Residual Risk Level changed during 2011/12 5. SEPA's Risk Register as at 31 March 2012 6. Risks categorised by internal/external and known/new influences and a matrix comparing current likelihood/impact of risks against the outcome once all mitigating actions have been taken.

Risk Management Annual Review

1. Introduction

- 1.1 SEPA's Risk Management procedures ensure that all Risks are regularly reviewed by the Risk Management Group. This report advises current risk status of risks added to, and deleted from, SEPA's Corporate Risk Register during 2011/12, along with other matters of significance during the year.
- 1.2 Management of Risk is reported quarterly to the Agency Management Team (AMT) and annually to SEPA's Audit Committee and Board.
- 1.3 While managing Risk in SEPA, a range of reports are researched to identify potential corporate risks. These reports include, for example, the Annual Operating Plan, Board Minutes, monthly and quarterly Performance Reports, Audit Reports, Directorate Risk Registers. From the research to 31st March 2012, 20 issues were identified as potential corporate risks. Of these, seven were added to the Corporate Risk Register as detailed in Section 2.2 of this paper. Details of the remaining thirteen potential risks are given in Section 2.6.
- 1.4 The Risk Management Group also reviews Directorate, Change Programme and Project Risk Registers every six months to ensure that these areas of SEPA are carrying out comprehensive Risk Management and reporting activities. From the 2011/12 review, all are following the corporate guidance and approach to risk management
- 1.5 A copy of SEPA's Risk Register, as at 31st March 2012, is shown at Appendix 6.

2. Amendments to Risk Register

2.1 Seven Risks were deleted from the Risk Register in the period April 2011 to March 2012

- Risk 1.24, Management of Absences
- Risk 1.31, Out of Hours Support for Blackberries
- Risk 1.27, SEPA Funding Model – this risk is now shown under 1.1
- Risk 1.29, Increasing Costs of Fuel
- Risk 1.15, Greening SEPA
- Risk 3.5, Air Hazards Emergency Response
- Risk 1.30, Motor Insurance

Details of these Risks are given at Annex 1.

2.2 Seven new Risks were added to the Risk Register in the period April 2011 to March 2012

- Risk 1.33, Strathclyde Park Loch, Water Sports
- Risk 1.34, Climate Change – Public Bodies Duties
- Risk 1.36, Environmental Legal Compliance
- Risk 1.39, SEWeb LIFE+ Funding
- Risk 1.40, Quality of Data and Analysis Released
- Risk 1.41, Third Party Claim for Expenses
- Risk 1.42, Emergency Access to Buildings Out of Hours

Details of these Risks are given at Annex 2.

2.3 **Four Risks were both added to, and deleted from, the Risk Register during the period April 2011 to March 2012**

- Risk 7.3, Communications, Resignation of the CEO
- Risk 1.35, MOU Scottish Water/SEPA
- Risk 1.37, Gauging Station Leases
- Risk 1.32, Euratom Article 35 Reporting

Details of these Risks are given at Appendix 3.

2.4 **Five Risks had changes made to their Residual Risk level during the period April 2011 to March 2012**

- Risk 1.32, Euratom Article 35 Reporting
- Risk 1.29, Increasing Costs of Fuel
- Risk 1.33, Strathclyde Park Loch, Water Sports
- Risk 1.30, Motor Insurance Database
- Risk 1.38, Industrial Action

Details of these Risks are given at Appendix 4.

2.5 **Risks Being Carried Forward for Ongoing Review in second half of 2011/12**

Of the 20 potential Risks reviewed in the period April 2011 to March 2012, seven were added to the Corporate Risk Register as detailed in section 2.2 of this report.

2.6 **Not Added to Register**

The 13 remaining potential risks, which were researched and found either not to be corporate risks, or were potential risks, which were being managed effectively and did not represent a corporate risk to SEPA were:

- Staff changes – potential risk of vandalism
- Report at least 90% of samples within agreed timescales
- Requirement for significant work on environmental standards and ecological assessment methods in 2011
- AHER vehicle security and insurance
- EU services directive
- Landfill sites
- Data protection issues – website information requests
- CEH data – flood maps
- Information released – FOI enquiry
- Timeliness of legal instructions
- Relationship management – Fishpal
- Science helpdesk
- Staff appraisals

3. **Other Information**

3.1 SEPA has taken a comprehensive approach to Risk Management which is carried out at every level in the organisation. Each Directorate, and the Chief Executive's Office, have a Risk Register which is considered at least quarterly by the Directorate Management Teams. For some of the larger departments in Directorates, departmental Risk Registers are also maintained.

In addition to the Directorate Risk Registers, each SEPA Change Programme manages risk, using the corporate guidelines, and maintains a Risk Register which is addressed

regularly by the respective Programme Boards. All SEPA projects, managed through the Project Management Office, also manage risk and maintain Risk Registers in line with corporate guidelines.

Risk Registers for Directorates, Change Programmes and Projects are reviewed by the Corporate Risk Management Group half yearly.

3.2 A range of other information on SEPA's current risks is provided at Annex 5. These are:

- A diagram showing how risks can be categorised into four main quadrants, defined by whether the risk is influenced by internal, or external events/controls, and whether it is stable or changing/new
- SEPA's current risks entered onto the quadrant diagram
- A note of how SEPA's risks are assessed for Likelihood and Impact against a 5x5 matrix
- SEPA's current risks, entered onto the likelihood/impact matrix, show current gross risk compared to how they would move (residual net risk) once all risk mitigating actions are taken. This assists in determining if the costs/resources used are reflected in the reduction in likelihood/impact.

