Governance Framework

Version Date: December 2023

Version: 3.0

Approved by: OLC Board

Policy Owner: Head of Programme Management and Assurance

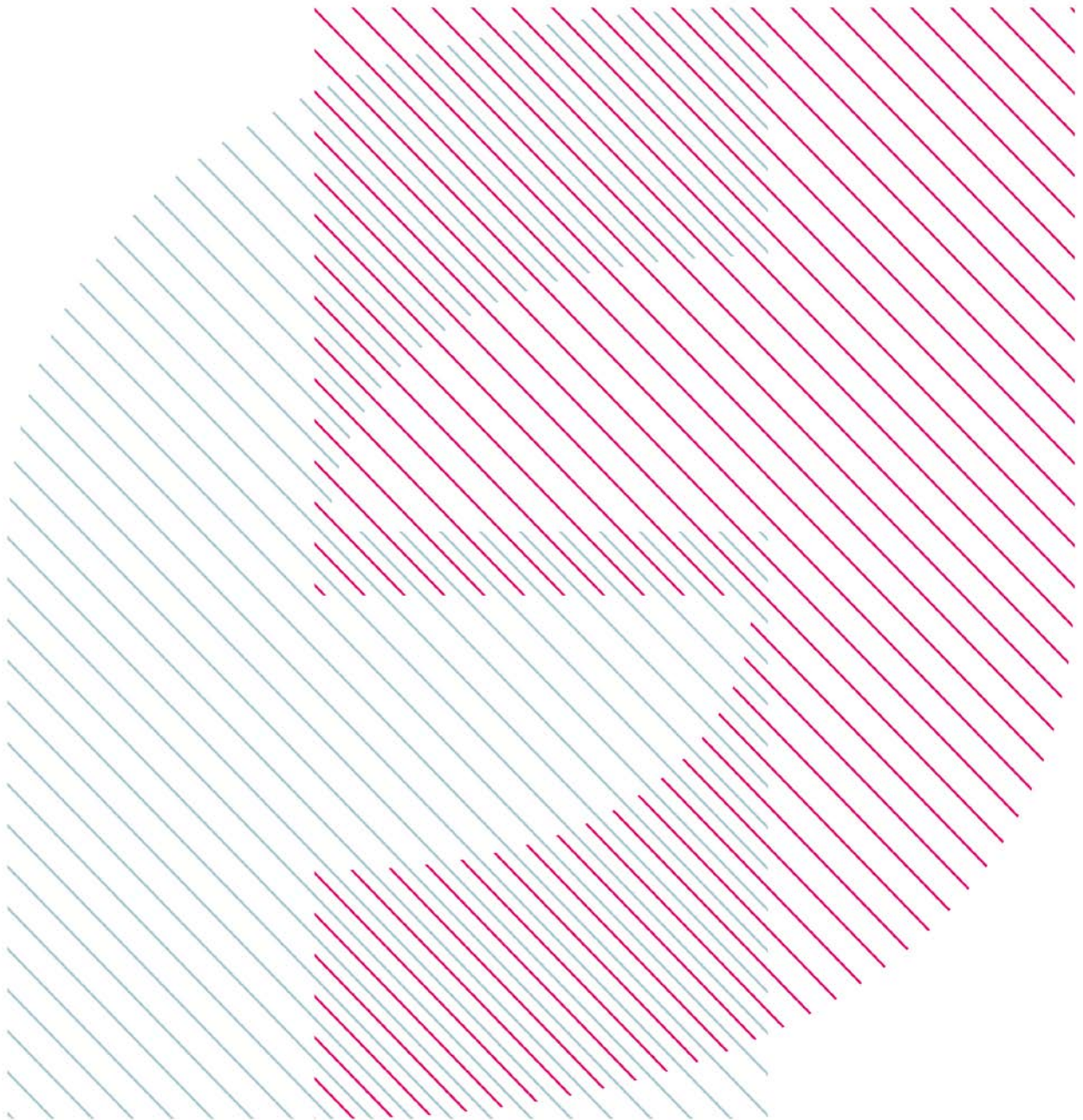Review date: December 2024

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Latest update

Version	Date	Summary of Changes	Actioned by
1.0	31/03/2022	First approved version	Head of Programme Management and Assurance
1.1	30/09/2022	Updated Org Chart	Head of Programme Management and Assurance
1.2	20/10/2022	Updated no of sub-committees and Governance chart with footnote	Head of Programme Management and Assurance
1.3	21/10/2022	Updated table on page 24 (ARAC)	Head of Programme Management and Assurance
1.4	25/10/2022	Updated roles and responsibilities	Head of Programme Management and Assurance
1.5	05/01/2023	Revisions to section 3 and 4 of the document	Head of Programme Management and Assurance
1.6	06/01/2023	Revisions to job titles	Head of Programme Management and Assurance
1.7	09/01/2023	Amendment to Category 1 Publications Committee – now Public Interest Committee	Deputy Chief Ombudsman

1.8	18/01/2023	Revisions to P&Q Group – now Performance Sub Group and section 6.2	OLC Chair and Head of Programme Management & Assurance
1.9	27/10/2023	Revision to RemCo membership and Chair and quoracy of Performance Sub Group	Head of Programme Management & Assurance
2.0	24/02/2024	Addition of row 41 under section 7	Head of Programme Management and Assurance
3.0	05/12/2023	Updated Governance Framework under section 3, updated Org Chart on page 24, aligned committees purpose to current ToRs, updated and added new job titles as per current structure throughout the document, updated risk management responsibilities in line with RMF policy on pages 27-28 and updated the Scheme of Delegations table on pages 32-38	Head of Programme Management and Assurance

1. Introduction

The Legal Services Act 2007 (the Act) established the Legal Ombudsman scheme and the Office for Legal Complaints (OLC) to administer the scheme. The Act also established the Legal Services Board (LSB) to oversee the regulation of the legal profession in England and Wales. Both the OLC and the LSB are Arm's Length Bodies of the Ministry of Justice (MoJ). The Tripartite Operating Protocol which describes how the three organisations will work together requires the OLC to ''apply appropriate internal governance that supports effective delivery of its scheme and commands the confidence of the LSB and MoJ''. Further, section 117 of the Act requires the OLC to ''have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it''.

In 2010 the OLC established an Ombudsman scheme for the legal sector, which is called the Legal Ombudsman (LeO). LeO's purpose is to provide a service where disputes between users of legal services and service providers are resolved efficiently and effectively by an independent person. LeO equally aims to drive systemic improvements by feeding back information that enhances the provision of legal services.

