

SRA BOARD
12 September 2023



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This paper will be published

SRA Strategic Risk Update

Purpose

- 1 This paper provides the SRA Board with a progress report covering the quarter 3 (May - July 2023) period of the SRA Strategic Register (SRR) and our risk reporting approach.

Recommendations

- 2 The Board is asked to:
 - a) note the enhanced streamlined risk report (annex 1)
 - b) agree the revised Strategic Risk Register (annex 2).

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

SRA Strategic Risk Update

Background

- 3 Risk in the organisation is managed in accordance with the SRA Risk Management Framework (RMF). This sets out responsibility for managing risk in the SRA together with the reporting arrangements for the Director Team (previously SMT), Audit and Risk Committee (ARC) and the SRA Board. The SRR is reviewed regularly and reported to the Board quarterly.
- 4 The Director Team reviewed our key organisation risks on 20 July 2023 and agreed updates to the SRR. These were reviewed by the Audit and Risk Committee on 7 September 2023 and the outcome of the review at ARC will be verbally reported at the Board.

Strategic Risk Register

- 5 The Board considered emerging risks arising in the light of the development of the new Corporate Strategy 2023-26 at its workshop in April 2023 and, at its meeting on 27 June 2023, agreed the new risks to be featured in the refreshed SRR. Since the last full review of the SRR by the Board on 6 June 2023, therefore, the number of risks has reduced from six to five and cover the following areas – Regulatory scope (SRR1); Equality, Diversity, and Inclusion (SRR2); Technology (SRR3); Risk Based Regulation (SRR4); and Investigation and Enforcement (SRR5).
- 6 At the ARC meeting last week, it discussed the following areas -
 - Considered the unrated inherent and residual risk level for SRR 3.
 - Considered proposed controls, further actions, and risk appetite for the new risks SRR 1, 3, and 4, previously agreed by the Board.
 - Noted the general updating of controls and further actions of existing risks – SRR 2 and 5.
- 7 The Director Team continues to manage these risks closely and to report progress to the ARC and SRA Board.

Risk reporting

- 8 At the Board meeting on 6 June it was agreed to streamline the risk reporting approach and to replace the current SRR report with risk summaries provided in slide format at annex 1, with the full register provided as reference material.
- 9 As the current register has been significantly refreshed since the version discussed in June, the full SRR is attached at annex 2.

Risks escalated or downgraded between the Strategic and Mid-tier risk registers (MRR).

- 10 The MRR has also been thoroughly reviewed as part of the current refresh. One new risk relating to Supplier reliance for the delivery of key business operations has been

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added to the MRR. Other risks have been downgraded to the operational risk registers (six) or closed (one). There are now six risks on the MRR. ARC reviewed the MRR at its last meeting and the outcome will be verbally reported to this meeting.

Recommendations: The Board is asked to:

- a) note the enhanced streamlined risk report (annex 1)**
- b) agree the revised Strategic Risk Register (annex 2).**

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Supporting information

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

- 11 The recommendations affect the organisation's Corporate Strategy/Business Plan as, if the strategic and mid-tier risks are not managed effectively, this could adversely impact on our ability to successfully deliver our key objectives. It may also have a reputational impact.
- 12 This work will underpin our commitment to improving our operational performance and making justifiable decisions promptly, effectively, and efficiently.

How the issues support the regulatory objectives and best regulatory practice

- 13 Effective risk management procedures combined with robust internal controls, will enable the SRA to deliver its regulatory objectives.

Public/Consumer impact

- 14 There is no direct consumer impact because of this work.

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

- 15 The SRR will be reported to the SRA Board.

What equality and diversity considerations relate to this issue?

- 16 Risk management is embedded across the organisation and any risks associated with EDI will be captured within risk registers as appropriate.

How the work will be evaluated

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

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Annexes

Annex 1 Enhanced Streamlined Risk Report
Annex 2 Strategic Risk Register

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NB: the annexes to this paper will not be published as they include discussion of risk that might be exacerbated by publication.