

Risk ID	Risk Description	Controls in Place	Current Impact	Current Likelihood	Current Risk Score	Actions Planned	Controls Confidence Level	Target Impact	Target Likelihood	Target Risk Score	Target Date	Risk Owner
1	Expenditure may not meet with 2018 N+3 target and consequently, the value of the programme may be reduced. (YEI)	Regular monitoring of progress of Operations against claims schedules agreed for each operation and project.	50	5	250	Follow-up action with lead partners. Targeting of resources to ensure prompt MA payment of claims.	Insufficient	50	1	50	Dec-18	MA
6	Expenditure may not meet with N+3 target and consequently, the value of the programme may be reduced. (Excluding YEI)	Increased frequency of ERDF and ESF MAAP meetings to increase scrutiny. Regular monitoring of progress of Operations against claims schedules agreed for each operation and project.	50	5	250	Follow-up action with lead partners. Targeting of resources to ensure prompt MA payment of claims.	Limited	50	1	50	Dec-18	MA
3	Errors and behaviours found in 2007-2013 Programme may continue into new Operations impacting on programme delivery or quality	New MCS published and made available to all staff, training in the procedures and behaviours expected provided to all staff and lead partners. Regular monitoring of progress and relationships by weekly senior management meeting (joint MA and AA), oversight by Joint Programme Board and training/ sharing of knowledge between AA and MA	50	4	200	Initial indications are that controls put in place have resulted in lower error rates from Article 127 reports than 07-13 equivalents. Claims are still showing a level of errors and claims or costs are having to be rejected.	Reasonable	50	1	50	Dec-23	MA
2	YEI performance is under pressure, with only 2/3 of funding committed, and significant changes in labour market. Failure to adapt programmes to such changes, in YEI and in the rest of the programmes, could undermine long-term performance.	Regular monitoring of progress of Operations against claims schedules agreed for each operation and project. Biannual meetings of YEITC	25	5	125	Follow-up action with lead partners. Targeting of resources to ensure prompt MA payment of claims. YEI Evaluation underway	Insufficient	25	3	75	Dec-19	MA

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8	Expenditure or indicator targets may not be met in the Highlands and Islands area (Transition Programme area)	<p>Operations are identified at programme area level, so MA is able to monitor and review progress at operation level and manage emerging risks.</p> <p>HITC meets regularly to consider H&I specific issues which are emerging.</p>	25	5	125	<p>Significant concerns remain over the level of spend in the H&I area. Approvals and indications of forthcoming applications/extensions indicate that it may not be possible to fully commit the programme without further action. Speaking to Lead Partners about potential operations.</p> <p>Rates of approved expenditure in line with Rest of Scotland (51% of allocation H&I/53% RoS). Declared expenditure lower (6% of approvals H&I /13% RoS), both by local authorities (11% of approvals in H&I/16% Rest of Scotland) and other bodies (5%/11%).</p>	Limited	25	2	50	Dec-23	MA
7	The Management and Control System agreed with the Commission may not be implemented properly by the MA/CA/AA.	<p>Weekly programme management meetings continued along with monthly Joint Programme Board. In addition to this, the MA has introduced an internal six-weekly Programme Operation Management Meeting which reviews the status of the programme and identifies key issues, attended by AA as observer.</p> <p>MA has introduced a dedicated Quality Control Team with responsibility for ensuring the implementation and review of processes relating to the MCS.</p>	25	4	100	Steps have been taken through the year, including training and the Quality Control processes, initial indications are that errors are being caught and resolved, and that the rate of errors is falling.	Reasonable	25	1	25	Dec-23	MA

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11	Lack of participation from smaller organisations might hollow out delivery capacity in Scotland, particularly for social inclusion and employability measures	Monitoring at an operational level. A number of Lead Partners actively engaging smaller community and voluntary organisations and supporting applications and tenders. Evidence is currently mixed. Consideration of whether additional support is required for community and third sector organisations.	25	4	100	The Active Communities, Social Innovation and Social Economy Growth funds delivered by SG have seen good levels of interest, particularly in the Rest of Scotland area, and are providing support to a number of voluntary groups, including many smaller groups. The MA is liaising regularly with the project team to ensure delivery supports the sector. The MA is working with local authorities and Big Lottery Fund to ensure that support for the sector is provided through their activities and increasing communications and publicity activity to increase awareness of the funds and the activity supported.	Reasonable	25	2	50	Dec-23	MA
4	Pace of delivery of Programme outcomes not maintained due to operations not being approved, contracted or delivered. (Excluding YEI)	Increased frequency of ERDF and ESF MAAP meetings to increase scrutiny. Planning for future operations is taking into account delivery to date and range of activity required to meet programme targets. Regular monitoring of progress of Operations against claims schedules agreed for each operation and project.	25	3	75	MAAP Meetings have been taking place throughout the year. Rate of approvals has slipped from original schedule, but increased in recent weeks. UKG confirmation of extension of the guarantee to cover awards to end 2020 reduces the impact of slower awards.	Reasonable	25	1	25	Dec-20	MA
5	Pressure on public spending and exchange rates may lead to decrease in available match funding and co-financing, putting at risk the delivery of programme and national outcome targets over the long term	Monitoring of all programmes both annually for official reporting and ongoing with scheme, delivery and financial colleagues. Ongoing monitoring will lead to modifications of the Programmes where required, including to co-financing and match funding rates. Early review and changes to OP, and plans for phase 2 are based on increasing intervention rates.	25	3	75	Applications are being considered, including increased intervention rates. Some progress being seen where higher intervention rates approved (e.g. Transport Scotland), but remains to be seen whether this will apply across the programmes.	Limited	25	2	50	Dec-20	MA

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12	IT systems do not have full functionality, affecting reporting, payments and monitoring	EUMIS is operational and its progress is being monitored by a dedicated IT Project Board. A contract is in place for "post-release" system support. AA has provided a category 1 level of assurance on EUMIS, which is now operational and meets eCohesion requirements.	25	3	75	MA has put in place a dedicated 'Systems Manager' with lead responsibility for oversight, internal/external training and changes, alongside project board. Ongoing work to identify potential improvements.	Reasonable	25	1	25	Dec-23	MA
10	Changes to process or miscommunication among partners which could lead to delays in implementation or lack of interest in applying from stakeholders.	MA is holding regular events with lead partners and issuing a quarterly newsletter to stakeholders.	10	3	30	MA has continued to develop and refine communications through the year, including e-bulletin, blog and twitter, and engage with Lead Partners on changes and updates.	Substantial	10	1	10	Dec-23	MA
9	Brexit has raised a number of uncertainties around timescales, match funding availability, and resource commitments and stability (staffing), both for SG and lead partners. Currency fluctuation means there is limited certainty around the value of programmes and commitments, although this now appears to be stabilising.	The current HM Treasury's guarantees cover all payments of contracts for EU structural funds projects that are entered to 2020. The joint report published by the EU and UK on phase 1 on the negotiations on 8 December 2017, outlined an agreed proposed methodology for calculating the financial settlement. It confirms that the UK will continue to contribute and participate in the implementation of the EU annual budgets up to 2020 as if it was still in the EU. No guarantees for projects or proposals that might come forward after the UK leaves the EU. SG will continue to engage with HM Treasury and UK Ministers to get clarity on longer term funding arrangements	10	2	20	Deal': In the event of the draft withdrawal agreement being signed, there will be no impact on the current programmes. 'No Deal': In the event of no agreement, the MA is liaising with UKG and other DAs to minimise the impact on the current programmes.	Substantial	1	1	1	Mar-19	MA