

To:	Legal Services Board	
Date of Meeting:	24 April 2018	Item: Paper (18) 21

Title:	Draft LSB Annual Report and Accounts
Workstream(s):	All Workstreams
Author / Introduced by:	Neil Buckley, Chief Executive Neil.Buckley@legalservicesboard.org.uk / 020 7271 0043 Rusere Shoniwa, Interim Director of Finance Rusere.Shoniwa@legalservicesboard.org.uk / 020 7271 0084
Status:	Official

Summary:

- We are required to produce an Annual Report and Accounts (Report) each year.
- The Report forms part of our accountability obligations to Parliament and to stakeholders and is also an opportunity to share formally our achievements during the 2017/18 business plan year.
- The format of the report is prescribed by HM Treasury, and follows the same format as in 2016/17. It is structured as follows:
 - *A Performance Report including an Overview*
 - *An Accountability Report and*
 - *The Financial Statements*
- The guidance states that the purpose of the *Overview* 'is to give the user a short (no more than 10 to 15 pages) summary that provides them with sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. The Overview should be enough for the lay user to have no need to look further into the rest of the annual report and accounts unless they were interested in further detail or had specific accountability or decision making needs to be met.'
- This near final version will be further scrutinised by the Audit and Risk Assurance Committee (ARAC) at its meeting on 21 May 2018 on behalf of the Board.
- The Accounting Officer is due to sign the Report during the third week of May 2018.

Recommendation(s):

The Board is invited:

- (1) to **approve** the draft LSB Annual Report and Accounts 2017/18 subject to any additional points being raised through scrutiny by ARAC; and
- (2) to **delegate** to the interim Chair and Chief Executive authority to approve the submission of the LSB Annual Report and Accounts 2017/18 to the Comptroller and Auditor General and Lord Chancellor.

Risks and mitigations	
Financial:	None - this is a factual report
Legal:	This is a statutory obligation.
Reputational:	The Report represents our formal accountability to Parliament and to stakeholders and summarises the messages we have disseminated throughout the year.
Resource:	N/A

Consultation	Yes	No	Who / why?
Board Members:			A previous version of the draft Report (and copied to all Board Members) has been reviewed by ARAC Members who will have an additional full discussion on 21 May.
Consumer Panel:			N/A
Others:			This Report has been submitted for information to Ministry of Justice (MoJ) and has been scrutinised by the NAO fieldwork team.

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Annex A	Section 22: information intended for future publication	

LEGAL SERVICES BOARD

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Draft LSB Annual Report and Accounts 2017/18

Executive Summary

Purpose

1. To receive the LSB's Annual Report and Accounts for 2017/18.

Recommendation

2. The Board is invited:
 - to **approve** the draft LSB Annual Report and Accounts 2017/18 subject to any additional points being raised through scrutiny by ARAC; and
 - to **delegate** to the interim Chair and Chief Executive authority to approve the submission of the LSB Annual Report and Accounts 2017/18 to the Comptroller and Auditor General and Lord Chancellor.

Background

3. The Legal Services Act 2007 requires the Board to produce a Report for each financial year covering:
 - the discharge of the Board's functions
 - the extent to which, in the Board's opinion, the Board has met the regulatory objectives
 - such other matters as the Lord Chancellor may from time to time direct.
4. The Board must also produce an annual statement of accounts.
5. We have addressed comments received from ARAC, Board Members, John Ward (our external accounting adviser), the National Audit Office (NAO), although they are still undertaking their review) and our Internal Auditors.
6. We anticipate that the C&AG will certify the Report with an unqualified audit opinion without modification. The interim Director of Finance will apprise the Board of the outcome of the 'audit close out meeting' and whether there are any outstanding audit issues at the Board meeting.

Timing

7. Since 2016, the MoJ has laid a consolidated departmental Annual Report and Accounts before the end of May and so we now ensure the LSB's timetable for our own Report accommodates this.

8. Approving the Report is a matter reserved to the Board¹ and this is not delegated, even though, from the perspective of Parliament, NAO and MoJ, it only needs to be approved and signed by the Accounting Officer.
9. It would be possible for the Board to approve the Report *by email* following the ARAC meeting, but if members are content, approving the Report, subject to the ARAC's further scrutiny, and delegating to the interim Chair and Chief Executive authority to approve the submission to the Comptroller and Auditor General and Lord Chancellor, would be more practical.

Next steps

10. Following ARAC's scrutiny at its 21 May 2018 meeting, the Accounting Officer will sign the Report and submit it to the Comptroller and Auditor General (C&AG) and the Lord Chancellor.
11. NAO have confirmed that, once signed, the Annual Report and Accounts will be subjected to some high level checks and the final 'subsequent events review' (ie the confirmation from the Accounting Officer that nothing has changed between the date he has signed them and the date the C&AG provides certification).

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