

For Decision

Agenda Item: 10
Date of Meeting: 26/02/25

To: The Management Committee
From: The Director
Subject: Quarterly Review of Strategic Risk Register

1. Introduction and Purpose

- 1.1 It is part of the remit of the Audit & Risk Sub-Committee to monitor and review the strategic risks at its quarterly meetings. The Sub-Committee also reviews any operational risks that are rated above the associated risk appetite level. The Management Team is responsible for monitoring and reviewing the strategic and operational risks every 2 months at its meetings.
- 1.2 Having an effective risk management system in place is a key component of good governance and effective business planning. Therefore, risk remains a key responsibility of the Management Committee and as such our Strategic Risks are considered by Committee on a quarterly basis.
- 1.3 The purpose of this report is to present the current Strategic Risk Register for Committee's review. Committee is asked to consider the Register and decide whether any further changes are needed.

2. Review of Strategic Risks

- 2.1 The Register was last reviewed by the Audit & Risk Sub-Committee at its meeting on 19/02/25 and by the Management Team at its February meeting.

Audit & Risk Sub-Committee Review – 19/02/25

- 2.2 The Sub-Committee considered the changes made by the Management Team earlier in February, acknowledging that the pandemic residual rating had been reduced in response to the discussion and conclusion at the annual business planning session. The Sub-Committee noted that the Management Team intended to further review whether the pandemic risk could be incorporated within the Business Interruption Risk which sits in the Operational Risk Register. The Sub-Committee concluded that this would appear to be the logical approach.

- 2.3 There was further discussion about SHNZS and it was acknowledged there is no updated information available as to when and how this is to be implemented and how it will be funded.
- 2.4 On completion of its review of the Strategic Risk Register the Sub-Committee concluded that no further changes were required at that time.

Management Team Review – February 2025

- 2.5 A summary of the changes made by the Management Team is as follows:

Taking account of the discussion at the Annual Business Planning event in January about whether the risk relating to a Pandemic should be down graded or even removed, the Management Team concluded that the Pandemic risk should remain at this time but the impact rating for the residual risk rating should be reduced from 3 to 2, giving a new overall residual risk rating of 4.

- 2.6 The Management Team concluded no further amendments or additions were required at that time. However, it will revisit the pandemic risk to determine whether this could be transferred to sit under the Business Interruption Risk (Operational Risk).

3. Risk

- 3.1 We have considered our approach to risk management and have identified the key risks under the following risk categories and the measures we have taken to mitigate such risks.

| Risk Category | Mitigating Measure |
|--|--|
| <p>Governance:</p> <ul style="list-style-type: none"> • Fail to identify risks to Rosehill and establish mitigating measures which can: <ul style="list-style-type: none"> ○ lead to poor decision making and ineffective governance; ○ impact on our ability to deliver our Business Plan objectives <p>Legislative and Regulatory:</p> <ul style="list-style-type: none"> • as above and, | <ul style="list-style-type: none"> • Comprehensive Risk Management Policy; • Risk Appetite Model; • Regular review of strategic risks by Management Committee, Audit & Risk Sub-Committee and the Management Team; • Risk section within Committee Reports <p>As above</p> |

| | |
|---|--|
| <ul style="list-style-type: none"> Fail to meet regulatory requirements (Standard 4) | |
|---|--|

4. Delivery of our Strategic Objectives

| Area | Related Strategic Objective(s) |
|---------------------------|--|
| Review of Strategic Risks | 7) Achieve the highest standards in all that we do 6) Use resources efficiently and effectively |

5. Application of our Core Values

| Area | Related Core Value(s) |
|---------------------------|---|
| Review of Strategic Risks | <ul style="list-style-type: none"> Accountable and Compliant; Efficient and Responsible; Excellent and Committed |

6. Compliance and Assurance

- 6.1 Reviewing our strategic risks regularly and having a comprehensive policy in place to govern our approach to risk management, should ensure we are clear on what risks we face and have mitigating measures in place to reduce risks, where possible. This means we are compliant with Regulatory Standards. In particular:

| Compliance Source | Details |
|---|---|
| The Standards of Governance and Financial Management for RSLs | <p>Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.</p> <p>Guidance 3.3 - The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.</p> <p>Standard 4 - The governing body bases its decisions on good quality information and advice and identifies</p> |

| | |
|--|--|
| | <p>and mitigates risks to the organisation's purpose.</p> <p>Guidance 4.4 - The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p> |
|--|--|

6.2 Evidence Bank

| Evidence | Assurance Exercise Location |
|--|--|
| <ul style="list-style-type: none"> • Report for 26/02/25 meeting; • Updated Strategic Risk Register; | <ul style="list-style-type: none"> • Regulatory Standard 3 – Guidance 3.3 • Regulatory Standard 4 – Guidance 4.4 |

6.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

7. Summary and Decision Required

7.1 Our approach to risk management ensures risk remains a key responsibility of the Management Committee. The Management Committee reviews the strategic risks on a quarterly basis, following the Audit & Risk Sub-Committee's quarterly reviews.

7.2 Attached is the Strategic Risk Register for Committee to review. Section 2 sets out the matters considered by the Audit & Risk Sub-Committee at its meeting on 19/02/25 and the changes made to the Register by the Management Team in February.

7.3 Section 3 sets out the risks associated with having inadequate risk management processes.

7.4 Section 4 shows how regularly reviewing our risks and having a comprehensive approach to risk management, links to the delivery of our strategic objectives.

7.5 Section 5 shows how regularly reviewing our risks and having a comprehensive approach to risk management, links to the application of our Core Values.

7.6 Section 6 sets out how we comply with Regulatory requirements.

7.7 The Committee is asked to consider this report and to review the Strategic Risk Register and decide the following:

- Does the Register continue to reflect the current strategic risks facing Rosehill? If not
 - Are any new risks to be added?
 - Are any changes required to the existing risks?