

To:	Legal Services Board	
Date of Meeting:	26 November 2015	Item: Paper (15) 65

Title:	LSB Corporate Risk Register
Workstream(s):	Corporate
Author / Introduced by:	Julie Myers, Corporate Director Julie.myers@legalservicesboard.org.uk / 020 7271 Ext. 0059 Jenny Hart, Business Planning Associate Jenny.hart@legalservicesboard.org.uk / 020 7271 Ext. 0053
Status:	Official

Summary:
<p>This Paper presents the LSB Corporate Risk Register (Annex A) for consideration.</p> <p>The Audit, Risk and Assurance Committee (ARAC) reviewed the Register at their meeting on 13 October.</p> <p>Additionally, the Senior Leadership Team undertakes monthly reviews of the Register in line with the LSB's Risk Management Strategy. The Register is therefore a dynamic document that is amended whenever necessary.</p> <p>Since the last Board review, in May 2015, the Risk Register has undergone a 'zero-based review', whilst this was being undertaken, individual risks identified on the previous version of the risk register have continued to be monitored.</p>

Recommendation(s):
The Board is invited to review the LSB Corporate Risk Register.

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

Consultation	Yes	No	Who / why?
Board Members:	✓		Reviewed by ARAC
Consumer Panel:		✓	
Others:	The Senior Leadership Team reviews the Register on a monthly basis.		

Freedom of Information Act 2000 (Fol)
--

Para ref	Fol exemption and summary	Expires
Para 9, 12, 14 -17, Annex A	Section 36(2)(b)(ii): information likely to inhibit the exchange of views for the purposes of deliberation	

LEGAL SERVICES BOARD

To:	Legal Services Board	
Date of Meeting:	26 November 2015	Item: Paper (15) 65

LSB Corporate Risk Register

Purpose

1. This paper presents, for the Board's review, the LSB Corporate Risk Register (Annex A). The LSB's Risk Management Strategy states that the Audit, Risk and Assurance Committee (ARAC) will review the Register at every meeting and the full Board will review it every six months. The Board last reviewed the full Register in May 2015.
2. Since the last Board review, the Risk Register has undergone a 'zero-based review' by the Senior Leadership Team (SLT). Whilst this was being undertaken, individual risks identified on the previous version of the risk register continued to be monitored each month by the SLT, in accordance with the LSB's Risk Management Strategy. The ARAC reviewed the revised register on 13 October.
3. The Risk Register is amended on a regular basis in light of both the ARAC and the SLT reviews with specific risks monitored as required.

Zero based review process

4. We carried out the review using a similar process to that used in 2013 – the last time the register was completely refreshed. The process started with a PESTLE analysis, an exercise used to determine the current status and position of an organisation in relation to its external environment. The result was a map of the LSB's 'operating environment' which was useful for filtering out those factors that the LSB must be mindful of but do not constitute manageable risks.
5. The next stage of the process involved a SLT brainstorming session in which colleagues were asked to identify a range of risks. For it to be considered for the Corporate Risk Register, the proposed risks had to be an event, process or circumstance that affects the organisation as a whole and prevents or affects the LSB's ability to perform its statutory duties (as set out in the Act) or deliver its programme of work (as set out in the Business Plan). Further, both the actual risk (eg inability to deliver work programme) and the root cause of the risk (eg high staff turnover) had to be clearly defined.

6. Each of the 12 new risks identified was then reviewed and mapped to the 'old' Risk Register. Some of the new risks mapped directly on to the old ones whereas others were similar to but had a slightly different focus. Six of the newly articulated risks cover areas not addressed directly by the old register. The current number of risks on the register has dropped to 11 in light of two risks being combined.

Use of inherent risk scoring

7. The Board will note the revised format of the Register to reflect the adoption of inherent risk scoring for likelihood, impact, and overall risk. A further difference is the recording of both existing mitigating actions and potential mitigating actions. This has been included to encourage a more active approach to risk management. This has been included to provide a greater depth to our risk analysis and will be trialled throughout Quarters 3 and 4 to determine its usefulness to the organisation. The SLT's initial reflections are that the process adds a greater degree of insight to risk scoring and mitigation.
8. A full report on the trial will be presented to the March 2016 ARAC along with any recommendations for the Risk Management Strategy, if the trial is considered a success.

Audit and Risk Committee Review – 13 October 2015

9. [REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

10. ARAC also approved of the new format of the register and recommended some minor formatting changes which have all been accepted.

Developments since the May Board review

11. The revised Corporate Risk Register is presented at Annex A. The Register was drafted over August and September and the Senior Leadership Team has subsequently considered it at its September and October meeting. As this version of the Register hasn't undergone any changes since it was drafted, other than those suggested by ARAC, the analysis below explains the changes that occurred to the previous version of the Register.

12. [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
- [REDACTED]

Risk Dashboard

13. A risk dashboard is shown for the new version of the Risk Register at the end of **Annex A**. This annex includes the heat map which has historically been included but now also includes an analysis of the differences between inherent and residual risk.

14. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

15. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

16. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[Redacted text block]

- 17. [Redacted list item]

Recommendation

- 18. The Board is invited to review the LSB Corporate Risk Register.

16/11/2015