4. Recommendations

4.1 SEPA Board is asked to **note** SEPA's Risk Management Annual Review for financial year 2011/12.

Kim Grant
Business Support Manager, Finance & Corporate Support

John Ford
Director, Finance & Corporate Services

Date: 7 July 2012

Risks Deleted from Register

Annex 1

Ref	Risk	Reasons for Deletion	Residual Risk
1.24	Management of Absences	<p>This Risk was identified under three headings, Governance; Strategy and Planning and Risk Assessment. For each of these, the actions have completed:</p> <p>2.1.1 Governance: National H&S Committee in place and Constitution agreed, Directorate and Office Groups in place. Roles and responsibilities included in employee appraisal. Objectives and competencies developed and H&S Policy reviewed</p> <p>2.1.2 Strategy & Planning: Revised H&S Strategy agreed by AMT</p> <p>2.1.3 Risk Assessment: Audits underway and monitoring in place</p>	Low
1.31	Out of Hours Support for Blackberries	There was an issue with out of hours cover for Blackberries which could impact on staff and Directors. Since being added to the Corporate Risk Register, additional IS staff have been trained to provide cover, a user guide prepared, standard messages configured and monthly security reports are in place.	Low
1.27	SEPA Funding Model	It was agreed that this Risk would now be included, monitored and managed as part of the Better Regulation programme. Reviews of this Programme Risk Register are carried out regularly and reported under Risk 1.1(b) Non Delivery of Change Programmes.	Medium
1.29	Increasing Costs of Fuel	Following a review, there were no indications that the increasing costs of fuel were causing issues at SEPA, either in terms of own vehicle use, or increased demand on pool vehicles	Medium
1.15	Greening SEPA	Only one target set was not being achieved, and there were no mitigating actions that could be taken to achieve this by the deadline. The risk was therefore accepted.	Medium
3.5	Air Hazards Emergency Response	This project was completed and AHERS moved into business as usual	Low
1.30	Motor Insurance	All drivers identified, and insurance documentation audited, on an ongoing basis	Medium

Note: Risk Register information is as at 31st March 2012

Risks Added to Register

Annex 2

Ref	Risk	Date Added	Notes	Current Residual Risk Level
1.33	Strathclyde Park Loch, Water Sports	July 2011	SEPA is currently monitoring and reporting to stakeholders on the occurrence of algal blooms in Strathclyde Park Loch where many water sports of national significance are due to be held, including the Commonwealth Games in 2014. There is a substantial reputation risk for SEPA (and wider), if the events are disrupted due to algal blooms. In addition, the proposed replacement for Strathclyde Park Loch is near Polmadie Burn, which has issues with chromium levels.	High
1.34	Climate Change – Public Bodies Duties	September 2011	<p>In SEPA's AOP for 2011/12 there is a target which is based on the Climate Change Scotland Act:</p> <p><i>Develop an approach to identify and influence the reduction of greenhouse gas emissions through:</i></p> <ul style="list-style-type: none"> i • SEPA's regulatory duties; i • supporting low carbon innovation and new technologies; i • providing advice on sustainable business practices. <p>There is now concern about whether this can be delivered and reported on annually from 2011/12.</p> <p>(Note: Added from S&S Risk Register)</p>	Medium
1.36	Environmental Legal Compliance	Nov 11	SEPA is non-compliant in terms of the disposal of electronic and electrical equipment. All main regimes now need to be tested	Medium
1.39	SEWeb LIFE+ Funding	Jan 12	The Risk is that this large programme of work, which has attracted European funding, will not be compliant with EU funding controls and documentation, will not complete the activities in the required timescales, and/or that EU funds will not be awarded, or drawn down, at the level budgeted by SEPA.	Medium
1.40	Quality of Data and Analysis Released	Jan 12	There appears to be no system for checking and maintaining data released to Intranet and Web. There have been two recent incidences of incorrect data being released, and there is an issue with out-of-date data on the website.	High
1.41	Claim for Expenses	Jan 12	SEPA have received notice of a potential claim in respect of a Planning Appeal by Welbeck Estates Limited.	Medium
1.42	Emergency Access to Buildings out of hours	Jan 12	SEPA does not have a structured response to out of hours building alarm events and, therefore, these are not responded to	Medium

