

| Risk Grouping | Within CRL's control? | Risk Description | Type | Impact | Likelihood | Overall | Control measures | Impact | Likelihood | Overall | Owner | Comments | Risk for Grouping |
|---|-----------------------|----------------------------|------|-------------|---------------|--------------|------------------|--------------|------------|---------|-------|----------|-------------------|
| CILEx Regulation Risk Preference | | | | | | | | | | | | | |
| | | | | Risk averse | Risk Limiting | Risk Neutral | Risk Accepting | Risk Seeking | | | | | |
| Situational context | | Compliance | | | | | | | | | | | |
| | | BAU delivery | | | | | | | | | | | |
| | | Product Development | | | | | | | | | | | |
| | | Consumer Policy | | | | | | | | | | | |
| | | New business opportunities | | | | | | | | | | | |

SC Strategic objective - Consumer

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| SC2 (G23) | TOP RISK New top risk | | The Legal Choices website does not deliver the CMA ambitions, single digital register, PLE ambitions and is cost prohibitive resulting in lack of improved information and choice on quality and standards of lawyers for consumers and CMA public censure | Str £ R | | 4 | | 4 | | 16 | ~ RPIG ~ Legal Choices Governance Board ~ CRL have raised at Regulators CEO's meeting ~ Concerns highlighted to LSB ~ regular Board discussion | | 3 | | 4 | | 12 | CEO | ~ Whilst the risk score has not been increased, it has been added as a top risk given Board interest and the imminent CMA review | ↔ | |
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SD Strategic objective - Diversity

SS Strategic objective - Standards

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| SS1 (G12) | TOP RISK | | Limited member data prevents understanding and effective regulation of high risk groups increasing risk to the consumer and reputation of CRL, risks non-compliance (LSB E&D requirements; Anti-Money Laundering) and reduces the ability to improve support for vulnerable regulated members. | R Op | | 5 | | 4 | | 20 | Plans in place to specify new CRM requirements for collection of improved data. Risk matrix for individual practitioners agreed by Strategic Risk Committee - continue the work to educate the professional association on AML obligations of members ~ New CRM will capture additional protected characteristics instead only currently 3 Diversity survey for full membership in 2017 | | 4 | | 3 | | 12 | Vicky Stuart | ~ Risk score increased from 8 to 12 following Feb Board request and the impact it has on CRL's ability to do its role effectively. One CILEX Programme board approved 3 change request items at their meeting on 22/6/20. progress on these items can now be made - Risk Matrices, Membership renewal process configuration, Entity Directory. | ↔ | |
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SM Management including Financial sustainability / Independence (IGR)

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| SM3 | TOP RISK | | CRL moves to independence without sufficient finances to meet its needs to be effective or be self-sustaining (including entity growth), including lack of affordable support services | £ Str R | | 5 | | 4 | | 20 | ~ Board IGR oversight ~ External consultants ~ NEDs Group ~ IGR Working Group ~ IGR specify CRL sets its budget and strategy ~ LSB approve PCF ~ Matters reserved to Board ~ SLAs ~ Protocols bolstered to cover S.30 | | 5 | | 2 | | 10 | CEO, Vicky, Stuart | ~ Phase 2 independence planning to help ensure realistic timelines ~ Develop reserves | ↔ | |
| SM6 | TOP RISK | | The impact arising from the coronavirus situation on CRL's budget and projects | £ Str Rep | | 5 | | 4 | | 20 | ~ Reforecasting process ~ May 20 Board Top Issue discussion ~ 94% of PCF billed already received for 2020. ~ Developing early warning indicators e.g. CPD compliance / Fellow payments/renewals/revenue e.g. WBL ~ Monitoring external situation ~ Identifying early contingency measures ~ Monitoring finances closely to ensure no unnecessary spends ~ Maximising reserves carry-over for 2021 ~ SMT exploring all avenues of cost-saving measures like recruitment, pay, training freezes etc ~ Highlighted to CILEX CEO S.30 may be necessary if exceptional revenue drop | | 5 | | 4 | | 20 | CEO, Vicky, Stuart | ~ other regulators at 18 June Regulators Forum suggesting the impact has not been as bad as initially feared ~ seek from membership renewal numbers for non-Fellows | | |

