

|                        |                   |                        |            |
|------------------------|-------------------|------------------------|------------|
| <b>Meeting</b>         | OLC Board Meeting | <b>Agenda Item No.</b> | 3          |
|                        |                   | <b>Paper No.</b>       | 148.2      |
| <b>Date of meeting</b> | 29 July 2026      | <b>Time required</b>   | 30 Minutes |

|                               |                                                           |
|-------------------------------|-----------------------------------------------------------|
| <b>Title</b>                  | <b>Strategic Risk update</b>                              |
| <b>Sponsor</b>                | Laura Stroppolo, Head of Programme Management & Assurance |
| <b>Status</b>                 | OFFICIAL                                                  |
| <b>To be communicated to:</b> | Members and those in attendance                           |

| <b>Executive summary</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Since the start of Q1, a review of the Strategic Risk and Issue Register has been undertaken to ensure that it remains aligned to the organisation's strategic objectives, current operating environment and capacity to deliver.</p> <p>As part of this review, <i>SI.01 Unacceptable Queue of Cases</i>, <i>SI.02 Absorbing Increasing Sector-Led Demand</i> and <i>SI.03 Failure to Deliver Business Plan Improvements in Customer Experience</i> have been consolidated into a single Strategic Issue: <i>SI.01 – Inability to Sustainably Manage Demand Within Current Operating Capacity</i>. This reflects the interconnected nature of these issues and provides a clearer strategic focus on the organisation's ability to manage demand effectively within available resources.</p> <p>It was also agreed to de-escalate <i>SR.03 Accommodation Risk</i> and <i>SR.05 Staff Attrition</i> to Business Unit-level management, recognising that these risks are better managed through operational oversight and local controls. In addition, the strategic risk previously described as <i>Enterprise Strain from Transformation Demands</i> has been replaced with <i>Failure to Realise Strategic Transformation Outcomes</i>, reflecting the organisation's increasing focus on ensuring that transformation activity delivers the intended strategic outcomes and benefits.</p> <p>As a result of these changes, the Strategic Risk and Issue Register now comprises two Strategic Issues and four Strategic Risks, providing a more streamlined and focused view of the organisation's principal strategic challenges and enabling greater attention to be directed towards those risks and issues most likely to impact the achievement of strategic objectives.</p> <p>Alongside these changes, work to further strengthen and mature the control environment continues. The Key Person Dependency improvement action has now been completed and will begin generating management information and performance metrics from Q2, supporting enhanced oversight and management of this risk area. A number of other control improvement initiatives remain in progress and updates will continue to be reported through future governance cycles.</p> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <p>The purpose of this Board Risk Workshop is to review the refreshed Strategic Risk and Issue Register, consider the proposed risk statements and agree the organisation's strategic risk appetites.</p> <p>The workshop also seeks Board feedback on the proposed 2026/27 Risk Appetite Statement. The proposed statement maintains an overarching open appetite while reflecting the organisation's shift from delivering change to embedding and optimising improvements, progressing activity through Pillars 1 and 2 and commencing the discovery and design phase of the Scheme Transformation Review. Board members are invited to consider whether the proposed appetite appropriately balances transformation, service resilience and organisational capacity.</p> <p>To support this discussion, a series of key questions has been included within slide 5 of the workshop pack. Feedback from the workshop will inform the finalisation of the Strategic Risk and Issue Register, risk statements and risk appetite framework.</p> |                                  |
| Board members are asked to approve the 2026/27 strategic risk register and 2026/27 risk appetite statement. .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                  |
| <b>Equality Diversity and Inclusion</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                  |
| <b>EDI implications</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Yes</b>                       |
| The refreshed Strategic Risk and Issue Register has no direct adverse Equality, Diversity and Inclusion implications. However, a number of the risks and mitigating actions support positive EDI outcomes through maintaining accessible and effective services, improving customer experience, strengthening organisational resilience, and supporting workforce wellbeing and inclusion. The Scheme Transformation Review will continue to consider EDI impacts throughout discovery and design to ensure that future service changes remain accessible, proportionate and responsive to the needs of diverse users and stakeholders.                                                                                                                                                                                                                                                                                                                                                                                                         |                                  |
| <b>Freedom of Information Act 2000 (Fol)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |
| <b>Paragraph reference</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Fol exemption and summary</b> |
| N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | None – suitable for publication. |
| <b>Value for Money (VfM)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |
| <ul style="list-style-type: none"> <li>• <b>SR.02 Budget Variance Against Forecast</b> – ensuring expenditure remains within approved tolerances and that budgets are fully utilised.</li> <li>• <b>SI.01 Inability to Sustainably Manage Demand Within Current Operating Capacity</b> – operational improvements, automation, AI decision-writing, process efficiencies and productivity improvements designed to maximise capacity within existing resources.</li> <li>• <b>SR.04 Failure to Realise Strategic Transformation Outcomes (Vision 2030)</b> – ensuring transformation investment delivers intended benefits and organisational improvements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                          |                                  |

