

SRA BOARD
9 March 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 first quarter ended 31 January 2021.

Recommendation

- 2 The Board is asked to:
 - a) discuss and comment on the Strategic Risk Register (annex 1)
 - b) note the progress taking place on the further developments of risk management
 - c) note the discussions which have taken place on the draft risk register relating to the future workspace

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 21 January 2021 and agreed updates to the SRR. The SRR was subsequently presented to the Audit and Risk Committee (ARC) on 2 March 2021. An oral report on the discussion at ARC will be provided at the Board meeting.

Risk Update

- 5 Since the previous report to the Board, the total number of risks on the SRR has remained unchanged at five.
- 6 The 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 ARC and SRA Board.
- 7 The Executive also considered the appropriate oversight of those risks not considered appropriate for the SRR, including those on the Mid-tier Risk Register. The range of these risks cover information security/technology; business continuity; compensation fund; projects; internal controls; data protection; legal costs; resourcing; operational failure; our regulatory reforms; and business disruption due to Covid-19.
- 8 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

- 9 The Senior Management Team (SMT) continues to engage with the wider SMT group which includes directors (the next tier down from the Executive Directors) in positive discussions concerning Strategic and Mid-tier risks. As a next step in the above process, this group is holding a specific meeting on risk on 18 March 2021 to focus upon developing a wider understanding and the application of risk management based upon the recently updated Risk Management Framework.

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- 10 In March, the Risk Management Framework will feature as the 'Policy of The Month' to ensure that the wider workforce is aware of the changes which have been made to the framework. This also provides an opportunity to emphasise the important role that all our staff play in ensuring that risks in the SRA are managed effectively.

Risk for future workspace

- 11 As a consequence of the Covid-19 Pandemic and how we may use our office facilities in the future, a 'future workspace at SRA' working group has been established. This is actively considering several issues, including potential risks associated with new working arrangements which have yet to be finalised. The draft risk register on this issue was also discussed at ARC on 2 March.

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 risk management**
- c) note the discussions which have taken place on the draft risk register relating to the future workspace.**

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Supporting information

Links to the Corporate Strategy and/or Business Plan

- 12 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

- 13 By having an agreed risk management and assurance process 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

- 14 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

- 15 The register reflects wider external engagement where appropriate.

What equality and diversity considerations relate to this issue?

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

- 19 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 discussion of risk that might be exacerbated by publication.