Note: Risk Register information is as at 31st March 2012

Risks Added to and Deleted from Register within year 2011/12

Annex 3

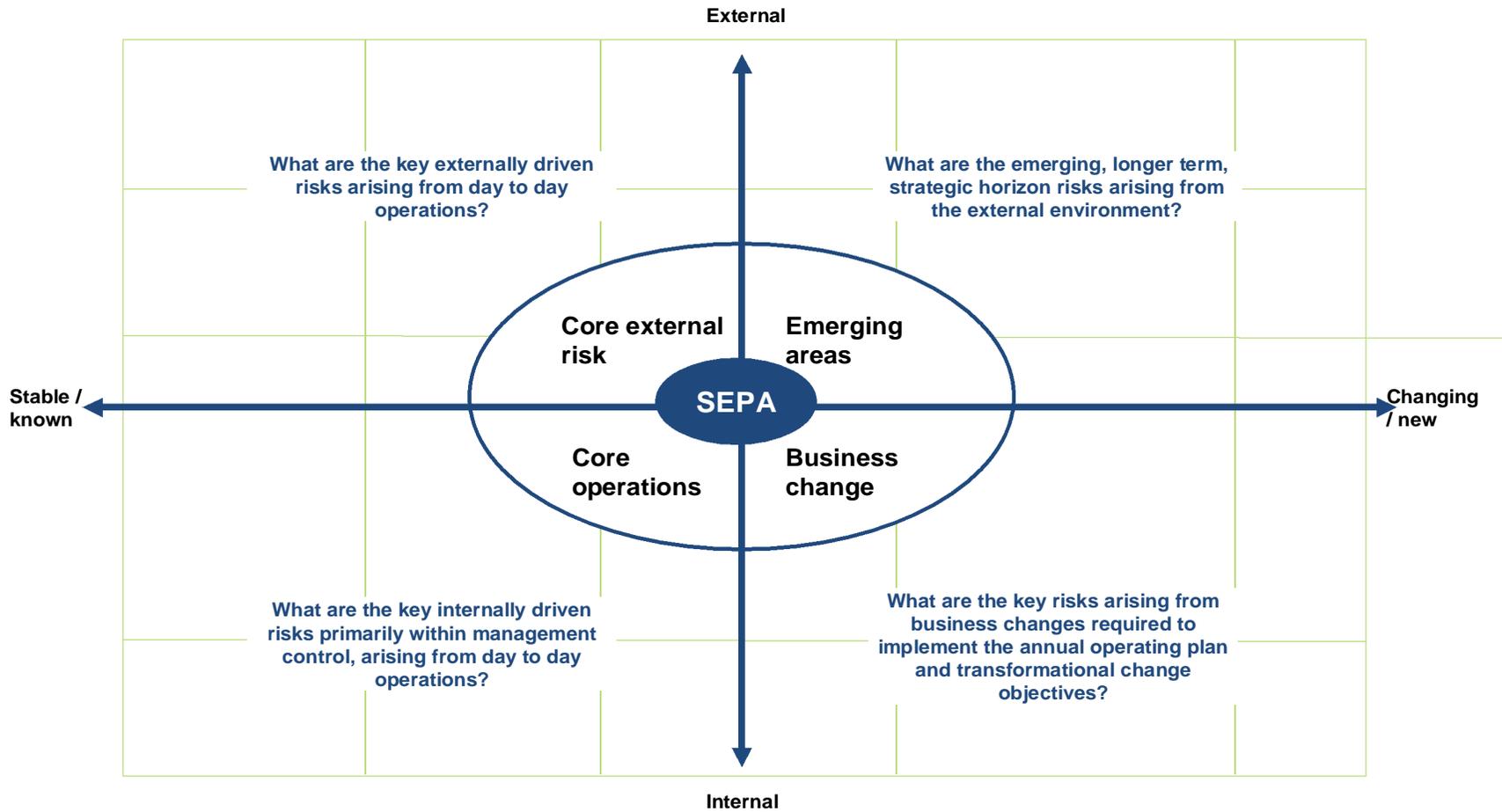
Ref	Risk	Date Added/ Deleted	Reasons for Addition/Deletion	Residual Risk
7.3	Communications	Sep 11 Dec 11	<p>The resignation of the CEO, and the process of recruiting a successor, represents a risk to SEPA's reputation and operational effectiveness.</p> <p>Risk deleted as a sub risk of the Communications Risk following appointment of new CEO in December 2012.</p>	Medium
1.35	MOU Scottish Water/SEPA (Enabling Sustainable Growth in Scotland)	Sep 11 Jan 12	<p>There are technical issues in relation to the revision of the regulatory method on Allocating Environmental Capacity. This will have the effect of SEPA not delivering its obligation under the Scottish Water/SEPA MOU and not meeting its service level commitments under the Planning Reform project on time.</p> <p>The technical issues were addressed, and the final handover of data undertaken in Jan/Feb 2012.</p>	Medium
1.37	Gauging Station Leases	Sep 11 Feb 12	<p>SEPA has been served notice by the landowner of one of its key gauging stations. The current landowner wishes to market the site. The leases held by SEPA are known as 'personal rights', which makes it easier to evict SEPA, and new landlords are not required, in law, to recognise the lease. The more normal leasing rights are 'real rights'. 'Real rights' give a tenant protection, regardless of any change of landlord.</p> <p>Legal advice was that rights given in Flood Risk Management (FRM) legislation are sufficient to maintain gauging station leases.</p>	Low
1.32	Euratom Article 35 Reporting	Jul 11 Mar 12	<p>Euratom Article 35 Reporting requires that data is provided annually to Europe by the UK Government. The Scottish Government, on behalf of the UK Government, has tasked SEPA with providing this data. However, it has not been provided for the past 3 years. Failure to continue to do so could lead to infraction proceedings being brought against the UK.</p> <p>By January 2012, an internal appointment had been made, and by March 2012, all data had been provided.</p>	Medium