- The overall **risk management framework and governance arrangements**, which support informed decision-making, prioritisation of resources and oversight of public funds

# Risk Workshop

## July 2026

# Agenda

- **26/27 Risk Appetite Statement**
- **Approval of strategic risk register, appetites and tolerance.**

# Contents

1. Risk Appetite Statement 26/27 (*Slide 4*)
2. Questions to consider (*slide 5*)
3. Breakdown of previous risks/issues (*Slide 6*)
4. Strategic Issues (*Slide 7 to 9*)
5. Strategic Risks (*Slide 10 to 14*)
6. Risk Methodology (*Slide 15 to 20*)

# 2026/27 Risk Appetite statement

## 2025/26 Risk Appetite Statement

The Office for Legal Complaints (OLC) will continue to operate with an overarching open risk appetite, supporting the delivery of its operational transformation agenda. In 2025/26, this includes sustaining momentum toward LeO's strategic ambition and deepening the impact of change through innovation, digital development, and the use of data and insights. This approach enables LeO to embed a culture of learning, agility, and continuous improvement, while also recognising the potential strain on operational and IT capacity as staff balance their core responsibilities with the demands of designing and implementing significant system and process changes. The OLC will remain focused on managing this tension, ensuring appropriate mitigations are in place to minimise disruption and maintain service quality. LeO will continue to monitor, mitigate and manage any significant risks to its improvement trajectory, customer service levels, and organisational reputation with stakeholders. This is managed alongside a minimal appetite for financial risk.

## 2026/27 Risk Appetite Statement

The Office for Legal Complaints (OLC) will continue to operate with an overarching open risk appetite, supporting delivery of its transformation agenda and long-term strategic ambitions. During 2026/27, LeO will continue to progress activity across Pillars 1 and 2 of its improvement strategy, embedding operational improvements, driving greater process efficiency, and strengthening the use of data and insight to improve performance and outcomes. Alongside this, the Scheme Transformation Review (STR) will commence its discovery and design phase, establishing the evidence base, future service model and transformation roadmap required to deliver sustainable change over the longer term.

LeO will maintain an open appetite for collaboration and engagement across the legal services sector and wider regulatory landscape, recognising the importance of partnership working to improve outcomes for consumers and support broader system improvement. This includes engaging constructively with ongoing sector reform discussions and developing its understanding of future legislative and regulatory developments, including opportunities arising from the Legal Services Board's review of the regulatory framework. LeO will focus on delivering fair, timely and proportionate outcomes while progressing the long-term transformation required to create an accessible, high-performing, agile and resilient Ombudsman service fit for the future. This approach recognises the need to pursue change, innovation and continuous improvement in a measured and well-governed way, protecting service quality and public confidence while improving user experience, customer outcomes and trust in the regulated legal sector.

The OLC will remain mindful of risks relating to organisational capacity, system maturity, and the cumulative impact of change, ensuring these are actively managed through prioritisation, governance, and proportionate mitigations. LeO will continue to monitor, mitigate and manage any<sup>4</sup> significant risks to service performance, customer experience, and organisational reputation. This is managed alongside a minimal appetite for<sup>7</sup> financial risk.

## **Questions**

### **1) Delivery vs Risk Appetite**

*Based on the last year, do you believe our stated risk appetite has been appropriately aligned to what we have been able to deliver? Where, if anywhere, has it been too open or too restrictive?*

### **2) Balance Between Change and Stability**

*Have we achieved the right balance between delivering transformation and maintaining operational performance, or should our risk appetite shift to better reflect service stability and resilience?*

### **3) Capacity and Change Fatigue**

*To what extent have organisational capacity constraints or change fatigue impacted delivery, and should this be more explicitly reflected in our strategic risks and appetite?*

### **4) Embedding vs Continuing Change**

*Do you agree that the organisation is now at the right point to focus on embedding and optimising previous changes, and should our risk appetite evolve to reflect this shift?*

### **5) Risk Profile Going Forward**

*Looking ahead, are there any emerging risks or changing conditions that require us to reconsider our current risk appetite or tolerance levels?*

# Breakdown slide of previous risks/issues

| Previous Title                                                                 | Descriptions                                                                                                                                | Rationale/update                                                                                             |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>SI.01</b> - Unacceptable queue of cases                                     | LeO still has an unacceptable queue of cases awaiting investigation.                                                                        | Issues have been merged into SI.01 -Inability to Sustainably Manage Demand Within Current Operating Capacity |
| <b>SI.02</b> Absorb increasing sector led demand                               | LeO can't absorb further increases in new customer complaints within existing resource levels.                                              |                                                                                                              |
| <b>SI.03</b> Failure to meet business plan improvements in customer experience | There is a risk that LeO fails to deliver the improvements in customer experience set out in the business plan, including customer journey. |                                                                                                              |
| <b>SR.03</b> Accommodation Risk                                                | Failure to obtain suitable Birmingham office headquarters post lease (Oct 2029) due to GPA Bham3 hub not receiving cabinet office funding.  | This risk has been moved to be managed within Project risks                                                  |
| <b>SR.05</b> Staff Attrition – Overall Attrition                               | Leo is not attracting and retaining high calibre employee.                                                                                  | This risk has been moved to be managed within Business Unit Risks                                            |

