

Historic Scotland Risk Register and Records March 2009

Responsible Business Area	Risk Description	Current Status	Previous Status
Short Term Risks			
Human Resources	1. Major Incident Planning – Pandemic Planning	High	High
Finance Group	2. Agency overspend: 2008-09	High	Extreme
Finance Group	3. 2009-10 and 2010-11 Budgetary constraints affect delivery of programme and risk of overspend across the agency. Immediate pressure – grants batching.	Extreme	Extreme
Finance Group	4. Failure to meet efficiency KPT	High	High
Finance Group	5. Lack of Business Continuity Planning – IT systems	High	High
PIC	6. Reduced visitor numbers / Income KPT not achieved	Extreme	Extreme
PIC	7. Breakdown in technology: retail system	High	High
TCG	8. Relocation of South Gyle	High	High
	9. Changes to the cost/programme/scope/quality of PIC Major Projects	High	High
Long Term Risks			
Chief Executive	10. Loss of reputation	High	High
PIC	11. Damage to historic environment (deterioration, weather, vandalism etc)	High	High

Risk
 Failure to develop appropriate contingency plans on staff related issues for a possible Influenza Pandemic

Owner
 Head of HR Policy & Operations

Item #
 1. Short term HR

Cause
 Dependency on Scottish Government to develop contingency plans

Controls

- Maintain up-to-date knowledge of developments both nationally and internationally
- Develop information exchange with Scottish Government to help inform what we do

Assessment
 Without proper contingency plans, we will encounter major operational difficulties during a pandemic

Further Actions

- Develop appropriate plans in consultation with PIC and Corporate Communications Unit (**Plans approved by SMT**)
- Consult with SMT (**Completed**)
- Maintain links with SG (**Ongoing**)

Reporting Mechanism
 SMT to receive regular updates

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		x		

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
Over spend on budgets 2008-09

Owner
Director of Finance

Item #
2. Short term Finance

Cause
<ul style="list-style-type: none"> Income reduction Lack of financial management Project slippage Grants programme slippage

Controls
<ul style="list-style-type: none"> Monthly Income Monitoring Corporate / Operational planning and annual budgets Monthly expenditure and income reporting to SMT Major Projects group monitor project spend Monthly review of grants expenditure

Assessment
<ul style="list-style-type: none"> Good

Further Actions
<ul style="list-style-type: none"> Request budget cuts form business areas. Analyse income to try and identify areas where performance can be improved.

Reporting Mechanism
SMT Reports

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
		x		

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
2009-10 and 2010-11: Risks of overspend / cuts in delivery of programme.

Owner
Director of Finance

Item #
3. Short term. Finance

Cause
<ul style="list-style-type: none"> Income reduction Project slippage

Controls
<ul style="list-style-type: none"> Budget 2009-10 – scope for budget flex identified Monthly income forecasting and monitoring Corporate / operational planning and annual budgets Monthly expenditure and income reporting to SMT Major Projects group monitor project spend Monthly review of grants expenditure Budget 2010-11 to be brought forward

Assessment
<ul style="list-style-type: none"> Good

Further Actions
<ul style="list-style-type: none"> Approach SG for assistance Identify further budget cuts

Reporting Mechanism
SMT Reports

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
			x

Risk
Failure to meet the efficiency KPT in 2008-09 and 2009-10

Owner
Director of Finance

Item #
4. Short term. Finance

Cause
<ul style="list-style-type: none"> • Failure of Groups to deliver programmed efficiencies • Failure of Groups to identify sufficient further efficiencies to address the forecast shortfall

Controls
<ul style="list-style-type: none"> • Efficient Government Programme • Ongoing identification of efficiency areas

Assessment
<ul style="list-style-type: none"> • The target is stretching and with 6 months passed in the first year, few of the projects initially identified are yielding efficiencies. The forecast for year 1 now stands at £0.18m.

Further Actions
<ul style="list-style-type: none"> • Identification of further areas for efficiency • Ensure all current efficiency activity is captured and calculated • Ensure all identified efficiencies meet the criteria to be scored against the target

Reporting Mechanism
<ul style="list-style-type: none"> • Bi-monthly Programme Board Highlight Reports • Bi-monthly Programme Sponsor Highlight Reports • Quarterly KPT reporting to HSB • Quarterly reporting to SG • Quarterly reporting to portfolio

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
		x		

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
Inadequate Business Continuity Planning – IT systems

Owner
Head of CD-IMU System owners and system custodians for HS business critical systems

Item #
5. Short term ISU

Cause
<ul style="list-style-type: none"> No coherent approach to BCP across HS Lack of plans or plans inappropriate / inadequate (due in large part to uncertainty over requirements)

Controls
<p>Substantial overhaul of HS approach to Business Continuity Planning is underway. The new approach will comprise:</p> <ul style="list-style-type: none"> Business continuity strategy Incident management plan Recovery team plans and disaster recovery documentation (with initial focus on business critical systems and activities).