Governance is founded on laws, policies, procedures, processes, systems, and behaviours, and together they provide a system for the way in which an organisation is directed, administered, and controlled. The OLC Board recognises that good governance is fundamental to any effective organisation and have put in place robust governance arrangements to ensure the Legal Ombudsman scheme achieves its principal statutory obligations.

This Governance Framework has been approved by the Chief Ombudsman, LeO Executive and the OLC Board. The Framework is to be reviewed annually, although individual components of the Framework may be reviewed more frequently to address issues as they arise, and to keep the Framework at the forefront of best practice.

2. Purpose and Scope

The purpose of this document is to set out the arrangements for how the OLC and the Legal Ombudsman scheme is directed and controlled. It includes the systems and processes for conducting OLC business, sources of assurance for the OLC Board, external accountability to the LSB and MoJ, and the roles and responsibilities for decision making and control – that is, the delegation of authority to ensure the organisation discharges its statutory responsibilities effectively and efficiently.

The Governance Framework applies to the OLC Board and its oversight committees, and to every employee that is involved in the operation of the Legal Ombudsman scheme, including the Executive and Management Team. As is naturally expected of any organisations that is Managing Public Money, the OLC is committed to governance excellence and to being accountable and transparent for its decisions and activities.

Precisely, this document describes the roles and responsibilities of the following groups in the management and control of the Legal Ombudsman scheme:

- OLC Board and supporting committees
- Executive and Management Team
- Risk Management and Quality Assurance
- Internal Audit (GIAA) and External Audit (NAO)

3. Governance Structure Overview

OLC governance framework
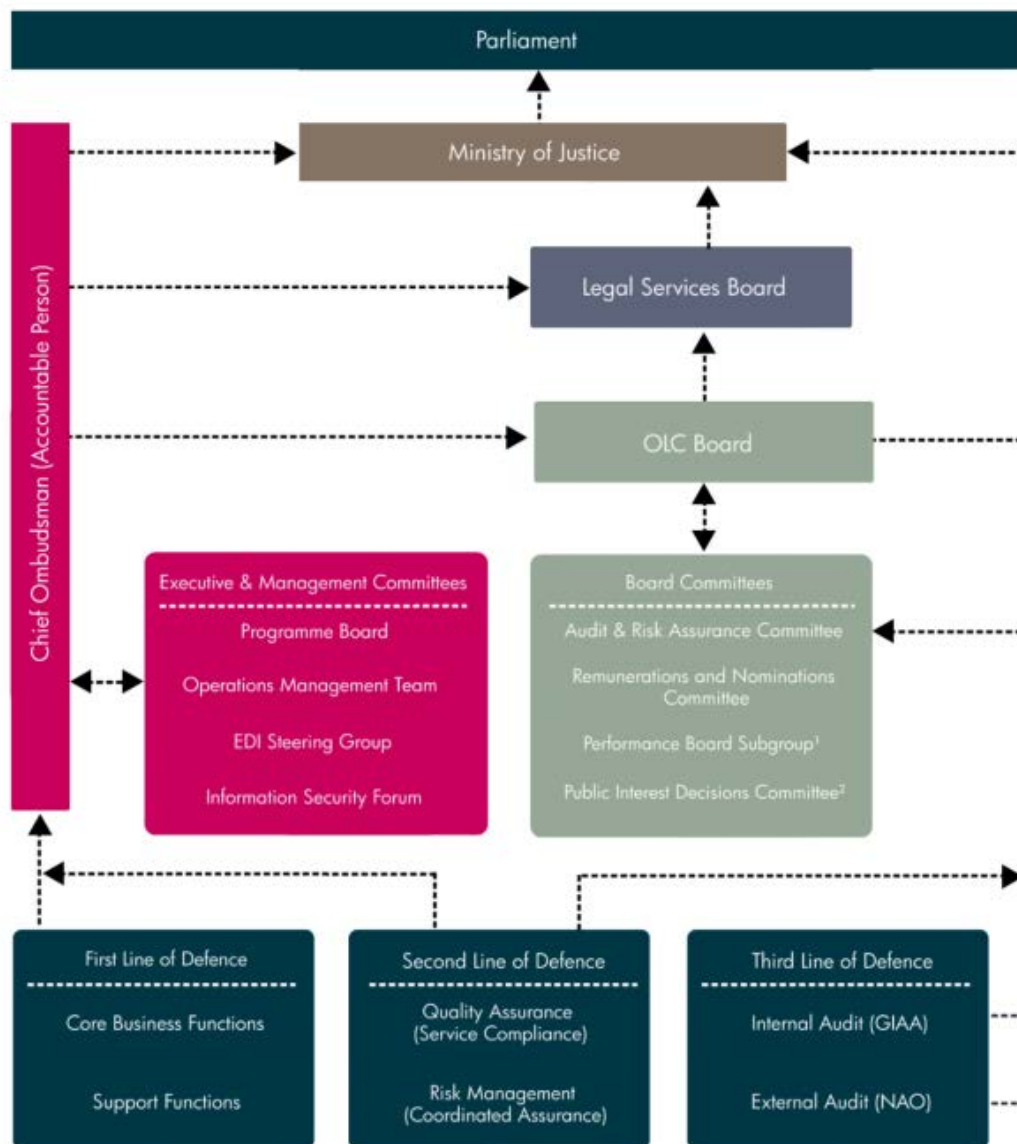
†This is not a sub-committee of the Board but part of the Budget & Business Plan cycle which enables the Board to assure itself of the integrity of the forecasting models each year.
‡Committee meets on an ad-hoc basis, as required.

Core Business Functions
- General Enquiries
- Resolution Centre
- Early Resolutions Team

Support Functions
- Finance and Commercial and Procurement
- Programme Management & Assurance
- Human Resources
- Information Technology
- Equality Diversity and Inclusion
- Stakeholder Engagement
- Communication
- Performance and Business Intelligence

As illustrated in the Governance structure diagram above, the OLC Governance Framework follows the "three lines of defence" model. From a first line perspective, the Executives (and operational managers) charged with the governance of Core Business and Support Functions are responsible

for ensuring the appropriateness of policies, procedures, and processes in their respective areas. All the Executives report to the Chief Ombudsman. The main governance bodies at Executive and Management level are as follows: Programme Board; Operations Management Team; Equality Diversity and Inclusion Steering Group; and Information Security Forum.