PRESENTATION TITLE

# Strategic Issues

Impact Scale ↑

- 1. Insignificant
- 2. Minor
- 3. Moderate
- 4. Major/Significant
- 5. Catastrophic/Severe

Likelihood Scale →

- 1) Very unlikely (0-5%)
- 2) Unlikely (6-20%)
- 3) Possible (21-50%)
- 4) Probable (51 – 80%)
- 5) Almost certain (81 -99%)

|   |    |             |             |    |
|---|----|-------------|-------------|----|
| 5 | 10 | 15          | 20          | 25 |
| 4 | 8  | SI.02<br>12 | SI.01<br>16 | 20 |
| 3 | 6  | 9           | 12          | 15 |
| 2 | 4  | 6           | 8           | 10 |
| 1 | 2  | 3           | 4           | 5  |

**SI.01** - Inability to Sustainably Manage Demand Within Current Operating Capacity *(Slide 8)*

**SI.02** – Key Person Dependency (Single Point of Failure) *(Slide 9)*

Definitions for clarity:

- Control: A mechanism to manage a risk.
- Action: Steps to enhance controls and risk data
- Management Action: Ongoing measures to mitigate risks, which may evolve into controls once audited and evidenced.

| Issue Name                                                                             | Description                                                                                                                                                                                                                                       | Appetite | Tolerance position      | Trend                                                                               |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------|-------------------------------------------------------------------------------------|
| <b>SI.01</b> -Inability to Sustainably Manage Demand Within Current Operating Capacity | Sustained and volatile demand increases in more complex demand arising from legal sector failures is exceeding current system capacity, leading to an unacceptable case queue and preventing delivery of planned customer experience improvements | Open     | <b>Out of Tolerance</b> |  |

| Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Under Pillar 1, a number of short-term operational improvements are being progressed to increase capacity and improve service performance. Lean Phase 3 has now been fully implemented, with benefits expected to materialise during Q2 as the revised processes embed and operational performance stabilises. Work is also been undertaken to improve proportionality and provide greater clarification around the application of existing Scheme Rules, supporting more efficient case progression and decision-making. In addition, the Mailbox Intelligent Automation project is expected to be implemented during Q2, reducing manual email handling and enabling GET resource to focus on higher-value customer-facing activity. Alongside this, development continues on the Generative AI decision-writing pilot, which is expected to reduce administrative effort and free Ombudsman capacity to focus on case decisions activity. Collectively, these initiatives are intended to improve productivity and create additional capacity within the existing operating model.</p> <p>Under Pillar 2, progress continues on longer-term measures designed to address demand at source and improve system-wide effectiveness. This includes development of Scheme Rule changes and alignment of the case fee framework to encourage stronger first-tier complaint handling and reduce avoidable demand entering the organisation. This will create a more proportionate and sustainable complaints system and remain central to the organisation's medium-term response to increasing demand pressures.</p> <p>Alongside these initiatives, the Scheme Transformation Review (STR) has now been approved, providing a longer-term strategic response to the structural limitations of the current operating model. The review recognises that while operational improvements continue to generate efficiencies, demand growth and increasing case complexity now require more fundamental transformation of how services are delivered. The STR will establish a roadmap towards a more scalable, digitally enabled and resilient operating model capable of responding to future demand levels and consumer expectations.</p> <p>While these actions provide greater confidence that the organisation can strengthen its ability to manage demand over time, the issue remains open given continued volatility in demand, the pace at which benefits will be realised, and the dependency on wider sector reforms. Successful delivery of Business Plan priorities across all three pillars, together with implementation of the STR, will be critical to reducing this issue over the medium to long term.</p> |

| Controls                                                                                                                                                                                                                                                                       | Control Effectiveness |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| PAP reduction activities                                                                                                                                                                                                                                                       | Effective             |
| Support to operational delivery provided by Team Leaders to investigators regarding performance and behaviors. Team Leaders to adopt risk based 121's / Side By Side's approach to ensure that the investment of Team Leaders time is proportionate to individual performance. | Effective             |
| Policy Framework                                                                                                                                                                                                                                                               | Effective             |

**Tolerance:** please note the boxes with a highlighted white corner show the tolerable position. Above this line will mean outside of tolerance, underneath the line means optimal position.

