



The Intellectual Property Regulation Board

Risk Management Policy

Policy Purpose

1. This policy outlines our overall approach to the management of risks and how we operate the risk register. Together these two documents help the IPReg Team and the IPReg Board to manage risks.

Policy Statement

2. This policy provides a common understanding of what we mean when we use the term “risk” and how we will manage risk. By risk we mean “*the effect of an uncertain event or set of events on the achievement of objectives*”. For IPReg, risks can be posed to the Legal Services Act’s regulatory objectives (legal services regulators such as IPReg must, so far as is reasonably practicable, act in a way which is compatible with the regulatory objectives), our strategic objectives, or to the organisation as a whole.

Policy Scope

3. This policy applies to the IPReg Team and the IPReg Board. The CEO is the policy owner.
4. This policy is published on the IPReg website to provide transparency to our stakeholders, including our regulated community, the representative bodies (the Chartered Institute of Patent Attorneys (CIPA) and the Chartered Institute of Trade Mark Attorneys (CITMA)), and any other interested parties.
5. The risk register itself is a live risk management tool and is not for publication. In keeping with our Information Sharing Protocol established under the Internal Governance Rules, we will inform CIPA and CITMA of any residual red risks in the register.

Risk Register

6. A risk register helps us identify, assess and manage risks. Our register sets out each headline risk, provides a narrative which sets out its root causes and effects and scores it on a traffic light system:
 - red/high (very likely to occur and/or its potential impact would be high)
 - amber/medium (likely to occur and/or its potential impact would be medium) or
 - yellow/low (unlikely to occur and/or its potential impact would be low).

The register is easy to read and use. So, for instance, its risk scores, controls (how a risk will be managed) and other related columns all fit on one landscape page - and the narrative underpinning each risk provides context to new Team and Board members.

Oversight/Governance

7. The Executive Team will review the risk register every month. If an emerging risk requires earlier consideration, the CEO will organise an earlier review. Each Board meeting will be provided with a

commentary about any high/red residual or target risks and/or any risk rating that has significantly differed from the previous report and/or any new risks that have been identified for inclusion in the risk register. At each Board Strategy Day (typically held in November), the Board will be provided with the full risk register and asked to confirm that it remains content with the target risk score of each risk. The May Board meeting each year will also include a discussion of the full risk register.

Risk Scoring

8. Risks can be strategic or operational. A risk would be likely strategic when it would require significant Board discussion if it materialised. This is because it is a factor or event which could potentially make it difficult for IPReg to achieve its strategic and other objectives. A risk would be likely operational if it would result in disruption to the flow of regulatory and business activities delivered by the Team if it materialised. Our risk register lists the strategic risks first for ease of reference.

9. The risk score, both with and without controls, is recorded in the risk register. By controls we mean how a risk will be mitigated. Some controls focus on the likelihood of the root cause happening, whilst others seek to soften the impact before it occurs. The risk register specifies where a control is focused on impact, likelihood or both. Our risk register records 3 traffic light scores against each defined risk:

Potential risk score: the risk register first identifies the risk and its scoring without controls (that is, without any management action being taken).

Residual risk score: it then identifies the controls which are in place to help mitigate the risk; the risk strength that remains is the residual risk score.

Target risk score: it then sets out the risk level that we want to achieve on an ongoing basis, with all of the planned controls in place and working; this is known as the target risk score.

Risk Appetite

10. By risk appetite we mean the *target risk score* we are prepared to accept i.e. where we want to be in relation to a risk when all planned controls are in place. It may not be possible or desirable to eliminate a risk completely. Indeed, a risk is not always a bad thing, it might present an opportunity. Or it might require disproportionate resources to reduce a risk's likelihood or impact. Or it might be a risk we are prepared to tolerate. The risk register helps us to determine both our appetite for a risk and our control of it.

11. In some instances, we will have to accept that we cannot influence the risk any further, that we are using all the controls available to us (or which are proportionate) and that medium (amber) - or even high (red) in certain circumstances - is the only target risk we can achieve. Each control is labelled so it is clear whether it is designed to mitigate the 'likelihood' of the risk itself occurring or to mitigate the 'impact'.

Monitoring

12. Our Executive Team will actively manage and monitor the register at a monthly meeting. The register itself will be a live document. The Team and the Board are actively encouraged to identify any new and emerging risks.

Reporting

13. Each Board meeting will consider the residual red risks (those with the highest level of risk), the controls that are in place and, where applicable, any updated commentary. We will report residual red risks to CIPA and CITMA through the Regulatory Forum established under the Internal Governance Rules.

Assumptions

14. In developing the risk register we have made the following assumptions:

- there will be no significant changes to the Legal Services Act 2007 within the lifetime of the next government – this Act sets out the legal services regulatory landscape;
- the regulatory objectives in the Legal Services Act 2007 do not change – we have a statutory duty to, so far as is reasonably practicable, act in a way which is compatible with the regulatory objectives
- the IPReg team and Board members have the knowledge and confidence to act in a way which is compatible with the regulatory objectives and its strategic objectives;
- there will be no Judicial Reviews of decisions taken by the IPReg Board or CEO – our Board papers are transparent and consistent (through the use of a template) and include a range of data, information and explanations about how a recommendation has been reached;
- that the good working relationships with the professional membership/representative bodies (CIPA and CITMA) remain positive and constructive;
- the IPReg team - there is no significant restructuring of, or long-term, multiple, concurrent absence or vacancies in, the IPReg Team;
- the majority of those who use IP services continue to be businesses rather than individual consumers.

15. If any of these assumptions change, the Executive Team will consider whether it should be included in the risk register.

Policy Review

16. The Risk Management Policy, and its assumptions (item 14), to be reviewed annually (if not before due to a significant change in assumptions).