Note: Risk Register information is as at 31st March 2012

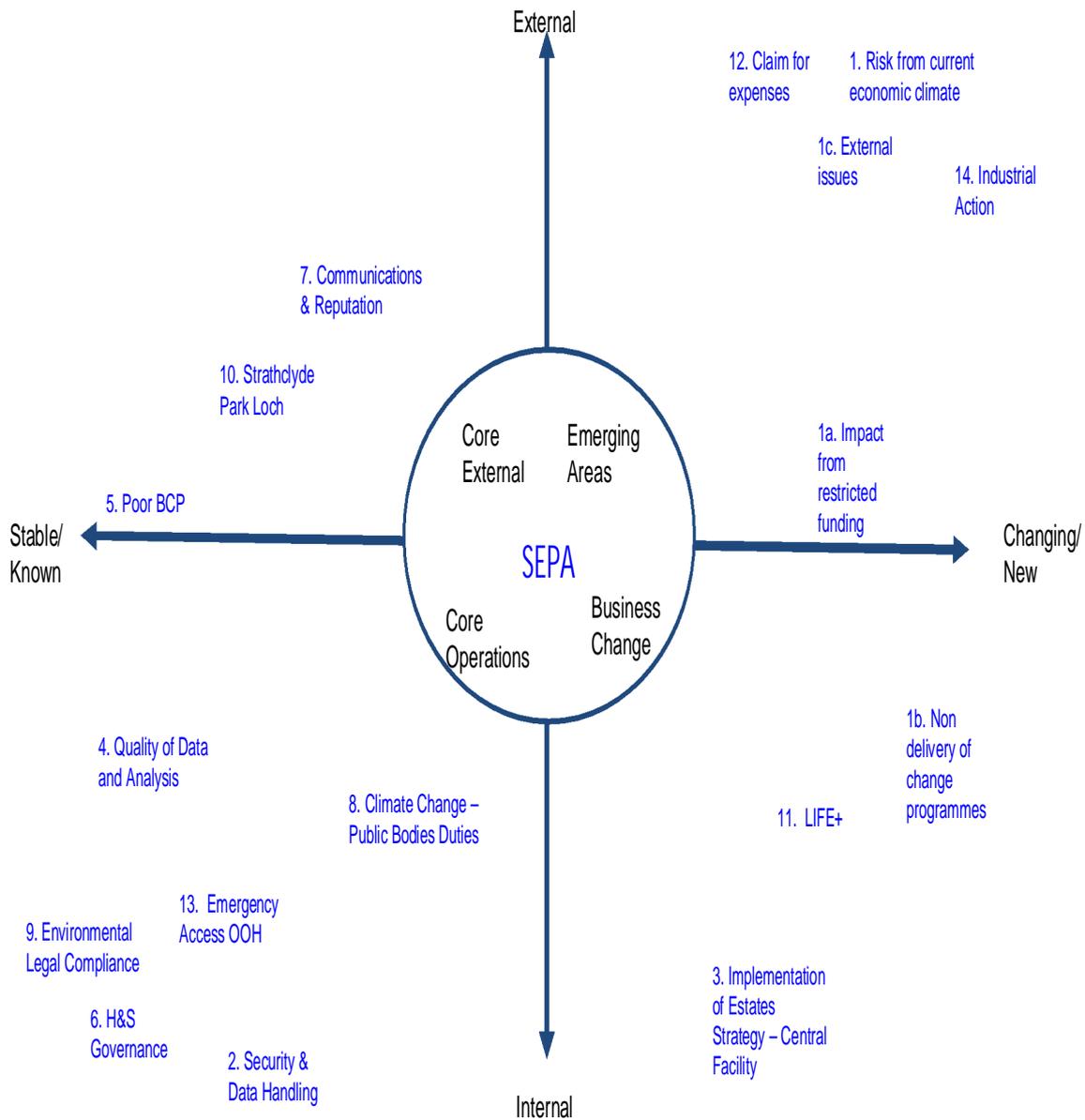
Changes made to Residual Risk Level**Annex 4**

Ref	Risk	Reasons for Deletion	Residual Risk
1.32	Euratom Article 35 Reporting (cont)	New appointment made from January 2012 to input, verify and submit all data	High to Medium
1.29	Increasing Costs of Fuel	The initial indications are that the use of pool, and hire cars, has not increased noticeably and there is no effect on staff carrying out their duties using their own vehicles.	High to Medium
1.33	Strathclyde Park Loch, Water Sports	Mitigation strategy developed with key players, including Scottish Water, Centre for Ecology & Hydrology and others. Funding is available. Lessons learnt elsewhere also being incorporated.	High to Medium
1.30	Motor Insurance Database	Action taken includes recording and auditing driver declarations and insurance documents. Only outstanding action is confirmation that audit processes deliver the required data.	Medium to Low
1.38	Industrial Action	Action had limited impact, and more action in the immediate future looks unlikely.	High to Medium

