

To:	Legal Services Board	
Date of Meeting:	27 November 2013	Item: Paper (13) 85

Title:	LSB Risk Management Strategy – annual review	
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Status:	Restricted	

Summary:
<p>The LSB's Risk Management Strategy (Annex A) requires the Board to undertake an annual review of its approach to risk. The Strategy was last reviewed and agreed by the Board in October 2012. The current strategy has been in place, largely unchanged, since 2010 and in light of the full risk register review that was undertaken this year it was appropriate that a full review of the Strategy was also completed so that it accurately reflected current practice and the more focused approach to risk identification that is demonstrated in the register.</p> <p>As the LSB has matured and risk management has become embedded into the organisation, the need to reiterate very basic principles of risk management within the strategy has diminished. Therefore although much of the content is unchanged in terms of process, the layout and language of the revised Strategy has been simplified and there has been an effort to remove any repetition and reduce the size of the document overall.</p> <p>This paper presents an overview of the changes to the Strategy.</p> <p>The strategy was reviewed and, subject to minor drafting changes, endorsed for onward submission to the Board by the Audit and Risk Committee at its meeting in October 2013.</p>

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

Consultation	Yes	No	Who / why?
Board Members:		✓	N/A.
Consumer Panel:		✓	N/A.
Others:	Audit and Risk Committee reviewed in October 2013		

Recommendations:

The Board is invited:

- (1) To approve the revised LSB Risk Management Strategy.

LEGAL SERVICES BOARD

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LSB Risk Management Strategy – annual review Executive Summary

Background / context

1. This Paper presents the LSB Risk Management Strategy (**Annex A**)

LSB Risk Management Strategy

2. The LSB's Risk Management Strategy (**Annex A**) requires the Board to undertake an annual review of its approach to risk. The Strategy was last reviewed and agreed by the Board in October 2012.
3. The current strategy has been in place, largely unchanged, since 2010 and in light of the full risk register review that was undertaken this year it was appropriate that a full review of the Strategy was also completed so that it accurately reflects current practice and the more focused approach to risk identification that is demonstrated in the revised register.
4. As the LSB has matured, and risk management has become embedded into the organisation it has become unnecessary to highlight the basic principles of risk management within the strategy. Therefore although much of the content is unchanged in terms of process, the layout and language of the revised Strategy has been simplified and there has been an effort to remove any repetition and reduce the size of the document overall.
5. The primary changes are described below:

Layout:	The paper has now been divided into two clear sections: 1. Policy Statement 2. Process
Principles:	Principles have been removed where it was felt that they were covered elsewhere in the document or where more than one could be merged together.
Responsibilities:	The roles and responsibilities of each part of the organisation were dispersed into various sections of the current strategy and repeated in appendix one. They have now been collated into section 1.4.
Process:	An effort has been made to strip out descriptions of risk management in general and to focus on our internal

	process.
Identification of risk:	<p>This section has been simplified by moving the descriptions of the role that individuals play into section 2.4.</p> <p>Approved regulators have been added to the list of possible bodies that we work with to mitigate joint risks.</p> <p>On the direction of the Audit and Risk Committee, the descriptions of impact have been reviewed to ensure that they follow a logical path through levels of severity and continue to be appropriate in the context of the LSB.</p>
Response to risk:	<p>This section has been redrafted to focus on the LSB's tolerance for risk and what actions will be put in place to mitigate any risk. The definition of 'acceptable risk' has been removed as it was not clear what the purpose of its inclusion was and a reference to a PESTLE analysis has been added to highlight that a process is in place for the organisation to identify the general environment that the LSB operates in that we are unable to influence.</p>
Monitoring:	<p>The table that had been included at Appendix three has been moved to the body of the document.</p>
Guidance for Project Risk and Issues (Appendix 2):	<p>The section has been reviewed so that the process is no longer tied to generic risks but also incorporates scope for project specific risks. Examples of actual project risks have been given.</p> <p>The project issue process has been updated to reflect current practice.</p>

6. The Strategy was reviewed and endorsed by the Audit and Risk Committee at their meeting in October subject to some minor amendments.

Recommendation(s)

7. The Board is invited to approve the revised LSB Risk Management Strategy.