Strategic Risk Committee

2025

ANNUAL REPORT

CILEx Regulation

Chair Foreword: Andy Burman

Andy Burman
SRC Chair

The 2025 calendar year has been a period of implementation and consolidation for the Strategic Risk Committee (SRC), following the extension of the Committee's remit in 2024.

During the year, the SRC established a formal programme of meetings and is now discharging its enhanced responsibilities, particularly in relation to review of CRL's strategic risk framework and its Anti-Money Laundering (AML) supervisory functions.

A notable feature of the year has been the Committee's engagement with changing risks in a changing regulatory landscape, including developments arising from the Mazur judgment and evolving expectations from the Legal Services Board (LSB) and OPBAS.

As SRC Chair I welcomed the opportunity to attend a meeting and discuss with members of the CRL Board the new focus of SRC responsibilities formalised in its Terms of Reference.

On behalf of the Committee I thank Judith Worthington whose term of office has now expired for her service over a number of years both as a member and chair. I welcome Karen McArthur who has now been appointed and Aaron Porter, a lay member of the CRL Board, who attends SRC meetings as an observer.

I would like to thank my fellow Committee members for their continued commitment and constructive challenge, and the executive team for their support and the quality of the materials provided. The SRC is now well placed to build on this progress in 2026, with a forward-looking programme of work which is more clearly aligned to the priorities of the CRL Board.

Introduction

This report outlines the work undertaken by the SRC in relation to risk during 2025. It also identifies key themes emerging from the Committee's discussions and highlights areas for further development in CRL's risk-based approach to regulation

The functions of the SRC

The SRC provides advice to the SRC Board on CRL's strategic risk appetite.

Committee activity in 2025

Meetings and Governance:

The SRC had meetings in March and October 2025 and established a schedule of meetings for 2026 to support effective oversight and alignment with Board business.

CRL Strategic Risk Appetite:

The Committee was briefed on CRL's approach to strategic risk reporting reviewed and provided advice on CRL's strategic risk appetite.

AML and Economic Crime Oversight:

The SRC assumed operational oversight of CRL's Economic Crime and AML Supervision to include annual approval of the AML Supervision Report each reporting year.

Following a report by OPBAS in June 2025 an Action Plan was developed to address the issues identified in that report. The Committee reviewed progress against the action plan and commented on a suite of AML-related documents which included:

- The Sectoral Risk Assessment 2025
- AML Supervision Strategy
- AML Succession Policy
- Whistleblowing Policy

Areas for development in 2026

- Annual review of the Risk Appetite Statement
- Continued oversight of AML frameworks and delivery of the OPBAS Action Plan
- Review and approve:
    - CRL's AML Sectoral Risk Assessment
    - CRL's AML Supervision Report 2025-2026
- Review of CRL Compensation Arrangements
- Continued development of Committee effectiveness