Assessment
Progress is being made and significant improvement should be made during 2008. Business critical systems (along with owners and custodians) have been identified and these form an annex to the Business continuity strategy

Further Actions
BCP and Disaster Recovery Programme has been defined with discrete work packages which will be delivered in 2008-09. These include, for example, BCPs for critical systems, testing of Incident Management Plan, emergency control centre and systems recovery.

Reporting Mechanism
Updates on progress to SMT and HSAC updates through the risk register.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		x		

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
Reduced visitor numbers due to external factors (eg unforeseen event (9/11), strength of sterling, competitors' marketing etc.) and consequent effect on income

Owner
Head of VSBD

Item #
6. Short term PIC

Cause
<ul style="list-style-type: none"> World events eg global recession Competition Exchange rate Price of oil/travel VisitScotland's commitment to destination marketing

Controls
<ul style="list-style-type: none"> Weekly and monthly trading reports (including visitor numbers); Benchmarking against competitors; Regular contact/Scenario planning with VisitScotland; Marketing campaigns; and a review of business activity to spread risk. Competitive benchmarking; (Benchmarking with HPG, ALVA, ASVA) Development Team established: Commercial Manager, Head of Development in place

Assessment
<ul style="list-style-type: none"> Risk escalated to EXTREME in response to the wider economic downturn and the impact on visitor numbers. The risk is linked to external factors rather than internal processes

Further Actions
<ul style="list-style-type: none"> Commercial strategy developed to respond to the current economic downturn Marketing activity focused on encouraging Scots to visit their local properties; and the promotion of Membership Marketing budget has been protected (currently) from any cuts

Reporting Mechanism
<ul style="list-style-type: none"> Senior VSBD Management Team meet monthly to discuss visitor numbers and sales performance. Monthly Commercial reports produced and circulated to VSBD Management Team, PICMG and SMT. Monthly meeting between Finance & Commercial Team. Reported quarterly to PIC Management Group and to Board on a regular basis. The Board receives, at all its meetings, a finance paper at which income and trading are reported explicitly.

Consequence Assessment					Likelihood Assessment					Overall Risk Rating			
Insignificant	Minor	Moderate	Major	Catastrophic	Rare	Unlikely	Possible	Likely	Almost Certain	Low	Moderate	High	Extreme
			X						X				X

Risk
Breakdown of technology, such as tills, interrupting HS's core business.

Owner
Head of VSBD

Item #
7. Short term PIC

Cause
<ul style="list-style-type: none"> • Power supply failure or similar leads to site shutdown over a prolonged period. • Outdated IT systems being utilised, particularly at busy sites.

Controls
<ul style="list-style-type: none"> • Management arrangements at most sites to respond to power failures etc. • Back up supplies at major sites. • Staff trained to deal with short term issues. • Regular review of and investment in IT systems

Assessment
<ul style="list-style-type: none"> • Responses are in place to deal with issues such as power failures. (Linked to disaster preparedness) • The business has a route map for replacing IT systems but lacks the necessary funds to take forward investment. As a result it runs the risk of a business critical system failing; as well as non-compliance with SE standards

Further Actions
<ul style="list-style-type: none"> • Develop HS-wide business-critical systems response plan. • Supplement the internal IT team to help them 'fire fight' on IT issues.

Reporting Mechanism
<ul style="list-style-type: none"> • To Group level. Avenues open to take it to PICMG level if risk heightens. Business critical systems will have continuity plans in place. • Project Board and Project Team established to take forward the VSBD IT projects

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		x		

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
Relocation of South Gyle

Owner
Depute Director TCG

Item #
8. Short term TCG

Cause
Ending of lease and need for new centre/facility by 2012

Controls
Appointed individual with clear responsibility. Oversight from Director.

Assessment
Of concern, given the lead times and other parties involved

Further Actions
Options appraisal to be conducted by Applied Conservation Unit – space requirements etc. New location identified and lease agreements etc negotiated.

