

## Appendix B

### Historic Scotland Risk Register and Records

April 2007

| Responsible Area        | Business | Risk Description   | Current Status | Previous Status |
|-------------------------|----------|--|----------------|-----------------|
| <b>Short Term Risks</b> |          |  |                |                 |
| Human Resources         |          | 1. Failure of Pay Negotiations   | Moderate       | High            |
| Human Resources         |          | 2. Major Incident Planning   | High           | N/A             |
| Finance Group           |          | 3. Lack of business continuity planning – key IT systems   | Extreme        | Extreme         |
| Inspectorate            |          | 4. Poor access to training resources to allow culture change, business improvement and succession planning (eg management and customer services training). | High           | Extreme         |
| Inspectorate            |          | 5. Poor definition and assessment of stakeholder relationship leading to a lack of understanding, lack of support and poor working relationships.          | High           | High            |
| PIC                     |          | 6. Lack of/poor disaster planning/continuity   | Moderate       | Orange          |
| TCRE                    |          | 7. Absence or loss of stakeholders or partners.  | Extreme        | Extreme         |
| Inspectorate            |          | 8. Poor quality information system for controlling statutory casework handling.  | Extreme        | Extreme         |

|                        |  |          |          |
|------------------------|--|----------|----------|
| Inspectorate           | 9. Lack of resources to shift towards “upstream” engagement in statutory casework and statutory protection processes.              | Moderate | High     |
|                        |  |          |          |
| <b>Long Term Risks</b> |  |          |          |
|                        |  |          |          |
| Chief Executive        | 10. Loss of reputation   | High     | High     |
|                        |  |          |          |
| PIC                    | 11. Damage to historic environment (deterioration, weather, vandalism etc)   | Moderate | Moderate |
|                        |  |          |          |
| PIC                    | 12. Reduced visitor numbers due to external factors (eg unforeseen event (9/11), strength of sterling, competitor’s marketing etc) | Moderate | Moderate |
|                        |  |          |          |
|                        |  |          |          |

| Risk                    |
|-------------------------|
| Failed Pay Negotiations |

| Owner             |
|-------------------|
| HR Policy Manager |

| Item # |
|--------|
| 1. HR  |

| Cause   |
|---|
| <ul style="list-style-type: none"> <li>• Insufficient funding to support an appropriate settlement</li> <li>• Militant Trade Union</li> <li>• Limited bargaining scope</li> <li>• Inadequate planning</li> <li>• Poor negotiation skills</li> </ul> |

| Controls   |
|--|
| <ul style="list-style-type: none"> <li>• Robust paybill model</li> <li>• Clear bargaining position supported by Senior Management Team – not yet in place</li> <li>• Proper planning and preparation, including pay remit clearance from SE Admin and Finance</li> <li>• Experienced negotiating team</li> <li>• Good relationship with Trade Union representatives</li> </ul> |

| Assessment  |
|---|
| <ul style="list-style-type: none"> <li>• Current negotiation teams is experienced</li> <li>• Early and informed preparation is underway</li> <li>•</li> </ul> |

| Further Actions  |
|--|
| <ul style="list-style-type: none"> <li>• Maintain close links with SE Main and other Agencies/Departments pay negotiations/strategies</li> <li>• Brief and consult SMT on HS negotiating remit.</li> </ul> |

| Reporting Mechanism                   |
|---------------------------------------|
| SMT will be kept informed of progress |

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | ✓     |              |

| Likelihood Assessment |          |          |        |                |
|-----------------------|----------|----------|--------|----------------|
| Rare                  | Unlikely | Possible | Likely | Almost Certain |
|                       | ✓        |          |        |                |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     | ✓        |      |         |

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

**Owner**  
 Head of HR Policy & Operations

**Item #**  
 2.

**Cause**  
 Dependency on Scottish Executive to develop contingency plans

**Controls**

- Maintain up-to-date knowledge of developments both nationally and internationally
- Develop information exchange with Scottish Executive 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

**Reporting Mechanism**  
 SMT to receive regular updates

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | ✓     |              |

| Likelihood Assessment |          |          |        |                |
|-----------------------|----------|----------|--------|----------------|
| Rare                  | Unlikely | Possible | Likely | Almost Certain |
|                       |          | ✓        |        |                |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     |          | ✓    |         |

| Risk  |
|---|
| Lack of Business Continuity Planning – IT systems |

| Owner       |
|-------------|
| John Barber |

| Item #           |
|------------------|
| 3. Finance / ISU |

| Cause   |
|---|
| <ul style="list-style-type: none"> <li>Lack of plans</li> <li>Plans inappropriate / inadequate</li> </ul> |

| Controls   |
|--|
| There are contingency plans in place but they are of variable quality. |

| Assessment  |
|---|
| Good in places. Significant room for improvement. |

| Further Actions   |
|---|
| Need to identify relevant systems<br>Formal requirement for identified systems to have continuity plans and be tested.<br>ISU to inspect continuity plans |

| Reporting Mechanism   |
|---|
| SMT paper on way forward for ISU and IT skills. Finmag to examine results of assessment and report back to SMT. |

| 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**  
 Poor access to training resources to allow culture change, business improvement and succession planning (eg management and customer services training).