The second line of defence consists of the Quality Assurance (Service Compliance) and Risk Management functions. The role of Quality Assurance is to ensure working practices in the General Enquiries, Resolution Centre and Front-End Teams are compliant with required quality standards as per the Legal Ombudsman Scheme Rules. The Deputy Chief Ombudsman is responsible for the Quality Assurance / Service Compliance of the Core Business functions, Information Security and Legal, and they report to the Chief Ombudsman who is accountable to the OLC Board.

Whilst various executives and their operational managers retain ownership for assessing, controlling, and mitigating risks in their respective areas, the Head of Programme Management and Assurance has executive responsibility for facilitating the implementation of effective risk management practices across the organisation. This includes supporting "risk owners" to report adequate risk-related information in accordance with OLC risk appetite and risk tolerance levels. Risk Management activities are reported to the Audit and Risk Assurance Committee (ARAC). On an annual basis, the OLC Board set and agree the risk appetite position, which is then monitored throughout the year and reported to ARAC.

In the third line of defence, the Government Internal Audit Agency (GIAA) provides internal audit services to the OLC, and the National Audit Office (NAO) performs annual statutory audits. Internal audit provides the OLC Board, ARAC and the Accounting Officer with independent assessments of the system of governance, risk management and control, and its work informs the annual governance statement which forms part of the Annual Report and Accounts. The National Audit Office audits the financial statements of the OLC to obtain reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. The NAO Comptroller and Auditor General issues an Audit Certificate which sets out their opinion on the financial statements and any other matters. This Certificate forms part of the annual report and accounts which are laid before Parliament each year. Together with their audit report, the NAO also issue a Management Letter highlighting any issues. The Chief Ombudsman has overall executive responsibility for ensuring that an effective action plan is put in place to address any reported issues.

In order to effectively discharge its statutory duties, the OLC Board has established three committees and a sub group to focus on specific areas and make recommendations to the OLC Board, thus improving the quality of the decisions being made and strengthening the assurance

received by the OLC Board. The committees comprise of: Audit and Risk Assurance Committee, Remuneration and Nominations Committee and The Public Interest Decisions - Committee.

The OLC Board is accountable to the LSB for its administration of the Legal Ombudsman scheme, and the LSB is in turn accountable to the Lord Chancellor (MoJ) for the performance of its statutory duties (including those which it has in relation to OLC). In their capacity as Accounting Officer, the Chief Ombudsman is separately accountable to the MoJ Principal Accounting Officer for the OLC's performance in relation to Managing Public Money.

4. Office for Legal Complaints Board

The OLC was established to provide consumers of regulated legal services with access to an independent and impartial Ombudsman scheme. In October 2010 the OLC established LeO – the Legal Ombudsman scheme, and LeO Executives (including the Chief Ombudsman) are accountable to the OLC Board for the effective delivery of the scheme. In order to facilitate the day-to-day operation of the LeO scheme, the OLC Board has delegated relevant authority to LeO Executives in accordance with its scheme of delegation.

The LSB, with the approval of the Lord Chancellor, is responsible for appointing the Chair of the OLC Board for a term of three to five years. The appointment is subject to a pre-appointment hearing before the Justice Select Committee. The LSB, after consultation with the Chair, is responsible for appointing at least six, but not more than eight OLC Board members for a fixed period of up to five years. The majority of Board members must be lay persons and members may be re-appointed once, for a maximum period of five years. The LSB, working alongside the OLC Chair, is responsible for ensuring that the OLC Board skills, experience and knowledge reflects not only its current jurisdiction, operating environment, and challenges, but also potential future risks and changes that may require different skills.

A Board member may be removed from office by the LSB subject to the provisions outlined in the Act. The Chair of the OLC may be removed from office subject to the provisions outlined in the Act but only with the consent of the Lord Chancellor. Detailed role requirements and person specifications for both the OLC Board Chair and Board members are held by the LSB.

According to the Act (section 122(1)(a)), the OLC must appoint a Chief Ombudsman. Under the terms of Managing Public Money (para 3.2.3) the MoJ Principal Accounting Officer will normally appoint an Accounting Officer for the OLC. Whilst this may be the Chief Ombudsman, it may also be some other person employed by the OLC under the terms of the Act (para 13 of Schedule 15). The current arrangements are that the OLC has chosen to appoint a Chief Ombudsman to whom the Principal Accounting Officer has delegated the functions of Accounting Officer for the OLC.

4.1 Board Committees and Sub Group

The OLC is supported in its stewardship by three committees and one sub group which are required to operate in accordance with the principles of good governance, as advocated by the UK Corporate Governance Code. These include:

- Leadership – articulating a clear vision for LeO and giving clarity about how policy activities contribute to achieving this vision, including setting risk appetite and managing risk;
- Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance;
- Accountability – promoting transparency through clear and fair reporting; and
- Sustainability – taking a sensible, long-term view about what LeO is trying to achieve and what it is doing to get there.

In accordance with the principles of good governance, the OLC Board and the committees and sub group will:

- Support and, where appropriate, challenge the LeO Executive Team and senior staff in directing the business of LeO in as effective and efficient a way as possible, with a view to the long-term health and success of the organisation;
- Support and, where appropriate, challenge the Accounting Officer in the discharge of all "Managing Public Money" obligations;
- Safeguard the independent discharge of the functions of the Chief Ombudsman;
- Collectively affirm and document its understanding of LeO's purpose, and document the OLC's role and responsibilities in a Board Operating Framework (to be reviewed at least every two years);
- Maintain a formal schedule of matters reserved for OLC Board discussion – that is, those which should not be delegated to committees;
- Act corporately and objectively when discharging its responsibilities;
- Support actions to ensure that LeO staff comply with all relevant policies and procedures;

- Ensure that the OLC's reporting obligations to Parliament, the MoJ and LSB are met effectively and efficiently; and
- Ensure that the two OLC Board committees have a majority of lay Board members present and have clear Terms of Reference agreed by the OLC. The OLC should require adequate and timely feedback on the work of its committees and formally consider their recommendations and decisions.

4.2 Sources of Assurance for the Board

The OLC Board have a number of sources through which they get assurance that LeO is being managed efficiently and controls have been designed and are operating effectively. This includes assurance provided by the Board committees and sub group with regards to their respective areas, assurance from LeO Executive and Management committees from a first line of defence perspective, assurance from Quality Assurance and Risk Management in the second line of defence, and third line of defence assurance provided by Internal Audit and External Audit.