Annex 5



SEPA Risk Assessment

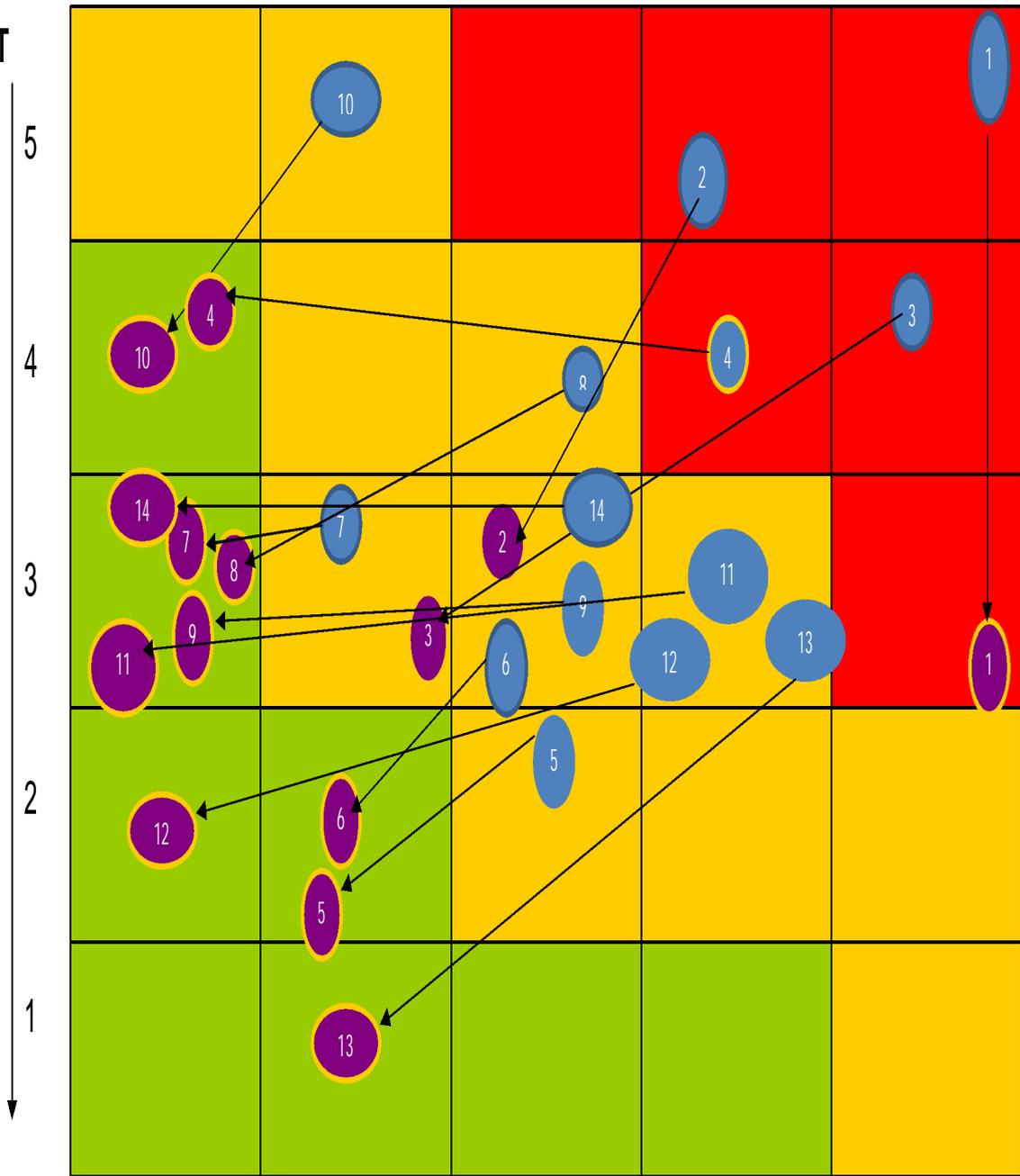


Event is expected to occur in most circumstances	Almost Certain (multiple in 12 months)	5	Likelihood									
								Impact				
Event will probably occur in most circumstances	Likely (once in 12 months)	4						1	2	3	4	5
Event should occur within a 3 year period	Possible (once in 13 months – 3 years)	3						Insignificant	Minor	Moderate	Major	Catastrophic
Event could occur at sometime	Unlikely (once in 3 - 10 years)	2										
Event may only occur in exceptional circumstances	Rare (once in > 10 years)	1										
Finance/Property	[< £25k net] No effect on property	[£25k - £100k net] Small sized property Loss/damage	[£100k - £250k net] Moderate sized Property loss/ damage	[£250k - £500k net] Significant property Loss/damage	[> £500k net] Major property Loss/damage							
Reputation	Negative feedback but no loss	Negative local media cover leading to some loss	Substantive negative local media coverage leading to a moderate loss	Short-term national negative media coverage leading to major loss	National media coverage leading to substantial loss							
Operational/Systems	Minor impact that can be remedied quickly and locally	Some impact on small area of SEPA to carry out function Minor system loss/damage	Degrades capability of part of SEPA to carry out function Single essential system loss/damage	Significantly degrades capabilities of sub areas of SEPA to carry out functions Major system loss/damage	Severe disruption to SEPA with loss of ability to carry out major SEPA functions) Loss of all or many of SEPA systems							
Legal/H&S		Minor legal infringement First aid treatment	Threat of legal action Medical treatment required	Probable court action including fines Hospitalisation	Breach of regulation which will result in court action including fine. Loss of life							

LIKELIHOOD SEPA 24/12

1 2 3 4 5

IMPACT



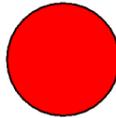
● Current Gross Risk

● Net Risk

- | | |
|--|-----------------------------------|
| 1. Risk from current economic climate | 8. Climate Change – Public Bodies |
| 2. Security & Data Handling | 9. Environmental Legal Compliance |
| 3. Implementation of Estates Strategy – Central Facility | 10. Strathclyde Park Loch |
| 4. Quality of Data & Analysis Released | 11. LIFE+ |
| 5. Poor Business Continuity Planning | 12. Claim for Expenses |
| 6. Health & Safety | 13. Emergency Access Out of Hours |
| 7. Communications & Reputation | 14. Industrial Action |

SEPA 24/12

SEPA Corporate Risk Register as at 31st March 2012
Section 1: Residual Risk Residual Risk High