A APPROVED REGULATOR

Governance

B GROUP SERVICES

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| B3 | Group Services | | | | | | | | | | | | | | | | | |
| | TOP RISK | | CRM does not deliver what we need | Op | 5 | 4 | 20 | CRM Programme Board CRM Weekly Strategic Group Top risk consideration by Board with IT Director coming to Board ~ CRL involvement in One-CILEx customer journey | 4 | 4 | 16 | Vicky | ~ Kept Red given so much of what we need is in P2 and the challenges with P1 and CILEx Board view ~ Finance focus means CRL priorities are being deferred which impacts on CRL effectiveness ~ Risk score reduced from 20 to 16 [rescored following SMT reflection on score rather than a reflection of improved mitigations/situation] ~ re-evaluating road map of change. One Cilex Programme Board approved change requests on 22/6. risk remains high until these items are progressed and tested to ensure they meet the required needs. | ↔ | | | | |

C PROFILE

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| C2 | CILEx | | | | | | | | | | | | | | | | | |
| | TOP RISK | | Low brand awareness for CILEx Regulation. | R | 5 | 4 | 20 | ~ Recruitment of Head of Stakeholder Engagement ~ Additional marketing resource provided for in CRL 2019 budget Recruitment of Digital Engagement and Comms dedicated resource, largely replacing Group comms service delivery. Direct control of marketing budget agreed with CILEx from 2018. Board oversight of delivery of marketing plan for entity and practice rights. ~ Comms & Engagement Strategy approved July 19 with campagins agreed | 4 | 4 | 16 | CEO | ~ Increased from 12 to 16 to reflect February Board's wishes: reflecting CILEx members are still viewed as second-class citizens ~ Meeting with new BD Director (responsible for marketing) planned for May 20 ~ Harvey, new BD Director, attending Sept Board [Harvey couldn't attend July Board] | ↔ | | | | |

D BARRIERS

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| D1 | Authorisation | | | | | | | | | | | | | | | | | |
| | TOP RISK | | Authorisation barriers inhibiting authorisation limiting CRL's potential to be a full service regulator | Str R | 5 | 4 | 20 | ~ Engagement with anti-competitive practices in relation to mortgage lender panel eligibility for conveyancing entities ~ Direct marketing plan agreed and planned activities under way. ~ Separate paper on the agenda ~ Mtg with UK Finance July 19 | 4 | 4 | 16 | Vicky | ~ Reverted to 16 score at May Board request ~ LSB have indicated supporting addressing barriers in an Apr 20 letter from the LSB Chair ~ Seeking the LSB include removing barriers as part of their new 3 year strategy | ↔ | | | | |
| D2 | | | | | | | | | | | | | | | | | | |
| | TOP RISK | | Number of qualifying Insurers subscribing to our Qualifying Insurers Agreement for provision of PII cover to regulated entities remains limited | Str | 5 | 4 | 20 | Grow entity regulation leading to increased market share for QIA insurers. Regulator switching will assist. Potential impact of SRA proposals on maximum amount of cover will be monitored. As interim measure we will engage proactively with existing QIA member via our brokers, Marsh | 5 | 4 | 20 | Vicky | ~ The market is hardening - insurers are exiting the market. SRA have a warning to their members ~ Marsh to discuss options include PII master policy ~ Risk score increased form 8 to 12 ~ 4 firms cannot get PII that are ready to go live - raised from 12 to 20 | ↔ | | | | |

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| E EXTERNAL | | | | | | | | | | | | | | |
| | Regulatory framework | | | | | | | | | | | | | |
| F EDUCATION | | | | | | | | | | | | | | |
| | Awarding Organisation | | | | | | | | | | | | | |
| | CILEx Professional | | | | | | | | | | | | | |
| | CILEx Regulation | | | | | | | | | | | | | |
| G INTERNAL | | | | | | | | | | | | | | |
| | Customer | | | | | | | | | | | | | |
| | Resources | | | | | | | | | | | | | |
| G7 | TOP RISK | | An enduring business continuity incident or significant staff turnover or sickness could result in inability of staff to carry out essential work (Lack of access to paperwork; CRM etc) | Op | 4 | 3 | 12 | Moving to paperless processes / scanning BC Plan Sharepoint Online CRM CILEx-wide BC Group BC annual test | 4 | 3 | 12 | Stuart Vicky | Exercise under way to identify all critical functions that could not be easily covered if a member of staff was suddenly not at work for a significant period. Once completed this risk will be reduced and taken off the corporate risk register ~ Prescient as a previous top risk given the pandemic. However, business has largely been able to continue. Therefore the risk score has not been increased ~ Discussion at Mgrs mtg how do things differently | ↔ |
| | Regulatory | | | | | | | | | | | | | |
| | IT | | | | | | | | | | | | | |
| G ENFORCEMENT | | | | | | | | | | | | | | |