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| 4 | 8  | 12 | SI.01<br>16 | 20 |
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| Issue Name                                              | Description                                                                                                                                                                                                                                                                                                                                                                      | Appetite | Tolerance        | Trend                                                                               |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------|-------------------------------------------------------------------------------------|
| SI.02 - Key Person Dependency (Single Point of Failure) | There is a risk that critical knowledge, decision-making authority, or operational capability is concentrated in one or a small number of individuals. If these individuals become unavailable due to resignation, illness, retirement, or other unforeseen circumstances, it could significantly disrupt business continuity, strategic delivery, or operational effectiveness. | Open     | Within Tolerance |  |

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|   |    |             |    |    |
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| 4 | 8  | SI.02<br>12 | 16 | 20 |
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Update

The risk continues to be assessed as being within tolerance, with organisational resilience remaining stable throughout the quarter. Succession planning arrangements, increased leadership capacity, broader distribution of responsibilities, and strengthened knowledge-sharing practices have reduced dependency on individual postholders and increased resilience across critical functions. Further review of key person dependencies has provided additional assurance that the risk is being effectively managed through existing controls. Executive Team discussions have continued regarding the appropriateness of retaining this as a strategic risk, with consideration being given to whether ongoing management would be more proportionately undertaken at an operational level.

Control

Business unit risks to feed into the Strategic Issue.

Definitions for clarity:

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# Strategic Risks

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| 5                   | 10 | 15                   | 20 | 25 |
|---------------------|----|----------------------|----|----|
| 4<br>SR.01<br>SR.02 | 8  | SR.03<br>SR.04<br>12 | 16 | 20 |
| 3                   | 6  | 9                    | 12 | 15 |
| 2                   | 4  | 6                    | 8  | 10 |
| 1                   | 2  | 3                    | 4  | 5  |

- SR.01 – Leadership Resilience (Slide 11)
- SR.02 - Budget Variance Against Forecast (Slide 12)
- SR.03 - Failure to deliver new impact objective (Slide 14)
- SR.04 – Staff Attrition – Overall Staff Attrition(Slide 15)

## Changes to Strategic Risks - Summary

| Risk Name                   | Description                                                                                                                                                                                                                                                                                 | Appetite | Tolerance | Trend |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|-------|
| SR.01 Leadership resilience | There is a risk that LeO lacks leadership resilience as a result of pressures or gaps at Executive and/or Management team level, potentially impacting on LeO's ability to effectively deliver on strategic and business plan commitments, or to respond to emerging pressures and demands. | Cautious | Optimal   |       |

| Update                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The risk remains within tolerance. Leadership resilience has been maintained during the quarter through stable Executive leadership, effective succession arrangements, and demonstrated leadership capability across all management levels. Continued evidence of effective business delivery during periods of change provides assurance that leadership capacity and organisational resilience remain strong.</p> |

| Management actions                                                                        |
|-------------------------------------------------------------------------------------------|
| Clear communication around Executive or Management Team movements and succession planning |
| Enhancing effective succession planning including as part of future people strategy.      |
| Support for Executive Team and individual resilience and development                      |

| Action                                                                                                                                                                                                     | Date     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| A new HR system is currently in the procurement phase with a view onboard with a new supplier by Q3 26/27 and is expected to include functionality for role coverage and provide data on role criticality. | Q3 26/27 |

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| SR.01<br>4 | 8  | 12 | 16 | 20 |
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# Strategic Risk Register

| Risk Name                                     | Description                                                                                                                                                                                              | Appetite | Tolerance               | Trend                                                                               |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------|-------------------------------------------------------------------------------------|
| <b>SR.02</b> Budget Variance Against Forecast | There is a risk that actual spend against the approved budget falls outside the $\pm 1\%$ tolerance at the end of the year, which could affect spending control and what we deliver throughout the year. | Minimal  | <b>Within Tolerance</b> |  |

## Update

We remain on track to fully utilise both the Operational and Transformation budgets by the end of the financial year. The Deputy Prime Minister's approval of both budgets last week has removed the risk of administrative delays. However, there remains a risk that delivery may not progress at the required pace to implement all planned activities within the financial year. This risk will continue to be actively monitored over the remaining nine months, with mitigating action taken where necessary to support delivery within agreed budget tolerances.

Percentages will be confirmed once we have closed the accounts and updated the forecast.

| Controls                                                                                                                                                                                                           | Control Effectiveness |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Monthly reporting to the MoJ includes actual expenditure against budget and budget variance analysis.                                                                                                              | Effective             |
| Monthly financial review meetings with budget holders which cover both capital and operational expenditure.                                                                                                        | Effective             |
| Transformation expenditure will be tracked, monitored, and reported separately from Q3 onward.                                                                                                                     | Q3                    |
| Following budget holder review meetings, the Executive provides an additional layer of oversight through independent reviews by the Chief Ombudsman and the Head of Finance, including escalations where required. | Effective             |
| Action                                                                                                                                                                                                             | Date                  |

