

SRA BOARD
15 September 2020



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This paper will be published

SRA Strategic Risk Update

Purpose

- 1 This paper provides the SRA Board with the Strategic Risk Register (SRR) for the third quarter ended 31 July 2020.

Recommendation

- 2 The Board is asked to:
 - a) discuss and comment on the Strategic Risk Register (see annex 1)
 - b) note the progress taking place on the further developments of risk governance and risk management.

If you have any questions about this paper please contact Liz Rosser, Executive Director Resources, Liz.rosser@sra.org.uk

Equality, Diversity and Inclusion considerations

Consideration	Paragraph no's
There are no direct Equality, Diversity and Inclusion considerations in the report.	N/a
Embedding EDI forms an integral part of the risk assessment process underpinned by the SRA Risk Management Framework.	

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SRA Strategic Risk Update

Introduction

- 3 Risk in the organisation is managed in accordance with the SRA Risk Management Framework (RMF). This sets out responsibility for managing strategic and operational risks together with the reporting arrangements for the Executive, Audit and Risk Committee and the SRA Board. The SRR forms part of how we manage risk and is reviewed regularly and reported to the Board quarterly.
- 4 The Senior Management Team reviewed our key organisational risks on 1 September 2020 and agreed updates to the Strategic Risk Register (SRR).

Risk Update

- 5 Since the previous report to the Board, the total number of risks on the SRR has remained unchanged at six.
- 6 The risks include regulatory reform; SQE, Modernising IT programmes, Anti Money-laundering activities, and business operations as a result of COVID -19. The Executive continues to manage these risks closely pending anticipated change to the SRR as a result of the recent Board risk workshop, which is discussed in paragraph seven.

Risk Management development

- 7 At the Board risk workshop held on 14 July 2020, members will recall that a full and wide-ranging discussion took place on potential new key strategic risks that needed to be identified and prioritised in the context of supporting the successful delivery of the new Corporate Strategy. 25 risks potentially facing the SRA were initially identified covering current political, socio-economic, technological, environmental and legal factors. These were considered, consolidated and prioritised resulting in 6-9 risks for potential inclusion in the reworked SRR.
- 8 This work has been taken forward by the Executive and a new draft SRR will be considered at the Audit and Risk Committee on 29 September. The Executive also considered the appropriate oversight of those risks not considered appropriate for the SRR, including inclusion on the Mid-tier Risk Register, tracking via the balanced scorecard and other monitoring approaches.
- 9 The Mid-tier Risk Register includes risks on data protection, business continuity, information security, operations, internal controls, compensation fund; and recruitment. A robust monitoring process is in place to ensure that the Board is fully sighted on progress of these risks, where appropriate, including escalation to the SRR, monitoring through the balanced scorecard and reporting through, for example, the Chief executive's report.

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- 10 Work on changes to the Risk Management Framework is making good progress. Updates take account of useful insight from the Board at the December 2019 workshop, together with support provided by our Internal auditors. This together with the proposed draft SRR Q4 update and the arrangements for reporting progress of other risks referred to in paragraph nine will be presented to the Audit and Risk Committee on 29 September and subsequently the Board on 8 December 2020.

Recommendations: the Board is asked to:

- a) discuss and comment on the Strategic Risk Register (see annex 1)**
- b) note the progress taking place on the further developments of risk governance and risk management.**

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Supporting information

Links to the Corporate Strategy and/or Business Plan

- 11 Having effective risk management and monitoring procedures in place, ensures that we can understand, mitigate and manage potential risks that could harm our ability to deliver our defined corporate strategy and business plan.

How the issues support the regulatory objectives and best regulatory practice

- 12 By having an agreed risk management and assurance processes in place we can ensure that we have effective controls and we can be confident that we are meeting our regulatory objectives in the best way for the organisation, while meeting the better regulation principles. Failure to have good assurance in these areas could be a contributory factor to bad or inefficient decision making.

Public/Consumer impact

- 13 The SRR ensures that we are effectively managing risks that may impact on the public and consumers. This paper and regular Board review also provides confidence that we manage the governance around our risk register effectively.

What engagement approach has been used to inform the work and what further communication and engagement is needed

- 14 The register reflects wider external engagement where appropriate.

What equality and diversity considerations relate to this issue?

- 15 Strong risk management and effective controls will ensure we are able to manage areas where equality and diversity issues may exist.
- 16 Our commitment to mainstreaming EDI throughout our work means that it is a consideration in all our risk management.
- 17 Our Risk Management approach specifies EDI in key areas. This is reflected across the range of risk categories articulated in the risk appetite statements contained within the Risk Management Framework.

How the work will be evaluated

- 18 As part of the ongoing risk assurance programme, the documented control measures will be reviewed and assessed to determine the effectiveness in managing the risks.

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Annex 1 Strategic Risk Register

NB: This annex will not be published as it includes sensitive information.