**Owner**  
 Head of Strategy

**Item #**  
 4. Inspectorate

**Cause**  
 • Poor definition and investment

**Controls**  
 • none

**Assessment**

**Further Actions**  
 Identification and implementation of long-term management training programme across all Inspectorate staff.  
  
 Training strategy agreed. Implementation ongoing.

**Reporting Mechanism**  
 To Inspectorate Management Team

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | *     |              |

| Likelihood Assessment |          |          |        |  |
|-----------------------|----------|----------|--------|--|
| Rare                  | Unlikely | Possible | Likely |  |
|                       |          | *        |        |  |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     |          | *    |         |

**Risk**  
 Poor definition and assessment of stakeholder relationship leading to a lack of understanding, lack of support and poor working relationships.

**Owner**  
 Chief Inspector

**Item #**  
 5. Inspectorate

**Cause**  
 • Poor relationship definition and curation

**Controls**  
 • Definition, prioritisation and monitoring by team leaders.  
 • Monitoring of adverse comments.

**Assessment**

**Further Actions**  
 Training for team leaders and integration of monitoring into team leaders' forward job descriptions.

**Reporting Mechanism**  
 Management team meetings and 1:1s

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | *     |              |

| Likelihood Assessment |          |          |        |                |
|-----------------------|----------|----------|--------|----------------|
| Rare                  | Unlikely | Possible | Likely | Almost Certain |
|                       |          |          | *      |                |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     |          | *    |         |

**Risk**  
Lack of / poor disaster / continuity planning/.

**Owner**  
Gregor Stark

**Item #**  
6.

**Cause**

- Natural or other disaster on site leading to loss of fabric or dangerous situation.

**Controls**

- Incident response process piloted at Stirling Castle 2006/07 and framework to be rolled out to other PICs early 2007/08.
- Regional call-out processes in place.

**Assessment**

- The new framework for this area has identified the follow up procedures which need to be in place. Many already exist and are being joined up through the working group for incident response. The risk will be further reduced by the roll out of the procedure early in 2007/08

**Further Actions**

- Implement piloted incident response plan
- Put in place procedures for national PIC emergency contact coverage.
- Link PIC work to overall agency call-out planning (yet to be finalised).

**Reporting Mechanism**

- Through Regions to PICMG and, ultimately SMT. The process will be reported to PICMG and Board in 2007/08 once in place. Following from this major training 'tests' to system will be reported at Board level.

| 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**

**Owner**

**Item #**

|  |                     |         |
|--|---------------------|---------|
| Absence or loss of networking stakeholders or partners, and succession planning. | TCRE Group Director | 7. TCRE |
|--|---------------------|---------|

| Cause  |
|--|
| Retiral of Group Director<br>Resourcing issues (staff time) leading to low profile of TCRE staff in outside world. |

| Controls  |
|---|
| <ul style="list-style-type: none"> <li>• Development and raise profile of senior staff with key stakeholders and partners.</li> <li>• Encourage Group philosophy to be outward looking, enabling and providing support.</li> <li>• Continue to develop and refresh formal networking groups.</li> <li>• Ensure staff stability an operational structure.</li> </ul> |

| Assessment                       |
|----------------------------------|
| Significant risk, but manageable |

| Further Actions                           |
|---|
| Identify future key staff for development |

| Reporting Mechanism |
|---------------------|
| Group Meeting       |

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | *     |              |

| Likelihood Assessment |          |          |        |                |
|-----------------------|----------|----------|--------|----------------|
| Rare                  | Unlikely | Possible | Likely | Almost Certain |
|                       |          |          | *      |                |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     |          |      | *       |

| Risk   |
|--|
| Poor quality information system for controlling statutory casework handling. |

| Owner                |
|----------------------|
| Director of Casework |

| Item #          |
|-----------------|
| 8. Inspectorate |

| Cause |
|-------|
|       |

| Controls  |
|---|
| <ul style="list-style-type: none"> <li>New system in place</li> </ul> |

| Assessment |
|------------|
|            |

| Further Actions                                       |
|---|
| Scope develop and implement new computer-based system |

| Reporting Mechanism       |
|---------------------------|
| To senior management team |