For the avoidance of doubt, the Board committees include: ARAC, RemCo, and or Public Interest Decisions Committee with key outputs from the Performance Sub Group being shared with ARAC and OLC Board. Executive and Management committees include: Programme Board; Operations Management Team; Equality Diversity and Inclusion Steering Group; and the Information Security Forum. The focus areas of these committees have been outlined in relevant sections of this Governance Framework. The role of Quality Assurance and Risk Management has also been outlined in Section 6. Apart from the afore mentioned committees, other sources of assurance include:

Business Performance Reviews

LeO Executives and Management perform monthly Business Performance Reviews (BPR) based on Performance metrics, Risk Registers, and other relevant Business Intelligence. BPR issues are escalated to the OLC Board – a standing agenda item during Board meetings is ''Quarterly Performance Reporting" where such matters are discussed to ensure Business Plan objectives are achieved.

Assurance of Governance Questionnaire

Executives are required to review the performance of their areas and complete an Assurance of Governance Questionnaire to certify that they and their staff have complied with LeO governance

arrangements. The Assurance of Governance Questionnaire is part of the annual reporting cycle, and it supports the Assurance Statement in the Annual Report. The questionnaire includes the following areas: financial information and control; provisions and contingent liabilities; achievement of departmental targets and objectives; risks assessments; human resource and people related controls; quality control; conflicts of interest; purchasing controls; information security; and the implementation of audit recommendations.

Internal Audit

The Government Internal Audit Agency (GIAA) provides independent assurance to the OLC Board and Executives on how effectively the organisation is assessing and managing its risks, including assurance on the effectiveness of the first and second lines of defence. Internal Audit carry out systematic, risk-based reviews and evaluations of risk management, control, and governance systems, following an annual programme of work agreed with ARAC. At the end of each audit, a report is shared with the executives and managers (and with ARAC) responsible for remediating the issues that have been identified. The OLC Board, through ARAC, maintains oversight of the resolution of audit ''agreed actions'' to ensure they are addressed within agreed timescales.

Internal Audit reports offer evidence-based opinions of the governance and control environment relating to areas included in the scope of the audit. Audit opinions on the management of risks, as expressed in GIAA Internal Audit reports, follow the four-point classification system outlined below:

Opinion	Description
Substantial	The framework of governance, risk management and control is adequate and effective.
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Internal Audit recommendations are prioritised as per the three-point rating system below:

Priority	Definition	Action required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.

Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.

External Audit

The OLC's external auditor is the National Audit Office (NAO), and they perform independent audits on OLC Annual Reports and Accounts. In accordance with their statutory obligation to safeguard the interests of taxpayers by scrutinising public spending on behalf of Parliament and holding government departments and other public bodies to account for the way they use public money, the NAO also has the right to conduct value for money (VFM) examinations of any aspect of the OLC's work. After every audit (financial or VFM), the NAO will produce a Management Letter highlighting any issues, alongside their audit report. The Chief Ombudsman has overall executive responsibility for ensuring that an effective action plan is put in place to address any issues.

The scope of external audits performed by the NAO is the financial statements and the Accountability Report (which includes a Corporate Governance Report) prepared by the Accounting Officer / Chief Ombudsman. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. In the external audit reports, the Comptroller and Auditor General expresses their independent audit opinion on whether the financial statements:

- Give a true and fair view of the state of the OLC as at the year-end date (31 March); and
- Have been properly prepared in accordance with the Legal Services Act 2007 and Secretary of State directions issued thereunder by the Lord Chancellor with approval of HM Treasury.

The Comptroller and Auditor General also has the liberty to report on any other matters as they deem necessary (including governance, risk, and control matters). External auditors also express an opinion on the OLC's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue. HM Treasury's Government Reporting Manual (and International Financial Reporting Standards) requires entities to adopt the going concern basis of accounting in the preparation of financial statements where it is anticipated that the services which they provide will continue into the future.

The role of the three OLC Board committees and sub group in the Governance Framework is outlined below:

4.2.1 Audit and Risk Assurance Committee

Purpose

Essentially, the purpose of ARAC is to support the OLC Board and the Accounting Officer by independently reviewing and monitoring the comprehensiveness and reliability of assurances about governance, risk management, the control environment, and the integrity of financial statements.

The main objectives of ARAC are to provide assurance to the Board on the following matters:

- The risk management framework including risk identification, mitigation, and management along with an agreed risk appetite structure.
- The internal controls framework and underlying systems and their suitability to the strategic objectives of the OLC.
- Governance arrangements and their effectiveness.
- Compliance by the OLC with all regulatory obligations and application of appropriate accounting and financial reporting standards.
- The methodology and the process used to prepare the annual Budget and the Business Plan for submission to LSB.

In addition, ARAC is required to meet Internal Auditors (GIAA) and External Auditors (NAO) at least twice a year for private meetings that are not to be attended by the Executive or any other third-party representatives from other stakeholder organisations. The purpose of these meetings is to obtain their independent views on the internal controls framework at the OLC, the effectiveness of risk management, and the application of relevant accounting standards / the accuracy of the annual financial statements.

Membership, Chair and Quorum

All committees will have a Chair (Lay or Non-Lay), but will have a majority of Lay members in attendance, with at least one member in ARAC having relevant and recent experience in Finance.. ARAC members are appointed by and from the OLC Board for a period commensurate with their agreed term of appointment to the OLC. The OLC Board Chair may not be a member of ARAC but may attend as an observer.

ARAC meetings take place at least four times a year, with a quorum of at least three members. Attendees include the Chief Ombudsman / Accounting Officer, Head of Operations, Transformation and Business Intelligence, Head of Finance, Procurement and IT, Head of Programme Management and Assurance, and Board Governance Manager , representatives from Internal Audit and External Audit, and LSB and MoJ representative as available. The Accounting Officer is required to inform ARAC (at the earliest opportunity) of any incident relating to a material breach of controls, compliance, fraud or any such matter which could potentially expose the OLC.

4.2.2 Remuneration and Nominations Committee

Purpose

The Remuneration and Nominations Committee (RemCo) has been established to provide counselling and advice to the Board in all matters relating to the management of human resources, including the recruitment and retention of staff, and their remuneration and nomination for senior appointments (Chief Ombudsman and Chief Operating Officer).

