

To: The Audit & Risk Sub-Committee
From: The Director
Subject: Review of Strategic Risk Register

1. Introduction and Purpose

- 1.1 It is part of the Sub-Committee's remit to review the Strategic Risks at its quarterly meetings.
- 1.2 The purpose of this report is to present the Strategic Risk Register for the Sub-Committee's consideration and review.

2. Strategic Risk Register

- 2.1 The strategic risks were last reviewed by the Management Team at its September meeting. Currently there are 13 strategic risks which are ordered highest to lowest in terms of level of residual risk. A summary of the changes made by the Management Team is as follows:

Digital Exclusion

At the August Management Committee at which Committee reviewed the Strategic Risk Register it was determined that the risk rating for Digital Exclusion should be reviewed and subsequently reduced. Committee decided that the risk wasn't as high as some of the other risks on the register. It was further decided that the Management Team should consider the risk in more detail at its upcoming meeting and make the necessary changes.

The review by the Management Team resulted in both the inherent and residual risk ratings being reduced. The strategic risk relating to digital exclusion now sits at the bottom of the Register.

Cyber Security

Following the Sub-Committee's decision at its June meeting, a risk relating to Cyber Security has been added to the Register. Taking account of the measures we currently have in place the Management Team determined the residual risk rating should be 8.

RAAC

Due to recent media attention about RAAC (Reinforced autoclaved aerated concrete) and a recent Environmental Information Request from a BBC reporter, we decided RAAC should be added to our Strategic Risk Register. Whilst we are satisfied that RAAC isn't present in our rented stock, we are unclear at this time as to the position with the Glenmuir Estate. These properties originally had flat roofs, it is our understanding that the pitched roofs were installed when Barratt acquired and improved the properties from the then Glasgow District Council.

We approached GCC, as the original owners of the properties to establish if they held any historical information about the construction of the development. They have since advised they are unlikely to hold such information. Therefore, we will instructing a survey to ascertain if RAAC is present. The intention is to access the roof from either 48 Linnhead Dr or 40 Ravenscraig Dr which are the two fire damaged closes and are currently awaiting refurbishment works. We have added RAAC to our strategic risk register, as we own 24 flats in the development. At this time both the inherent and residual risk ratings are 15 and will remain at this until we know the results of the survey. If RAAC is present, there will be financial implications if remedial work is required. There is the added risk of carrying out this work in mix tenure closes/blocks, if owners are unwilling to pay their share.

Failing to meet SHR Expectations

Existing controls – revision of control relating to monitoring/updating of assurance exercises by Management Team and the Audit & Risk Sub-Committee. The change is to reflect the new approach to the monitoring/updating of assurance exercises, with the exercises being spread over the timetable of meetings for the Management Team and the Sub-Committee. The current approach was proving too onerous as all assurance exercises were being reviewed at each meeting. The new approach, which will focus on different parts of the assurance exercises at each meeting, will enable more in-depth review and discussion.

- 2.2 The Sub-Committee is asked to consider the Strategic Risks further and decide whether any other risks need to be added or if any amendments are required to the existing risks.
3. Risk
- 3.1 If we are not aware of the risks facing Rosehill and don't identify mitigating measures to reduce any risks, this can lead to poor decisions being made which in turn lead to ineffective governance. Not recognising and

managing risks could impact on our ability to deliver our Business Plan objectives.

- 3.2 We have a comprehensive Risk Management Policy in place and, following last year's Internal Audit, have since developed a Risk Appetite Model. This ensures we are effectively identifying and managing risks and making appropriate decisions. Our Strategic Risks are monitored every 2 months by the Management Team and quarterly by the Audit & Risk Sub-Committee. Following an enhanced approach to risk management, the Management Committee is now reviewing the Strategic Risk Register on a quarterly basis, following the most recent Audit & Risk Sub-Committee. The enhanced approach was introduced from August 2023.

4. Compliance and Assurance

- 4.1 By having a comprehensive Risk Management Policy in place which ensures we identify and manage risks appropriately, we are compliant with Regulatory Standards. In particular:

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.

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.

Standard 4

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Guidance

4.3 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.

4.2 Evidence Bank

- 4.2.1 The Strategic Risk Register forms part of the evidence bank for Regulatory Standards 3 and 4, along with any associated reports and Minutes of the Audit & Risk Sub-Committee. The Sub-Committee is reminded that the Assurance Exercises are available on the Committee Area of our website.

5. Summary and Decision Required

- 5.1 The Strategic Risk Register was last reviewed by the Management Team in September. A summary of the main changes made is set out in Section 2 of this report.
- 5.2 The risks relating to risk management are set out in Section 3.
- 5.3 We have demonstrated our compliance with Regulatory Standards as set out in Section 4.
- 5.4 The Sub-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?