

SRA BOARD
14 September 2021



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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 2021.

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 ongoing development of 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
Equality, Diversity, and Inclusion considerations in the report are incorporated as a specific risk. And these considerations also underpin our wider risk assessment process, for instance, within the SQE.	Annex 1 - SRR 4 and SRR 1

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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 29 July 2021 and agreed updates to the Strategic Risk Register (SRR). Due to the timing of the Board meeting, which is taking place before the quarterly review by the Audit and Committee on 28 September 2021, there is not a detailed discussion to report at this stage.

Risk Update

- 5 Since the previous report to the Board, the total number of risks on the SRR has remained unchanged at five.
- 6 Risks include the SQE, AML activities, Resources, Equality, Diversity and Inclusion, and response to legislative/policy changes impacting the Legal regulatory framework. The Executive continues to manage these risks closely and to report progress to the Audit and Risk Committee and SRA Board.
- 7 The dashboard below indicates individual changes to the residual level of risk (where applicable) and the status of each risk in relation to the agreed appetite/tolerance level.
- 8 With respect to SRR 3 on SRA resources, the Executive has considered whether the likelihood of this risk is currently overstated. It is proposed this be discussed in more detail at the next Audit and Risk Committee.

Strategic Risk - Dashboard

	Strategic Risks – Quarter 2 (February - April 2021)				
	SRR 1	SRR 2	SRR 3	SRR 4	SRR 5
Inherent	A12	R16	A12	A12	A12
Residual	A8	A8	A6	A6	A9
Change	→	→	→	→	→
Within appetite	No	No	No	No	No
Within tolerance	Yes	Yes	Yes	Yes	Yes

- 10 The Executive also reviewed risks not considered appropriate for the SRR, including those on the Mid-tier Risk Register. The range of these risks cover information cyber security; business continuity; projects; internal controls; legal costs; data protection, resourcing; operational failure; our regulatory reforms; and business disruption due to

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Covid-19. The Mid-tier risk Register is being discussed at the next Audit and Risk Committee meeting.

- 11 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.

Risk Management development

- 12 The wider SMT group which includes Executive Directors and directors, continues to review the Strategic and Mid-tier risk registers on a quarterly basis. This activity is an important element in the ongoing development and understanding of risk management in the SRA. It also demonstrates the commitment to risk management which provides the 'tone from the top' which is a key aspect of embedding effective risk management at every level of the organisation.

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 ongoing development of risk management.**

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Supporting information

Links to the Corporate Strategy and/or Business Plan and impact on strategic or mid-tier risks

- 13 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

- 14 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

- 15 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

- 16 The register reflects wider external engagement where appropriate.

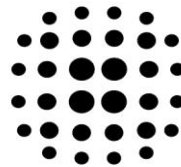
What equality and diversity considerations relate to this issue?

- 17 Strong risk management and effective controls will ensure we are able to manage areas where equality and diversity issues may exist.
- 18 Our commitment to mainstreaming EDI throughout our work means that it is a consideration in all our risk management.
- 19 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

- 20 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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Annexes

Annex 1 Strategic Risk Register

NB: The annex will not be published as it includes discussion of risk that might be exacerbated by publication.