The main objectives of RemCo are as follows:

- To provide assurance to the OLC Board that the Legal Ombudsman is fully and equitably complying with its employer related responsibilities.
- To provide assurance that a suitable strategic human resources policy framework is in place to deliver the organisational objectives agreed by the OLC Board. To ensure that the Legal Ombudsman has suitable arrangements to remunerate its senior staff. In order to ensure suitable internal control, the RemCo has a delegation from the Board to approve the pay policy for the Chief Ombudsman on an annual basis; to oversee arrangements for senior appointments and succession planning in line with delegated authority from the OLC Board.
- To undertake audits or "deep dives" on specific areas of people-related activity as requested by the OLC Board.

Membership, Chair and Quorum

All committees will have a Chair (Lay or Non-Lay), but will have a majority of Lay members in attendance. Committee members are appointed by and from the OLC Board for a period commensurate with their agreed term of appointment to the OLC. The Chair of the OLC Board may not be a member of RemCo but may attend as an observer. The quorum for RemCo shall be three

members who are required to attend in person whenever possible, but may attend remotely by telephone, video call or other similar means with the prior agreement of the Committee Chair.

Attendees include the Chief Ombudsman, Head of People Strategy and Services, Head of Operations, Transformation and Business Intelligence, and The Board Governance Manager, alongside other senior management as and when required. As is the case with all Board committees, RemCo members are required to act with independence and objectivity in the conduct of their responsibilities. In addition, each member should have a sound understanding of the objectives and priorities of the OLC and of their role as a committee member. RemCo meetings are held at least twice a year. The RemCo Chair may convene additional meetings as necessary, with the agreement of the OLC Board Chair. The RemCo Chair shall not concurrently hold the position of ARAC Chair.

4.2.3 Performance Sub Group

Purpose

The purpose of the Performance Sub Group is not a committee of the Board. This is a Sub Group which particularly meets during the annual Budget and Business Plan cycle. Its role is to enable the Board to assure itself of the robustness and integrity of the forecasting and staffing delivery model. This includes bringing an independent review to the model, looking at the correlation between model predictions and actuals, and the review of performance metrics. This Sub Group has been set up to constructively challenge and support the OLC's endeavours to increase the levels of confidence in the integrity of the delivery model that underpins its work, thus improving the reliability of predictions and performance / operational delivery.

The objectives of the Performance Sub Group can be summarised as follows:

- During the Budget and Business Planning process, to test and scrutinise the development of the resourcing requirement for the next year. To provide assurance that a suitable framework is in place for making the underpinning model assumptions, to ensure effective delivery of the organisational objectives agreed by the Board.
- To provide challenge and advice to the Executive on improvements to and reporting from the model to the Board and key stakeholders.
- To ensure that the budget setting assurance process is followed as defined by ARAC
- To provide assurance to the Board that the OLC has a MacPherson compliant, effective forecasting model, on which to base its plans.

- The Group will not have delegated authority to make decisions on behalf of the OLC Board. Any changes to the forecasting model will need full OLC Board approval following challenge and scrutiny of the Group.

Further, the Performance Sub Group also has a mandate to perform the following activities in current business cycles.

- Conduct a deep dive into the model to gain assurance / advise on necessary improvements.
- Consider and agree the process for setting KPIs.
- Consider and agree the process for determining the resource basis for a budget resubmission

Membership, Chair and Quorum

The Chair of the Performance Sub Group will be a non-executive member of the OLC Board who will make regular reports to the OLC Board as requested by the Chair of the OLC. Members of the Sub Group are required to have a sound understanding of the objectives and priorities of the OLC and of their role as a Sub Group member. The Sub Group will take into account the role and function of ARAC in the conduct of its business, and membership of this Sub Group will not include the Chair of ARAC.

Attendance at the Performance Sub Group will include the Chief Ombudsman, Head of Operations Transformation & Business Intelligence, Head of Programme Management and Assurance, Performance & Business Information Manager and, the Board Governance Manager alongside other staff members as requested by the Chief Ombudsman to support the Sub Group's business. The quorum for the Sub Group shall be two members who may attend by telephone or Microsoft Teams or other similar remote means.

4.2.4 Public Interest Decisions Committee

Purpose

The Public Interest Decisions Committee has been established to fulfill the functions of the OLC, as detailed in its Publishing Decisions Policy (the Policy), in relation to the exercise of its discretion under Section 150, Legal Services Act 2007 to publish a report of the investigation, consideration and determination of a complaint made under the ombudsman scheme.

The main objectives of the Committee are to:

- consider applications by the Chief Ombudsman for OLC approval to publish a report of the determination of a complaint where there has been either a pattern of complaints or set of individual circumstances which indicate it is in the public interest that the legal service provider should be named; and
- take such decisions and make such arrangements that it judges are necessary to exercise the authority of the OLC as set out in the Policy and such other criteria and guidance as are relevant to the exercise of that authority

Membership, Chair and Quorum

The Chair of the Public Interest Decisions Committee will be the Chair of the OLC Board or such other lay Board member as the Chair of the OLC nominates. The Committee members will be appointed by and from the OLC and the period of appointment shall be commensurate with the agreed term of appointment to the OLC.

The Committee will consist of the Chair, one lay and one non-lay member of the Board. A majority of the Committee's members will always be lay persons.

The quorum for a meeting of the Committee will be three members, attending in any meeting format (in person, by telephone, online or hybrid).

Legal Ombudsman staff will attend the Committee as required by the Chief Ombudsman.

4.3 Accountability to Legal Services Board and Ministry of Justice

Details of the governance arrangements and accountability of the OLC to the LSB and MoJ are contained in the following documents: Framework Agreement between the MoJ and the OLC; Memorandum of Understanding between the LSB and the OLC; and the Tri-partite Operating Protocol detailing how the three bodies will operate in respect of the oversight of the OLC.

The Tripartite Protocol sets out the key principles, governance and relationship between the OLC, MoJ and LSB. Both the OLC and LSB operate within the Managing Public Money Framework with delegated authority to incur expenditure from the Principal Accounting Officer of the MoJ.

The OLC Board is accountable to the LSB for its administration of the Legal Ombudsman scheme, and the LSB is accountable through the Lord Chancellor (MoJ) to Parliament for the performance of its statutory duties (including those which it has in relation to OLC). In their capacity as Accounting Officer, the Chief Ombudsman is separately accountable to the MoJ Principal Accounting Officer for the OLC's performance in relation to Managing Public Money.

The OLC has direct accountability as an Arm's Length Body to the MoJ. This includes:

- Through the Chief Ombudsman as the person designated as the OLC Accounting Officer.
- Regular Business Assurance Meetings between the MoJ and the Chief Ombudsman as Accounting Officer at a frequency determined annually.
- The MoJ carries out an annual risk analysis to monitor the status of the OLC in terms of the appropriate oversight, as required by the MoJ Arm's Length Body Governance Division.
- MoJ review of the Framework Document every three years, in consultation with LSB and OLC.
- OLC Annual Report passed to the Lord Chancellor. MoJ lays OLC annual reports and accounts before Parliament in accordance with para 26 of Schedule 15 and section 118 of the Act.