Potential More Key Risk indicators following linkage of Business Unit Risks

End of Q1 2026/27

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# Strategic Risk Register

| Risk Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Appetite | Tolerance               | Trend |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------|-------|
| <b>SR.03</b> Failure to deliver new impact objective                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | There is a risk that a range of factors could contribute to LeO not being able to deliver the full scope of its strategic objective (and strategic aims) to influence improvements in legal services. Risk factors include the level of resource in key delivery teams, the effectiveness of our strategic relationships and reach, and the appetite of the legal sector to use LeO's insight, learning and support to improve both levels of service and standards of complaint handling. | Open     | <b>Within Tolerance</b> | ↔     |
| <b>Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |                         |       |
| <p>With respect to the risk factors highlighted, we continue to experience resource pressures within the Communications, Engagement and Impact team affecting our capacity to drive delivery of our learning and insight work. However, we have plans in development to strengthen resourcing in this area significantly, so these pressures should ease.</p> <p>Relating to our strategic relationships, we have put renewed focus on our strategic engagement – particularly in supporting the Chair's and Chief Ombudsman's introductory contact with key stakeholders. This remains a developing area of work, progressing in line with the approach previously presented to the Board. In addition, a number of recent developments provide strong momentum in support of greater collaboration among regulatory bodies to share data and insight. These include the findings of the independent review of the LSB, the convening of the LSB's CEO forum (and its support of intelligence sharing), and the strong desire for collaborative working shared by the leadership of the OLC/LeO and the SRA.</p> <p>The appetite of the legal sector to use LeO's insight positively to improve levels of service and standards of complaint handling remains a strong headwind to our strategic objective.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |                         |       |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          | <b>Date</b>             |       |
| <ul style="list-style-type: none"> <li>Resource Planning: We have refreshed the job description of the Strategic Publications &amp; Content Manager and will advertise this vacancy as soon as possible. In parallel we are developing our wider plans to strengthen the CEI team's resourcing, including new roles focused on data analysis, research and casework expertise. This planning will continue this quarter with a view to advertising roles in the late summer/early autumn.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          | Ongoing                 |       |

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- Control: A mechanism to manage a risk.
- Action: Steps to enhance controls and risk data
- Management Action: Ongoing measures to mitigate risks, which may evolve into controls once audited and evidenced.

# Change of Strategic Risk

| Risk Name                                                                                  | Description                                                                                                                                                                                                                                                                                                                                                           | Appetite | Tolerance               | Trend                                                                               |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------|-------------------------------------------------------------------------------------|
| <b>SR.04</b> - Failure to Realise Strategic Transformation Outcomes (2027 – 2030 Strategy) | There is a risk that LeO may not successfully deliver its long-term transformation objectives under Vision 2030, resulting in a failure to realise the intended organisational benefits. This includes improvements to sustainability, resilience, regulatory outcomes, and key transformation pillars such as scheme rules, case fees, and operational enhancements. | Open     | <b>Within Tolerance</b> |  |

## Update

The STR business case received ministerial approval on 29 June, with procurement for consultants launching the same week. The procurement window will remain open for six weeks, during which we will assess the number of bids received and review tenders over the summer. A governance refresh paper will be presented to the Board in July, seeking approval to establish a new sub-group to challenge and scrutinise the Transformation Programme. Any decisions or escalations will be referred to the Board as required. Alongside the appointment of consultants, recruitment campaigns will be undertaken to support delivery of the STR and ensure minimal disruption to BAU projects.

| Action                                                                                                                                                                                                                                                                                                                                                                                                                                 | Date                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Risk Manager to create and link Business unit risks into the strategic risk</li> <li>Data / evidence collection for consultant review</li> <li>Recruitment of transformation team (Head of Transformation, Planning &amp; Performance &amp; Transformation Project Managers</li> <li>Procurement live – tender deadline 31 July</li> <li>Formation of Board Transformation Sub-Group</li> </ul> | Q2 2026 (revised)<br>Ongoing<br>End of Q2 2026<br><br>July 2026<br>TBC |

**Tolerance:** please note the boxes with a highlighted white corner show the tolerable position. Above this line will mean outside of tolerance, underneath the line means optimal position.

## Impact Scale ↑

1. Insignificant
2. Minor
3. Moderate
4. Major/Significant
5. Catastrophic/Severe

## Likelihood Scale →

- 1) Very unlikely (0-5%)
- 2) Unlikely (6-20%)
- 3) Possible (21-50%)
- 4) Probable (51 – 80%)
- 5) Almost certain (81 - 99%)

|   |    |             |    |    |
|---|----|-------------|----|----|
| 5 | 10 | 15          | 20 | 25 |
| 4 | 8  | 12<br>SR.04 | 16 | 20 |
| 3 | 6  | 9           | 12 | 15 |
| 2 | 4  | 6           | 8  | 10 |
| 1 | 2  | 3           | 4  | 5  |

## Definitions for clarity:

- Control:** A mechanism to manage a risk.
- Action:** Steps to enhance controls and risk data
- Management Action:** Ongoing measures to mitigate risks, which may evolve into controls once audited and evidenced.

# Appendix 2 Risk Tolerance methodology

Following feedback from the May ARAC meeting a new approach for the risk tolerance process has been discussed. The new approach will integrate risk appetites to the risk matrix. Risk tolerance positions will be based on the risk approach. The residual score will be determined by the effectiveness of controls, outcome of specific actions and Key Risk Indicators.