Ref No	Risk Number	Date Added	Outcome	Risk Title	Likelihood/ Impact	Key Causes	Consequences/ Effect	Risk Option ¹	Current Controls/ Actions ²	Update on Actions	Risk Owner	Net Risk ³	Update Due
1.1	1.1	Sep 04	SEPA is a high performing organisation	Risk from current economic environment	5 (high) 5 (high)						James Curran	Likelihood High Impact High	30 Jun 12
	1.1(a)	Risk revised Feb 11		Impact from restricted funding/ Need for efficiencies		Funding restricted over 4 years		Treating	<u>Directive</u> Identify and release savings	<u>Introduction</u> SEPA has achieved the level of efficiencies required over the 3 years to 2012/13. However, it is likely that further efficiencies will be required for 2013/14 and this will be considered further and the necessary plans put in place.			
	1.1(b)	Risk revised Feb 11		Non delivery of Change Programmes		SEPA, as a risk adverse organisation may fail to realise benefits of change programmes. Also potential for divergent goals and/or unclear outcomes and objectives between programmes to affect achievement	Failure to deliver change and as a consequence: - Reputation damage - Failure to deliver central government policy and meet stakeholder needs/ expectations - Not delivering Best Value - Reputation if unable to deliver if there are problems - Potential financial risk - Increased cost - Not achieving Best Value - Future change opportunities limited by actions - Failure to future proof SEPA - Affects delivery of change programmes - Failure to realise benefits of programmes	Treating	<u>Directive</u> Carefully integrate and manage programmes of change	<u>Savings and Voluntary Severance</u> The latest VS Scheme is now complete. <u>Change Programmes</u> A number of the savings will be released from the Change Programmes but these are likely to be achieved over the medium term. There is a review currently underway to determine if and when the Change programmes merge into a single Transformational Change Programme. Risk Registers for Change Programmes are reviewed by the Change Management Group half-yearly. The latest review was for Register to 31 st March 2012. <u>Transformational Change KPMG Audit – Phase 2</u> Completed and identified no serious risks to the programmes but did make 5 recommendations, 3 moderate and 2 low including: - Developing benefits plans for each Change Programme - Monthly programme reports formats to be reviewed and to include elements of good practice - Quarterly Challenge Days to be held for each programme and to include review of benefits - Close down reports to review benefits achieved - Appropriate project management templates to be consistent for all programmes Work on resolving these issues will be taken forward by the AMT.			

¹ Tolerating – No cost effective control, or risk is remote and can be adequately monitored

Transferring – Responsibility for delivery and risk management Transferring to 3rd party

Terminating – Activity to be closed down

Treating – Taking action

² Directive – Instructions/actions to ensure outcome is achieved

Preventative: Limit possibility of risk occurring

Detective: Clearly identifies occasions when Risk might occur and manages these

Corrective: Mitigation

³ Risk remaining if all actions completed

SEPA 24/12

Ref No	Risk Number	Date Added	Outcome	Risk Title	Likelihood/ Impact	Key Causes	Consequences/ Effect	Risk Option ¹	Current Controls/ Actions ²	Update on Actions	Risk Owner	Net Risk ³	Update Due
	1.1(c)			External issues		Impact of external issues and in particular proposed legislative change		Tolerating Treating	Preventative Ongoing work with Administration	<u>External Issues</u> There are external issues which may affect delivery. The most serious of these is if proposed legislative change is affected. This would affect delivery of the Better Regulation programme. <u>Summary</u> Pressure is being maintained to ensure that targets for 2012/13 onwards are achieved.			
	1.1(d)			Non-delivery of new Funding Model					Directive Develop a flexible Funding Model that meets SEPA's operational needs	A dedicated Funding Model team is in place. Options have been identified and a preferred model has been developed. Consultation has taken place with sponsor department and the options will be the subject of consultation with industry during the summer of 2012.			
1.2	1.19	May 08	SEPA is a high performing organisation	Security & Data Handling	4 (high) 5 (high)	Protection of SEPA data should be consistent with Government wide standards and policies which must be fully and correctly implemented. Unauthorised access to IS systems/data could have a damaging effect on business May be necessity to recover/ repair with substantial cost implications Reputation damage (both)	SEPA's systems and management processes do not meet the UK Government's requirements for holding classified material Unauthorised access to IS systems/data could have a damaging effect on business May be necessity to recover/ repair with substantial cost implications Reputation damage (both)	Treating	Preventative Security measures to be developed and implemented	SEPA has adopted the Scottish Government's Security Policy Framework (SPF). SEPA continues to work towards full compliance with the mandatory requirements of the SPF. Work on this is now part of business as usual and is the focus of work for SEPA's Information Security Officer. This is a long-term work stream which is heavily influenced by the overall direction of SEPA in terms of how it wishes to deliver its business and manage the current security risks. Further security risk assessments have been undertaken and the necessary Risk Management and Accreditation Document Sets have been produced, and others are planned where required. Through the staff appraisal scheme and the competency framework, SEPA has ensured that all staff have undergone stage 1 of the Cabinet Office data handling E learning package. Those members of staff who have been identified as information asset owners are required to undertake part 2 of this training and this is being arranged. SEPA is also in early discussions with Scottish Government re the sharing of further Information Asset Owner training material. It is planned that this will be in place by 30. June, 2012. The identification of information asset owners is a long-term issue and currently the Information Security Officer is working with colleagues from the Flood Act project on data classification which is the first step to understanding the assets. This work stream will be completed by 30 th June, 2012. . Information Security Policy and "Securing our Environment" were agreed at a meeting of the information Security group and the Security Forum. SEPA's Acceptable Use procedure is under review. The KPMG draft Audit supports that the mitigating actions for this Risk have been successfully implemented. The Audit Report made two minor recommendations.	Bill Lyons	Likelihood Medium Impact Medium	30 Jun 12

SEPA 24/12

Ref No	Risk Number	Date Added	Outcome	Risk Title	Likelihood/ Impact	Key Causes	Consequences/ Effect	Risk Option ¹	Current Controls/ Actions ²	Update on Actions	Risk Owner	Net Risk ³	Update Due
										work is underway with Directorate Management Teams, the outcome of which will be reported back to the Corporate Risk Management Group.			