The LSB has a variety of oversight duties in relation to the OLC, including:

Monitoring performance

The LSB monitors OLC performance by reviewing a detailed monthly performance dataset and reviewing OLC Board and ARAC papers. LSB also attends ARAC meetings and the performance part of the Business Assurance Meetings between the MoJ and the OLC. Following every OLC Board meeting, the Chair issues a "Voluntary Assurance Letter" to update and assure the LSB Board Chair on the performance of the OLC. These letters set out the OLC Board's strategic assessment of performance, under the following headings: (i) Performance improvement; (ii) People and Leadership; (iii) Risk management and financial governance; (iv) Enhanced public reporting, (v) Scheme Rules review.

Approving the OLC Budget

Schedule 15 of the Act requires the OLC to adopt an annual budget that has been approved by the LSB, before the start of each financial year. The approval process for the OLC budget is set out in the Tripartite Operating Protocol between the OLC, LSB and MoJ. In summary, the approval

process involves: LSB setting out draft budget acceptance criteria for the OLC which form the basis of the LSB's assessment; OLC submitting a draft Budget and Business Plan for the LSB to assess and approve (after public consultation by the OLC); Lord Chancellor approval of the OLC budget after LSB approval. Any in-year variations to the OLC budget are approved by the LSB.

Appointing Board members

The appointment of OLC Board members, including appointment of the Chair and undertaking their annual performance review, is undertaken by the LSB. LSB's appointment of the OLC Board Chair is subject to a pre-appointment hearing before the Justice Select Committee and the LSB is required to consider any relevant conclusions and recommendations before finalising the appointment. The Lord Chancellor is required to approve the appointment of the OLC Chair.

Consenting to Scheme Rules

Under section 155 of the Act, the OLC must obtain the consent of the LSB before making rules. Basically, the Scheme Rules are the framework that describes how the Legal Ombudsman resolves complaints and these include – who can complain to the LeO, the complaints LeO can and cannot look at, and the procedures for how the Scheme will operate in practice.

5. Executive and Management Team

In order to facilitate the delivery and management of the Ombudsman scheme, the OLC has delegated relevant day-to-day authority to LeO Executives, in accordance with its scheme of delegation. Executives report to the Chief Ombudsman – who reports into the OLC Board.

5.1 Executive and Management Committees

The main Executive and Management committees that form part of the LeO Governance Framework include – the Executive Team, Programme Board; Management Team; Quality Committee; Equality Diversity and Inclusion Steering Group; and the Information Security Forum.

5.1.1 Executive Team Committee

Purpose

Executive Team is a strategic forum which focuses on the effective and efficient running of the Legal Ombudsman and its organisational development. Executive Team meetings provide the accountability and decision-making forum for the Legal Ombudsman.

It provides effective strategic leadership for the Legal Ombudsman and supports the OLC in setting the organisation's direction. It ensures that the organisation has the capabilities to deliver the business priorities and plans agreed by the OLC. It also provides a forum for discussion of key relationships with external stakeholders and Committees of the OLC, and to agree papers for OLC Board meetings.

The Executive Team focuses on strategic areas which include:

1. Strategy and Business planning;
2. Leadership;
3. Governance and risk assurance
4. Organisational performance;
5. Strategic workforce issues;
6. Internal control and assurance frameworks; and
7. Reporting.
8. External stakeholder relationships

Executive Team has a critical leadership role in supporting the Chief Ombudsman in their roles as Accounting Officer, in setting and driving the strategic direction of the OLC and in providing Board assurance and facilitating effective oversight and challenge.

Membership, Chair and Quorum

The Executive Team comprises of the:

- Chief Ombudsman (Chair);
- Head of Operations, Transformation and Business Intelligence;

- Head of Programme Management & Assurance;

- Deputy Chief Ombudsman;

- Head of Finance, Procurement and IT

- Head of People Strategy & Services

- Head of Communications, Engagement and Impact

There is no formal quorum for the Executive Team, but members are expected to attend in all but exceptional circumstances.

5.1.2 Programme Board

Purpose

The Programme Board has three distinct remits: (i) assuring the Executive Team that the Business Plan programme is being effectively governed and managed; (ii) monitoring and reviewing the progress of various projects and workstreams falling outside the Business Plan to ensure the achievement of expected results, ensuring risk are properly managed; and (iii) resolution of programme issues, considering competing priorities.

Objectives of the Programme Board include the following

- Provide assurance to the Executive Team that all products and / or Critical Success Factors have been delivered satisfactorily;
- Make sure project boards deliver detailed project activities as required;
- Ensure the significant risks with a scoring greater than 12 that are escalated to the Programme Board are properly managed;
- Act as a discussion forum to resolve programme delivery issues;
- Engage stakeholders as necessary to ensure the achievement of the Business Plan; and
- Identify and escalate any issues that require further discussion at Executive Team meetings.

Membership, Chair and Quorum

The Programme Board is Chaired by the Programme Manager and supported by the Head of Programme Management and Assurance. Other attendees include – Executive project sponsors, Head of Finance, Procurement and IT, Project Managers, and other staff involved in project delivery. The Quorum for meetings includes the following attendees: Chief Ombudsman or Head

of Operations, Transformation and Business Intelligence, Head of Programme Management and Assurance, Head of Finance, Procurement and IT and at least one Executive project sponsor. The frequency of meetings is monthly.

5.1.3 Operations Management Team

Purpose

The purpose of the Operations Management Team (OMT) is to support The Executive Team in the day to day running of the business. OMT meetings take place every month and issues are brought to these meetings on an ad-hoc basis – thus giving these meetings the flexibility to discuss the most current and pressing issues in the organisation. The OMT provides the required leadership to ensure organisational values, behaviours and Customer Service Principles are embedded in the core business functions (that is; General Enquiries, Resolution Centre, Ombudsman and Early Resolutions Team).

Membership, Chair and Quorum

The Head of Operations, Transformation and Business Intelligence is the Chair of the OMT, and attendees include Operations Managers, HR representatives, Transformation representatives, and when requested – representatives from Data and Insights, and Quality. There is no formal quorum for OMT, but members are expected to attend in all but exceptional circumstances. Attendance is to be monitored by the Chair.