Below you will see a risk matrix, where the risk appetite has been mapped a specific scoring on the matrix. This demonstrates the risk tolerable position of the risk approach (appetite). For example; If the risk appetite approach was cautious, the risk tolerable position would be within a score of 8 to 9. Anything above the 9 score would mean the risk is out of tolerance. Anything below the 8 score would be an optimal (target) position. On the next slide you will see a more detailed example.

| Risk Appetite     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Averse</b>     | Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.                                                                                                                                                                                                                                                   |
| <b>Minimalist</b> | Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.                                                                                                                                                                                                             |
| <b>Cautious</b>   | Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent. |
| <b>Open</b>       | Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.                                                                          |
| <b>Eager</b>      | Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.                                                                                                                                                                                                                                                                            |

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|                            |                             |                             |                             |                            |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| <b>5</b><br><b>Minimal</b> | <b>10</b><br><b>Open</b>    | <b>15</b><br><b>Eager</b>   | <b>20</b>                   | <b>25</b>                  |
| <b>4</b><br><b>Minimal</b> | <b>8</b><br><b>Cautious</b> | <b>12</b><br><b>Open</b>    | <b>16</b><br><b>Eager</b>   | <b>20</b>                  |
| <b>3</b><br><b>Averse</b>  | <b>6</b><br><b>Minimal</b>  | <b>9</b><br><b>Cautious</b> | <b>12</b><br><b>Open</b>    | <b>15</b><br><b>Eager</b>  |
| <b>2</b><br><b>Averse</b>  | <b>4</b><br><b>Minimal</b>  | <b>6</b><br><b>Minimal</b>  | <b>8</b><br><b>Cautious</b> | <b>10</b><br><b>Open</b>   |
| <b>1</b><br><b>Averse</b>  | <b>2</b><br><b>Averse</b>   | <b>3</b><br><b>Averse</b>   | <b>4</b><br><b>Minimal</b>  | <b>5</b><br><b>Minimal</b> |

# Appendix 2 Risk Tolerance methodology

**Example:** Below you will see the Strategic Issue SI.01 Unacceptable queue of cases. The risk approach (appetite) is set to eager. The risk theme is set to Operations (*for risk theme definitions please see slide 15 to 17*). Based on the below example the residual score shows the risk is in a tolerable position. Should the residual rating be above 16 the risk would be outside of tolerance, if below 15 then the risk would be within an optimal position however you can see a set target.

**Please note:** The residual scoring will be determined on the effectiveness of controls, the status of actions and their outcomes, and key risk indicators. All information is currently being migrated into the new risk system therefore future risk updates will be more detailed and will be visually different to the example shown below.

| SI.01 (Backlog of investigation cases)                                                                                                                |  |          |  |              |               |               |                       |              |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|--|--------------|---------------|---------------|-----------------------|--------------|--|
| Description                                                                                                                                           |  |          |  |              |               |               |                       |              |  |
| In 23/24 LeO still has a backlog of cases awaiting investigation, after 'early resolution' but waiting full investigation in the pre-assessment pool. |  |          |  |              |               |               |                       |              |  |
| Risk Theme                                                                                                                                            |  | Appetite |  |              |               |               |                       |              |  |
| Operations                                                                                                                                            |  | Eager    |  | 5            | 10            | 15            | 20                    | 25           |  |
|                                                                                                                                                       |  |          |  | 4            | 8             | 12            | 16<br>Residual Rating | 20           |  |
|                                                                                                                                                       |  |          |  | 3            | 6             | 9<br>Target   | 12                    | 15           |  |
|                                                                                                                                                       |  |          |  | 2            | 4             | 6             | 8                     | 10           |  |
|                                                                                                                                                       |  |          |  | 1            | 2             | 3             | 4                     | 5            |  |
|                                                                                                                                                       |  |          |  | 5<br>Minimal | 10<br>Open    | 15<br>Eager   | 20                    | 25           |  |
|                                                                                                                                                       |  |          |  | 4<br>Minimal | 8<br>Cautious | 12<br>Open    | 16<br>Eager           | 20           |  |
|                                                                                                                                                       |  |          |  | 3<br>Averse  | 6<br>Minimal  | 9<br>Cautious | 12<br>Open            | 15<br>Eager  |  |
|                                                                                                                                                       |  |          |  | 2<br>Averse  | 4<br>Minimal  | 6<br>Minimal  | 8<br>Cautious         | 10<br>Open   |  |
|                                                                                                                                                       |  |          |  | 1<br>Averse  | 2<br>Averse   | 3<br>Averse   | 4<br>Minimal          | 5<br>Minimal |  |

Impact Scale ↑

- 1. Insignificant
- 2. Minor
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- 5. Catastrophic/Severe

Likelihood Scale →

- 1) Very unlikely (0-5%)
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- 3) Possible (21-50%)
- 4) Probable (51 – 80%)
- 5) Almost certain (81 -99%)