						<p>report progress to AMT and H&S Committee</p> <p>Risk Assessment - Ensure all managers aware risk assessment process in place and that the assessments are being completed</p>			<p>Strategy & Planning: Revise H&S Strategy before approval by AMT. To have clear and measurable objectives, timescales and responsibilities. To be regularly monitored and achievements reported to AMT / H&S Committee</p> <p>Risk Assessment: Review planning for hazard identification, risk assessment and risk control procedure. All depart and unit managers to ensure risk assessments in place and reviewed 3 yearly. Risk assessments to be reviewed for accuracy and compliance</p>	<p>Complete Corporate implementation plan and recommendations for directorate planning and reporting aligned to H&S policy. These included Directorates developing and producing annual health and safety plans as part of directorate business plans. These will include performance indicators to ensure effective management of health and safety in relationship to directorate needs and priorities. Will be monitored and reported.</p> <p>Completing Risk assessment outstanding for review have been allocated appropriate business and corporate ownership. These are being updated on a prioritised basis and updates on progress will form part of the quarterly reports to H&S Committee</p> <p>This risk is being reviewed by Corporate Risk Group at its meeting in April 2012</p>			
2.3	7.3	Mar 10	SEPA is a high performing organisation	Communications and Reputation	2 (Medium) 3 (Medium)	<p>Enhanced public and media enquiries and reporting on potentially sensitive issues</p>	<p>Reputation Risk</p> <p>Risk that stakeholders will react</p>	Treating	<p><u>Preventative</u></p> <p>Manage internal and external communications</p> <p><u>Detective</u></p> <p>Manage political and related issues</p>	<p>A corporate Communications Strategy was agreed by the Agency Board in December 2011. The strategy specifically addressed the issues raised in the internal audit of communications, and in particular refers to a number of outputs from the strategy including the development of performance indicators, quarterly management, audience segmentation, digital communications and internal communications. Implementation of the communications strategy should therefore address fully the recommendations of the internal audit report</p> <p>In order to ensure that the actions in the Strategy are implemented and the risk fully addressed, Communications and Reputation will be the subject of a SEPASat in mid 2012.</p> <p>A second area of risk is that of internal communications and the results of SEPA's Staff Survey carried out in November 2011 are being analysed to determine if this is an issue. Outcomes of the assessment will be reported back to The Corporate Risk management Group</p>	<p>Mark Wells</p> <p>Donna Brodie</p>	<p>Likelihood Low</p> <p>Impact Medium</p>	30 Jun 12

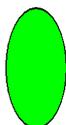
SEPA 24/12

2.4	1.34	Sep 11 via S&S Risk Register	Scotland is preparing for a sustainable future and is taking steps to limit climate change	Climate Change – Public Bodies Duties	3 (medium) 4 (high)	Resourcing issues – Climate Change Scotland Act	SEPA may be challenged on how it is carrying out its duties under the Act. This could then lead to negative publicity and reputation damage	Treating	Directive Corporate Action Plan to be developed and implemented	Some progress is being made. Approval from AMT for a paper explaining the links with SEPA's sustainability responsibilities and those under the public bodies duties, and an action plan Preparing a reporting document - delivering on the public bodies duties which is being presented to the Climate Change, Energy and Environmental and Clean Technologies Programme Board CCEECT Project Board on Monday 16 th April 2012 with the intention of publishing this if approved. This will reduce the risk of challenge. However, as of late April 2012, we will have a temporary gap in resource as our Climate Change policy member of staff is taking up a 2- year secondment, so will need to fill the post quickly to prevent slippage in performance.	Paula Charleston	Likelihood Impact Medium	30 Jun 12
2.5	1.36	Nov 11	Scotland's environment is protected and improving	Environmental Legal Compliance	3 (medium) 3 (medium)	Lack of clear evidence of compliance	Potential legal action Damage to Reputation	Treating	Directive A range of experts from Operations, e.g. Patrick McKell, will look at the main issues and seek compliance.	The legislation under which SEPA is itself carrying out activities subject to environmental requirements is contained in the legal register which is being used to prioritise a series of checks in addition to and in support of SEPA's internal audit team, who will use it, along with discussions with the relevant media leads, as a basis for undertaking a prioritised set of internal audits monitoring compliance. The action plan should be available by June 12. (Coordinated by Simon Fagan)	Paula Charleston (Fraser Lovell)	Likelihood Impact Medium	30 Jun 12
2.6	1.33	July 11	Scotland's environment is protected and improving	Strathclyde Park Loch, Water Sports	2 (low) 5 (high)	Algal blooms in Loch could have affect of water sports, including Common Wealth Games.	Reputation	Treating	Directive Need to work with other partners	Need for a mitigations strategy and further discussion with key players including Scottish Water, Centre for Ecology & Hydrology, Health Board and others. The Ecology report on cyanobacterial blooms has been completed and concluded that: <ul style="list-style-type: none"> i Cyanobacterial blooms will continue to be an issue unless action is taken. i Management options discussed in general terms. Will need both measures to reduce external nutrient load to achieve long-term objective and in-loch intervention to reduce the risk of disrupting Commonwealth Games triathlon event. The report recommends that: <ul style="list-style-type: none"> i SEPA and partners should draw up mitigation strategy to inform management plan. i Consultants should be engaged to advise on in-loch interventions. Money for external consultancy work (a scoping study) is available from the SEPA Restoration Fund and AMT have in principle approved spend for this purpose. i Management Plan to be in place by spring 2012 to allow 2 summers of trials before the Commonwealth Games. Plan also needs to include recommendations for monitoring. A Water Quality report is being drafted for local Ops by Ecology and will focus on catchment measures to	Organising Committee Commonwealth Games/ North Lanarkshire Council. Mitigation actions for SEPA to be reported through Roger Owen	Likelihood Impact High	30 Jun 12

