

SRA BOARD
3 March 2020



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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 management of the SRA key risks as set out in the Strategic Risk Register (SRR). Also included is the periodic review of the SRA risk appetite.

Recommendation

- 2 The Board is asked to:
 - a) discuss and comment on the Strategic Risk Register (see annex 1)
 - b) note the work that is 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, iz.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.	

SRA BOARD
3 March 2020



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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, Finance and Audit Committee and the SRA Board.
- 4 The Senior Management Team reviewed our key organisational risks on 30 January 2020 and agreed updates to the Strategic Risk Register (SRR). This was subsequently considered and discussed by the Finance and Audit Committee at its meeting on 25 February 2020. Any changes to the SRR following the FAC discussion will be verbally reported to the Board.

Risk Update

- 5 The total number of risks on the SRR on the register remains unchanged at seven and the risk register is not significantly different from the last report to the SRA Board, apart from some re-wording of the risk SRR 1 to reflect better the current position with regard to the regulatory reforms. Further information is contained in annex 1.

Risk Management development

- 6 To enhance increased understanding of risk management across the organisation, we will be focussing attention on this topic at the Leadership Team and Line Manager Offsite events during 2020.
- 7 Following the Board risk workshop in December 2019, the outputs included the following broad themes:
 - a) Risks on the Strategic Risk Register should include a significant focus around external factors such as key political and legal developments which impact the SRA, including technological advancement; the implications of Government activity; and strategic developments arising from relevant organisations. Horizon scanning is critical to ensure the Board and Executive are properly sighted on key developments and how these will impact the SRA at a strategic level.
 - b) Strategic risks outside of 'risk appetite' should be approved by the Board
 - c) Changes to the SRA Risk Management Framework including -
 - Risk 'triggers' to be considered in the risk register information, where this is practicable
 - Increased clarity on definitions included in the framework document
 - Simplifying the risk appetite descriptions
 - Providing clear, contextualised explanation of the relationship between risk and issues.

SRA BOARD

3 March 2020



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- Including examples of lessons learned in guidance on risk management to aid staff understanding.
- 8 Work on the above areas is progressing. It has been previously agreed that the Board will return to risk in a future workshop to consider the Strategic Risk Register in the light of a) above and in the context of the forthcoming Corporate Strategy. This is provisionally scheduled for June 2020.

Recommendations: the Board is asked to:

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

SRA BOARD
3 March 2020



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Supporting information

Links to the Corporate Strategy and/or Business Plan

9 Having effective risk management and monitoring procedures in place, ensures that we are able to 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

10 By having an agreed risk management and assurance processes in place we can ensure that our operational areas are performing in well controlled ways. By having effective controls, we can be confident that we are meeting our regulatory objectives in the best way for the organisation. Failure to have good assurance in these areas could be a contributory factor to bad or inefficient decision making.

Public/Consumer impact

11 There is no direct public or consumer impact, however there is indirect benefit from having knowledge that the organisation is aware of its risks and that these are managed in a way that avoids a direct external impact.

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

12 No work has been carried out in this area as this issue governs internal matters only.

What equality and diversity considerations relate to this issue?

13 Strong risk management and effective controls will ensure we are able to manage areas where equality and diversity issues may exist.

14 Our commitment to mainstreaming EDI throughout our work means that it is a consideration in all our risk management.

15 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

16 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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SRA BOARD
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Annexes

Annex 1

Strategic Risk Register

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