5.1.4 Equality Diversity and Inclusion Steering Group

Purpose

The primary function of the Equality, Diversity, and Inclusion Steering Group (EDI SG) is to provide support to the Executive Team in the development and delivery of equality, diversity, and inclusion (EDI) strategies, policies, and practices throughout the organisation.

EDI SG objectives can be summarised as follows:

- Provide guidance and support to Executives in relation to the monitoring and assessment of EDI understanding and improvement initiatives across LeO, to improve employee experience and engagement levels and LeO's capacity to meet the diverse needs of its workforce and customers.
- Ensure an appropriate strategy (including appropriate policies and procedures) is in place to make sure LeO is compliant with the Equality Act and advise the Executive Team on any changes that need to be made to ensure compliance.
- Provide a formal report to the OLC Board twice a year to assure the Board on LeO's compliance with the Equality Act, detailing LeO's progress re EDI strategies, policies, or changes to practice.

Membership, Chair and Quorum

EDI SG meetings take place on a quarterly basis and are Chaired by the EDI Board Sponsor who is a non-executive OLC Board member. Attendees include – EDI Manager, Head of People Strategy and Services, Head of Operations, Transformation & Business Intelligence, an Operations Manager, Internal Communication Manager, , , Staff Network Chairs, and an HR representative. Other staff may be invited to attend in support of specific agenda items, at the discretion of the Chair. The quorum for EDI SG meetings includes the following six attendees as a minimum: the Chair (or appointed Deputy); one Network Chair, one representative from the Operations team, and two representatives from corporate support functions (including an HR representative).

5.1.5 Information Security Forum

Purpose

The Information Security Forum is a standing committee accountable to ARAC. Its purpose is to support and drive the broader information governance agenda and assure the Board that effective information governance and security best practice mechanisms are in place within the organisation.

The main objectives of the Information Security Forum include:

- Review the allocation of key security roles and responsibilities.
- Ensure OLC compliance with MoJ Departmental Security Health Checks.
- Annual reviews of the extent to which third-parties (such as, delivery partners and suppliers) are complying with LeO security controls and providing recommends / overseeing remedial actions.
- Oversee the implementation of Information Security actions included in any audit reports (Internal Audit or External Audit) and other security-related reports.

- Ensure the regular review of Information Asset Risk Registers.
- Review security incidents (including data breaches) and ensure that all adequate steps are being taken to address their causes and reduce future recurrences.
- Review security-related policies on an annual basis.
- Support the organisation in its approach to Business Continuity.
- Ensure assurance around data security within the organisation is monitored.
- Review Information Security Risk Assessments and improvement plans.
- Review all documents / processes that are pertinent to information governance and data security.
- Undertake any other information security-related activity requested by the Senior Information Risk Owner (SIRO).
- Review and sign-off the disposal of assets, including management systems that process personal, confidential, and sensitive data.

Membership, Chair and Quorum

Membership of the Information Security Forum includes the SIRO, Head of Finance, Procurement and IT, the Data Protection Officer, Head of IT, IT Operational Manager, Deputy Chief Ombudsman, Head of Operations, Head of HR, Information Governance Officer, Legal Manager, Head of Programme Management and Assurance, IT Governance and Commercial Officer. Meetings are chaired by the SIRO and the quorum includes; SIRO, Two Heads of Service (Senior managers), and a representative from Information Governance.

The diagram below is a visual representation of the Executive and Management Team structure at LeO and the team which fall under each function.

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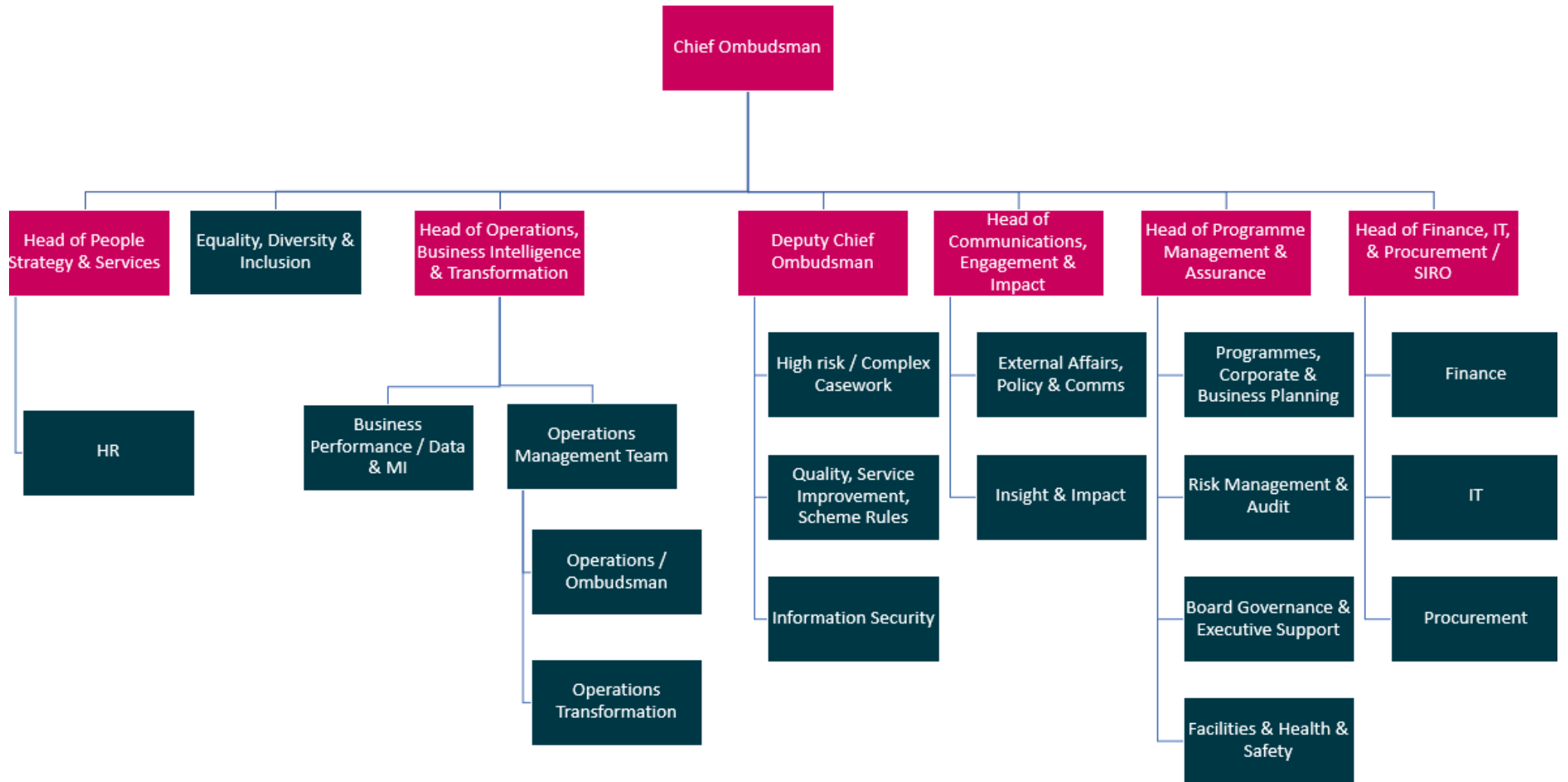
6. Risk Management and Quality Assurance