# Appendix 2 Risk Tolerance methodology

## Extract from the Orange Book:

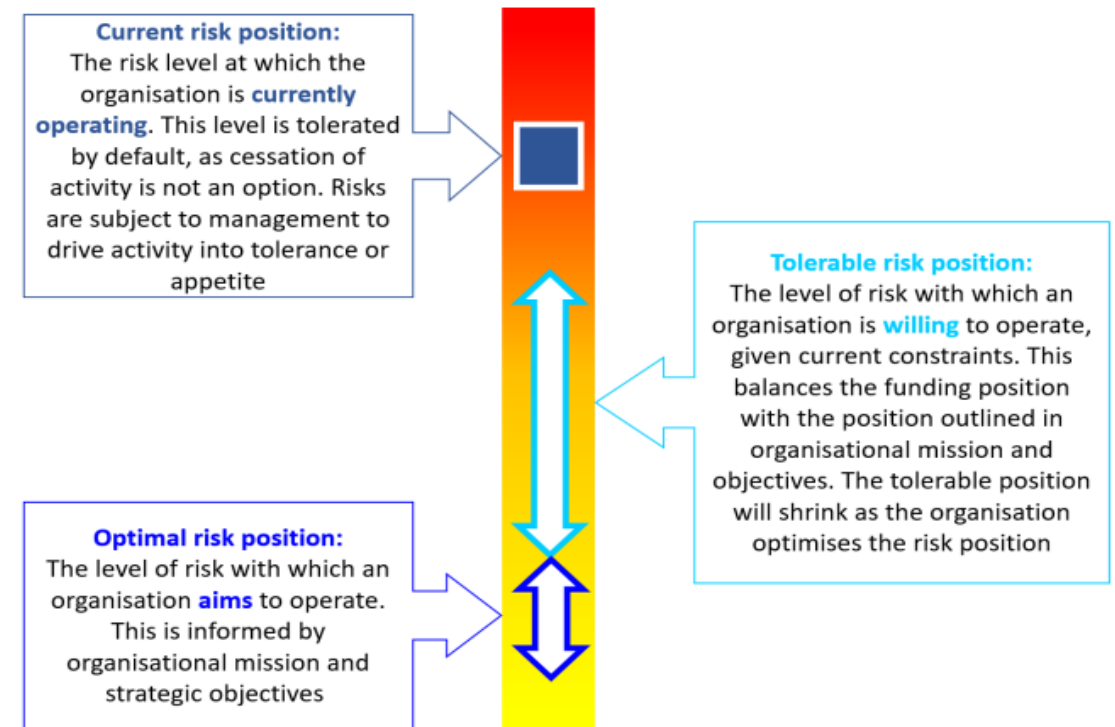
### What is risk appetite?

Risk appetite as a concept is often referenced in organisations, without clearly defining what it is. Similarly, the terms risk appetite and risk tolerance are often used interchangeably. It is equally true that many organisations already apply the principles contained in the guidance of the Orangebook without necessarily fully acknowledging them as part of a risk management framework where risk appetite is actively considered in decision-making.

When referenced in this guide, risk appetite will be referred to as a concept. Within this concept, we will refer to optimal risk and tolerable risk positions using the following definitions:

- Optimal risk position: the level of risk with which an organisation aims to operate.
- Tolerable risk position: the level of risk with which an organisation is willing to operate.

**Please note:** The definition of tolerable risk in this guide relates specifically to an organisational position. A tolerable risk position should not be confused with tolerating a risk, by choice, as a risk response: An organisation may be tolerating a risk which sits within the tolerable or optimal positions. Each organisation will have its own scale of risk acceptance and this guide is not suggesting that a risk appetite or tolerance position must be set to a low / green position on local risk assessment scales.



# Appendix 3 Risk Appetite definitions

| Risk appetite level definition |                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                           |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | Averse                                                                                                                                                                                                                                            | Minimal                                                                                                                                                                                                                                                                                     | Cautious                                                                                                                                                                                                                                                 | Open                                                                                                                                                                                                                              | Eager                                                                                                                                                                                                                     |
| Strategy                       | Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals                                                                           | Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4-5 year intervals                                                                                                                 | Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals                                                               | Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals                             | Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1-2 year intervals                              |
| Governance                     | Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource focused on detection and prevention. | Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions. | Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions. | Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs. | Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs. |
| Operations                     | Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority.                                                       | Innovations largely avoided unless essential. Decision making authority held by senior management.                                                                                                                                                                                          | Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.                                                               | Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.                                                                         | Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.                         |
| Legal                          | Play safe and avoid anything which could be challenged, even unsuccessfully.                                                                                                                                                                      | Want to be very sure we would win any challenge.                                                                                                                                                                                                                                            | Want to be reasonably sure we would win any challenge.                                                                                                                                                                                                   | Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.                                                                                                                               | Chances of losing are high but exceptional benefits could be realised.                                                                                                                                                    |