										<p>reduce external loads of nutrients.</p> <p>SEPA Operations staff are keen to ensure that North Lanarkshire Council assume all responsibility for taking action as the loch's owners especially since SEPA would have to authorise any intervention.</p> <p>At a meeting with of the partners on 12th January, all agreed an action plan and the funding necessary to remedy the situation. On this basis the likelihood of this risk has been reduced from medium to low and it will be further reviewed over the coming months.</p>			
2.7	1.38	Nov 11	SEPA is a high performing organisation	Industrial Action	3 (medium) 3 (medium)	Strike called for 30 th Nov 11. This is unlikely to be the last strike action over the coming months	Impact on business	Tolerating Treating	<u>Detective</u> Need to consider systems and processes, communications and lessons learned	<p>Representatives from each Directorate have given positive feedback on the process implement by HR for the Nov 2011 strike action. This process will be used if there are any future industrial disputes.</p> <p>HR advise that there is no reason to believe that there will be strike action in the near future. However, there is still the risk from other industrial action short of a strike which might be taken in SEPA. The effects must be mitigated and business continuity, single points of failure etc., are now being identified to ensure that SEPA has sufficient management actions in place.</p>	Jennifer Russell Carol Johnston	Likelihood Low Impact Medium	Strike Risk Closed 30 Jun 12
2.8	1.39	Jan 12	Scotland's environment is protected and improving	LIFE+ Funding	3 (medium) 3 (medium)	<p>Non-compliance with EU funding guidance, controls and documentation retention and marking</p> <p>SEPA does not complete the activities required in the timescales necessary</p> <p>EU funds are not awarded and or drawn down to the levels that SEPA have budgeted for, either in the year or over the life of the project due to no claim being made or EU not agreeing the content of the claim</p>	Financial	Treating	<u>Preventative</u> Robust controls and management of the project by the project board and project manager Robust financial management of the project over the term, a financial accountant should be assigned to the project Clear project processes for all users regarding time recording and purchasing Clear project procedures for all users regarding approval of project variations, both cost and time	<p>Project Manager in place and project being managed in line with Prince2 methodology. Project has been reprofiled and is being discussed with EU representation. This will ensure that proposals represent current view of the way forward.</p> <p>Financial Accountant appointed who is assigned to LIFE+ and Flood Act</p> <p>Codes all in place</p> <p>These require further work which will be undertaken jointly between Project Manager and Financial Accountant.</p>	David Pirie	Likelihood Low Impact Medium	30 Jun 12
2.9	1.41	Feb 12	SEPA is a high performing organisation	Third Party Claim for Expenses	3 (medium) 3 (medium)	SEPA has been served with a notice of a claim in respect of the Dunbeath Wind Farm submission as part of a	Reputation Financial	Treating	<u>Directive</u> A response has been made by SEPA to the Reporter.	Decision of Reporter has not been received as at 31 st March 2012	Alison York	Likelihood Low Impact Low	31 May 12

						Planning Appeal (Public Local Enquiry) held in July 2011. The amount of the claim is not specified.							
2.10	1.42	Jan 12	SEPA is a high performing organisation	Emergency Access to Buildings Out of Hours	3 (medium) 3 (medium)	SEPA does not have a structured response to out of hours building alarm events	Security Reputation	Treating	<u>Directive</u> Options are to be developed providing for resolution.	Operation MT considering options as majority of support for action to mitigate/management this risk will come from Operations staff. Final commendations will go to AMT for approval. Bill Lyons, Neil Archibald and Donna Brodie met and prepared paper which went to Operations MT in March 2012. Paper provided details of issue and options for resolution. Further information requested from MT and this information will go to MT in mid May 2012 where a final decision will be sought which will then be presented to AMT. There may be some financial implications if there is to be a one-off payment for call out. This could equally be managed if included in proposals to make payment for staff providing First Aid, Green Coordinator and Fire Warden duties. A paper on this is being prepared by FCS.	Neil Archibald	Likelihood Low Impact Low	31 May 12

Section 3: Residual Risk Low



Ref No	Risk Number	Date Added	Outcome	Risk Title	Likelihood/Impact	Key Causes	Consequences/Effect	Risk Option	Current Controls/Actions	Update on Actions	Risk Owner	Net Risk	Update Due
--------	-------------	------------	---------	------------	-------------------	------------	---------------------	-------------	--------------------------	-------------------	------------	----------	------------