Meeting: Legal Services Board

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Item: Paper (22) 63

Title: LSB Corporate Risk Register

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Status: Official

Introduction

1. The Board reviews the LSB Corporate Risk Register (CRR) twice annually and the last review was at the Board's meeting in July 2022. This paper presents the latest CRR. The Audit and Risk Assurance Committee (ARAC) last reviewed the CRR at its meeting on 5 October 2022.

2. The CRR continues to be used by the executive as an active risk management tool and is reviewed by SLT on a monthly basis. SLT also undertakes horizon scanning on a quarterly basis, the latest of which was held on 5 July 2022. This paper discusses the risks on the CRR.

3. Following feedback from ARAC arrows have been included to highlight risk movements or where they have remained static. Dates for when upcoming mitigations became current mitigations have also been noted on the register.

Recommendation

4. The Committee is invited to discuss the Corporate Risk Register (Annex A).

Corporate Risk Register (CRR)

5. The latest CRR is at Annex A. This version of the CRR was updated by the Senior Leadership Team in the first half of November. Currently, there are four risks that exceed or are at the limit of our risk appetite.

6. *Risk 05: Public confidence in legal services regulation is undermined because consumers continue to be underserved by the Legal Ombudsman.*

   This risk is now at-risk appetite to reflect the improving performance of the OLC and the continued reduction of the backlog. The decision expected to be made by MoJ Ministers in March/April to consult on future redress systems was paused due to Ministerial changes. Discussions continue on outsourcing and another version of amended scheme rules are expected in 2023.

7. *Risk 11: Regulators lack capacity and/or capability to deliver against our expectations.*

   This risk is out of appetite and continues to be closely monitored by SLT. Two mitigations have been moved from upcoming into current mitigations to reflect the new regulatory performance framework and the targeted approach with certain regulators.

8. *Risk 12: Lack of diversity in the profession leading to poorer consumer outcomes and low confidence in the sector.*

   This risk continues to be out of risk appetite. Board diversity has improved slightly and continued to be a focus for Board recruitment campaigns in 2022. Ways to attract a diverse pool of candidates is a point that the team discusses on an ongoing basis with public appointment team officials at MoJ. The LSB's CRM system was used to gain additional reach for the recent campaigns. The recruitment of an ARAC independent advisor presents an opportunity for increasing diversity.

   The LSB has become a member of the Regulators EDI forum and a full time Policy Manager focused on EDI is now well embedded with the LSB.

9. *Risk 17: Board turnover during 2023 has a destabilising effect*

   This risk has increased to be at appetite, owing to delays in the Board Member recruitment and the inherent risks with such substantial turnover on the Board. The team continues to engage closely with MoJ officials on Board appointment matters with an announcement on the Chair appointment expected in January.

10. There is one risk within our risk appetite:

11. *Risk 15: The move to hybrid working negatively impacts the LSB's ability to function effectively*

    This risk continues to be monitored, despite being within appetite, given its high impact if the risk was to materialise. The results from pulse surveys continue to be positive. The actions from the hybrid working discussion at the all-colleague away day in March are being implemented. The last of the Covid restrictions in the LSB office have been lifted and we are seeing a good number of attendances in the office. Optional monthly 'in office' days are being held with a high uptake. The first away day to be held at the LSB office took place in November with positive feedback.

12. One risk has been removed from the CRR:

13. *Risk 18: Annual Conference*

This has been removed to reflect the successful delivery of the first conference but may be included in future iterations as the planning for the second conference begins.

Conclusion

14. Two new risks are being developed for inclusion relating to the risk of reduced LSB resources as a consequence of cuts to public expenditure and the risk of a reduction of resources within the legal services sector.

15. The next ARAC review of the CRR will be at its meeting in March 2023 and the Board will next review the CRR and risk management strategy at its July 2023 meeting.

Annexes
Annex A: Corporate Risk Register

Freedom of Information Act 2000 (FoI)		
Para ref	**FoI exemption and summary**	**Expires**
Annex A	s36(2)(b)(ii): intended to promote free and frank exchange of views for the purpose of deliberation by the Board.	N/A

Risks and mitigations	
Financial:	N/A
Legal:	
Reputational:	
Resource:	

Consultation	**Yes**	**No**	**Who / why?**
Board Members:		**X**	
Consumer Panel:		**X**	
Others:	LSB colleagues		