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | *     |              |

| Likelihood Assessment |          |          |        |  |
|-----------------------|----------|----------|--------|--|
| Rare                  | Unlikely | Possible | Likely |  |
|                       |          |          | *      |  |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     |          |      | *       |

| Risk   |
|--|
| Lack of resources to shift towards “upstream” engagement in statutory casework and statutory protection processes. |

| Owner           |
|-----------------|
| Chief Inspector |

| Item #          |
|-----------------|
| 9. Inspectorate |

| Cause  |
|--|
| <ul style="list-style-type: none"> <li>Inflexibility in current structures and resources.</li> </ul> |

| Controls   |
|--|
| <ul style="list-style-type: none"> <li>Not identified</li> </ul> |

| Assessment |
|------------|
|            |

| Further Actions   |
|---|
| Discussion with Chief Executive and Director of Finance |

| Reporting Mechanism              |
|----------------------------------|
| 1:1 with Chief Executive and SMT |

| Consequence Assessment |       |          |       |              |
|------------------------|-------|----------|-------|--------------|
| Insignificant          | Minor | Moderate | Major | Catastrophic |
|                        |       |          | *     |              |

| Likelihood Assessment |          |          |        |  |
|-----------------------|----------|----------|--------|--|
| Rare                  | Unlikely | Possible | Likely |  |
|                       |          | *        |        |  |

| Overall Risk Rating |          |      |         |
|---------------------|----------|------|---------|
| Low                 | Moderate | High | Extreme |
|                     | *        |      |         |

| Risk               |
|--------------------|
| Loss of reputation |

| Owner           |
|-----------------|
| Chief Executive |

| Item #  |
|---------|
| 10. CEG |

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

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

| Assessment  |
|---|
| <ul style="list-style-type: none"> <li>• Most actions and decisions made by the agency have the potential to damage reputation.</li> <li>• Head of C&amp;M attends SMT, but not HSB. This is a potential weak spot, which could result in failure to identify risk.</li> <li>• C&amp;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.</li> </ul> |

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

**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        |
|--------------|
| Sarah Morris |

| Item #  |
|---------|
| 11. PIC |

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

| Controls  |
|---|
| <ul style="list-style-type: none"> <li>• Condition surveys</li> <li>• Inspections / annual audit</li> <li>• Monument Manager can identify issues</li> <li>• Security at specific sites</li> <li>• Professional training of staff</li> </ul> |

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

| Further Actions |
|-----------------|
|                 |

| Reporting Mechanism   |
|---|
| <ul style="list-style-type: none"> <li>• The monuments are, by their very nature, under constant threat of deterioration. 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. The Annual Monument Audit builds on the Condition Survey information and checks the monuments' condition. "Exception reporting" will be in place for SMT/Board, and an annual overall assessment will be made to PICMG.</li> </ul> |

| 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.) |

| Owner          |
|----------------|
| Fiona Docherty |

| Item #  |
|---------|
| 12. PIC |

| Cause  |
|--|
| <ul style="list-style-type: none"> <li>World events eg 9/11</li> <li>Competition</li> <li>Exchange rate</li> <li>Price of oil/travel</li> <li>VisitScotland's commitment to destination marketing</li> </ul> |

| Controls   |
|--|
| <ul style="list-style-type: none"> <li>Weekly and monthly trading reports (including visitor numbers);</li> <li>Informal benchmarking against competitors;</li> <li>Regular contact/Scenario planning with VisitScotland;</li> <li>Marketing campaigns; and a review of business activity to spread risk.</li> </ul> |

| Assessment   |
|--|
| <ul style="list-style-type: none"> <li>Some weaknesses, although controls and monitoring which are in place are appropriate and increasingly benchmarked. Risk rating assessed as Moderate.</li> </ul> |

| Further Actions  |
|--|
| <ul style="list-style-type: none"> <li>Improve competitive benchmarking;</li> <li>Improve staff focus on analysis of trends</li> <li>Review pricing/admissions strategies</li> <li>Look to appoint further commercial skills.</li> </ul> |

| Reporting Mechanism   |
|---|
| <ul style="list-style-type: none"> <li>Through individual business units to Group management teams. Reported quarterly to PIC Management Group and to Board on a regular basis. The income and trading reports are circulated monthly and are reviewed at PICMG. The Board receives, at all its meetings, a finance paper at which income and trading are reported explicitly.</li> </ul> |

| 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        |      |         |