# Appendix 3 Risk Appetite definitions

| Risk appetite level definition |                                                                                                                                                                                                |                                                                                                                                                       |                                                                                                                                                                                            |                                                                                                                                                   |                                                                                                                                                                                                   |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | Averse                                                                                                                                                                                         | Minimal                                                                                                                                               | Cautious                                                                                                                                                                                   | Open                                                                                                                                              | Eager                                                                                                                                                                                             |
| Property                       | Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.                                         | Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money. | Requirement to adopt arrange of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.                              | Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements.   | Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements.                                                |
| Financial                      | Avoidance of any financial impact or loss, is a key objective.                                                                                                                                 | Only prepared to accept the possibility of very limited financial impact if essential to delivery.                                                    | Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.                                                                                | Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.                       | Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).                                                                                |
| Commercial                     | Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority.                                                        | Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management.                              | Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators. | Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved. | Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control. |
| People                         | Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only | Decision making authority held by senior management. Development investment generally in standard practices.                                          | Seek safe and standard people policy. Decision making authority generally held by senior management.                                                                                       | Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.        | Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control.                      |

# Appendix 3 Risk Appetite definitions

| Risk appetite level definitions |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | Averse                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Minimal                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Cautious                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Open                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Eager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Technology                      | General avoidance of systems / technology developments.                                                                                                                                                                                                                                                                                                                                                                                                                             | Only essential systems / technology developments to protect current operations.                                                                                                                                                                                                                                                                                                                                                                                                 | Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.                                                                                                                                                                                                                                                                                                                                                   | Systems / technology developments considered to enable improved delivery. Agile principles may be followed.                                                                                                                                                                                                                                                                                                                                                                                                                      | New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.                                                                                                                                                                                                                                                                                                                                                                                           |
| Data & Info Management          | Lock down data & information. Access tightly controlled, high levels of monitoring.                                                                                                                                                                                                                                                                                                                                                                                                 | Minimise level of risk due to potential damage from disclosure.                                                                                                                                                                                                                                                                                                                                                                                                                 | Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.                                                                                                                                                                                                                                                                                                                                                                 | Accept need for operational effectiveness in distribution and information sharing.                                                                                                                                                                                                                                                                                                                                                                                                                                               | Level of controls minimised with data and information openly shared.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Security                        | <p>No tolerance for security risks causing loss or damage to HMG property, assets, information or people. Stringent measures in place, including:</p> <ul style="list-style-type: none"> <li>• Adherence to FCDO travel restrictions</li> <li>• Staff vetting maintained at highest appropriate level.</li> <li>• Controls limiting staff and visitor access to information, assets and estate.</li> <li>• Access to staff personal devices restricted in official sites</li> </ul> | <p>Risk of loss or damage to HMG property, assets, information or people minimised through stringent security measures, including:</p> <ul style="list-style-type: none"> <li>• Adherence to FCDO travel restrictions</li> <li>• All staff vetted levels defined by role requirements.</li> <li>• Controls limiting staff and visitor access to information, assets and estate.</li> <li>• Staff personal devices permitted, but may not be used for official tasks.</li> </ul> | <p>Limited security risks accepted to support business need, with appropriate checks and balances in place:</p> <ul style="list-style-type: none"> <li>• Adherence to FCDO travel restrictions</li> <li>• Vetting levels may flex within teams, as required</li> <li>• Controls managing staff and limiting visitor access to information, assets and estate.</li> <li>• Staff personal devices may be used for limited official tasks with appropriate permissions.</li> </ul> | <p>Considered security risk accepted to support business need, with appropriate checks and balances in place:</p> <ul style="list-style-type: none"> <li>• New starters may commence employment at risk, following partial completion of vetting processes</li> <li>• Permission may be sought for travel within FCDO restricted areas.</li> <li>• Controls limiting visitor access to information, assets and estate.</li> <li>• Staff personal devices may be used for official tasks with appropriate permissions.</li> </ul> | <p>Organisational willing to accept security risk to support business need, with appropriate checks and balances in place:</p> <ul style="list-style-type: none"> <li>• New starters may commence employment at risk, following partial completion of vetting processes</li> <li>• Travel permitted within FCDO restricted areas.</li> <li>• Controls limiting visitor access to information, assets and estate.</li> <li>• Staff personal devices permitted for official tasks</li> </ul> |
| Project/Programme               | Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.                                                                                                                                                                                                  | Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.                                                                                                                                                                                                                                                                                                          | Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.                                                                                                                                                                                                                                                              | Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.                                                                                                                                                                                                                                                                                                    | Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.                                                                                                                                                                                                                                                                 |
| Reputational                    | Zero appetite for any decisions with high chance of repercussion for organisations' reputation.                                                                                                                                                                                                                                                                                                                                                                                     | Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation.                                                                                                                                                                                                                                                                                                                                                 | Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation.                                                                                                                                                                                                                                                                                                                                             | Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.                                                                                                                                                                                                                                                                                                                                                                        | Appetite to take decisions which are likely to bring additional Governmental / organisational scrutiny only where potential benefits outweigh risks.                                                                                                                                                                                                                                                                                                                                       |