Reporting Mechanism
To Director at Monthly meeting, and on to SMB as appropriate.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			*	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		*		

Overall Risk Rating			
Low	Moderate	High	Extreme
		*	

Risk
Changes to the cost/programme/scope/quality of PIC Major Projects

Owner
Head of Major Projects

Item #
9. Short term PIC

Cause
<ul style="list-style-type: none"> Poor definition of project brief Poor project costing and monitoring Inadequate pre-contract investigations Poor site supervision Unpredictable Archaeological finds

Controls
<ul style="list-style-type: none"> Robust client briefing/project definition procedures Realistic appraisal of project content/market conditions and use of experienced project teams Provision of adequate time and budget to undertake pre-contract explorations Use of experienced MCU management staff for Clerk of Works role Desk studies and assessment of non-destructive data followed by focussed excavations in areas of possible archaeological disturbance

Assessment
<ul style="list-style-type: none"> Edinburgh Visitor Reception Project Stanley Mills Stirling Castle – Main contract now on site. Final agreement on interpretation scheme awaited

Further Actions
<ul style="list-style-type: none"> Project now complete – targets being monitored Project now complete – Business Plan targets being monitored Strategic Project Board established and 2nd meeting due February 2009. Contractor's progress causing concern for this year's cash flow.. Project Team being strengthened ready for site supervision phase. Comprehensive Risk Register being prepared Designs approved and final sign-off due shortly. Further work on remote access (DDA) provision on-going.

Reporting Mechanism
<ul style="list-style-type: none"> Through Project Manager Reports, regular Project Team and Site Team meetings and, for Stirling, the creation of a Strategic Project Board reporting back to HSB.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		X		

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
Loss of reputation

Owner
Head of Communications & Media

Item #
10. Long Term CEG

Cause
<ul style="list-style-type: none"> • Targeted media campaign • Failure to engage effectively with stakeholders. • Decisions by the Inspectorate. • Decisions to award/not award grant funding. • Targeted campaigns by pressure/interest groups or individuals.

Controls
<ul style="list-style-type: none"> • C&M attends Policy Group and Inspectorate management meetings to identify potential risks. • Head of C&M (HC&M) sits on the Senior Management Team • Stakeholder Management Group chaired by HC&M. • Programme of awareness raising at a local level through exhibitions and local history bodies. • Web – major platform for the agency to counter misinformation. • Regular contact between C&M and members of agency staff involved in the decision-making process.

Assessment
<ul style="list-style-type: none"> • Most actions and decisions made by the agency have the potential to damage reputation. • Head of C&M attends SMT, but not HSB. This is a potential weak spot, which could result in failure to identify risk. • C&M has a number of separate mechanisms in place to identify and deal with potential risk to reputation. These mechanisms work in support of each other to minimise risk.

Further Actions
<ul style="list-style-type: none"> • Open and transparent communication • A high degree of public involvement • Proportionate and consistent decision-making • Ensuring that communication is integrated into policy-making and working to improve involvement of the public in policy-making. • Recognising the role of communications in building trust and managing the risks to reputation, and making links between communications and overall strategic aim. • Working towards increased openness and transparency in communicating with the public.

Reporting Mechanism
Members of the Communications team attend meeting of the Policy Group and Inspectorate management groups to identify potential areas of risk. Any potential risk is brought to the attention of SMT, either by HC&M at meetings of the SMT or immediately if the matter is urgent.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
			x	

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
		x		

Overall Risk Rating			
Low	Moderate	High	Extreme
		x	

Risk
Damage to historic environment

Owner
Head of Conservation

Item #
11. Long term PIC

Cause
<ul style="list-style-type: none"> • Deterioration; • Weather; • Vandalism

Controls
<ul style="list-style-type: none"> • Condition surveys • Inspections / annual audit • Monument Manager can identify issues • Security at specific sites • Professional training of staff • Provide programmes of work to take account of specific risks

Assessment
<ul style="list-style-type: none"> • Some weaknesses although controls and responses are fully appropriate and internally benchmarked. For this reason, the risk is assessed as Moderate.

Further Actions
<ul style="list-style-type: none"> • Continued monitoring and management of process • Maintain long term strategy for sites • Benchmarking of procedures with other similar organisations

Reporting Mechanism
<ul style="list-style-type: none"> • The monuments are, by their very nature, under constant threat of deterioration. The Annual Monument Audit builds on the Condition Survey information and checks the monuments` condition. The measures in place ensure we have up-to-date records of condition, and this is actively monitored. This information is reported through district, regional and branch teams up to PIC Management Group and the Board. “Exception reporting” is in place for SMT/Board, and an annual overall assessment will be made to PICMG.

Consequence Assessment				
Insignificant	Minor	Moderate	Major	Catastrophic
		x		

Likelihood Assessment				
Rare	Unlikely	Possible	Likely	Almost Certain
			x	

Overall Risk Rating			
Low	Moderate	High	Extreme
		X	