6.1 Risk Management and Coordinated Assurance

The OLC Board has articulated its risk appetite and risk tolerance levels (in the OLC Risk Management Framework) to provide clear guidance for the LeO Executive and Management teams to operate within. Any "gross" risks that fall outside risks tolerance levels are to be captured in the Risk Register and mitigation actions implemented to ensure the "residual" risks are within OLC risk tolerance parameters. A dedicated Enterprise Risk Manager supports the Head of Programme Management and Assurance in the coordination of risk management activities from a second line of defence perspective. LeO risk management activities are reported to ARAC.

An Assurance Map has been developed to provide a holistic view of the sources of assurance (other than Internal Audit and External Audit) that inform the OLC's view of the control environment at LeO. The Assurance Map enables the OLC to determine whether assurance over risk mitigation activity across the three lines of defence is sufficient or excessive, highlighting gaps and overlaps to help improve the efficiency and effectiveness of risk management activities. The assessment of the sufficiency of assurance activities in the Assurance Map follows the traffic light system below.

Traffic Light	Description
Red	Significant concerns over the adequacy and / or effectiveness of the controls in place, in proportion to the risks.
Amber	Some areas of concern over the adequacy and / or effectiveness of the controls in place, in proportion to the risks
Green	Controls in place are assessed as adequate, effective, and proportionate to the risks.

The recording of risks in LeO is captured under the following categories:

- Corporate Governance and Strategy;
- Risk Management;
- Operational Delivery;
- Policy and External Affairs;
- Personnel Management;
- Health and Safety and Estates Management;
- Information Technology;
- Information Management;

- Financial Reporting, Management Accounts and Budget Setting;
- Contract Management and Commercial;
- Counter Fraud;
- Business Intelligence;
- Legal and Scheme Rules Compliance; and
- Project and Change Management.

Recorded risks are assigned ''risk owners'' who are usually individuals that are best placed (in terms of expertise and authority) to ensure the implementation of risk mitigation actions. Risk owners are required to provide periodic updates on the status of their risks (via the Risk Register update process) to the Executive Team and the OLC Board (via ARAC).

Generally, risk management roles and responsibilities can be summarised as follows:

Role	Responsibility
OLC Board	The role of the Board is to set the strategic direction of the organisation and exercise oversight, support, and challenge of the Executive in their management of the organisation, in order to meet objectives. The Board's role in respect of risk management is to support the Chief Ombudsman in their role of ensuring that OLC has in place effective arrangements for governance, risk management and internal control. It is also responsible for setting the organisation's risk appetite and approving the organisation's risk tolerances. The Board reviews and approves the organisation's strategic risks / issues analysis each year. The Board also reviews and approves the Governance Framework.
ARAC	The Audit and Risk Committee (ARAC), oversees the OLC's risk management processes, governance and financial control framework. ARAC provides assurance to the OLC Board on the risk management framework including risk identification, mitigation and management along with an agreed risk appetite structure. As indicated in the ARAC Terms of Reference, they periodically review risk assurance reports from the Executive and provide advice where weaknesses are observed.
Chief Ombudsman	Accountable to the OLC Board for the effectiveness of the system of internal controls at LeO, including the adequacy of governance and risk management arrangements in the organisation. The Chief Ombudsman, has ultimate responsibility for ensuring that LeO has in place an effective overall system of internal control. This includes having in place effective governance and risk management arrangements, which reflect wider good practice.
Executive Team	

	Executive Team (ET) members are required to support the Chief Ombudsman in discharging governance, risk management and internal control responsibilities in their respective parts of the organisation. Executives are accountable to the Chief Ombudsman for the reporting of all relevant risks in their respective areas, and the adequacy of risk mitigation activities to reduce gross risks to residual risks levels that are within OLC Board risk tolerance parameters. ET provide an essential bridge between the strategic risk decision-making process and the overarching governance of OLC's risk management strategy. ET are accountable to the OLC Board for the management of the organisation and for the effective delivery of the OLC scheme rules. The ET are supported by a tier-lower Management Team.
Management Team	Management Team (MT) members are required to play a pivotal role in OLC's risk management acting as role models for OLC's expected risk culture and ensuring that risks across the organisation are actively identified and addressed. They need to ensure risks are escalated to Executives, and the implementation of mitigation actions. Management team will opine escalated risks / issues from Business Units as well as considering emerging trends / items of concern in readiness for Exec escalation.
Risk Owners	Every risk identified in LeO at a strategic or business unit is assigned a risk owner. The assignment of risk ownership will be to the individual best placed with expertise and the necessary level of accountability and authority to lead the mitigation of the specific risk(s). Usually that will be at Executive Team or Management Team. Risk owners are responsible for ensuring that mitigation is progressed and risks are actively monitored.
Head of Programme Management and Assurance	Facilitate LeO's risk management and risk reporting activities across the organisation. The Head of Programme Management & Assurance is responsible for ensuring that LeO's corporate governance system of internal control and Risk Management Framework are robust, kept up to date, adhered to, proportionate and fit for purpose in supporting informed decision making and the delivery of the organisation's strategic aims.
Enterprise Risk Manager	The Enterprise Risk Manager has responsibility for ensuring risks are identified, monitored and reported in the organisation as part of LeO's corporate performance reporting arrangements, supporting the Head of Programme Management and Assurance to ensure the requirements in line with the Risk Management Framework are being correctly applied.

Role	Responsibility
Owners of Specialist Risk Registers	For example, LeO Information Asset Owner, Information Security. Health & Safety. The responsibilities of the owners of Specialist Risk Registers include: ▪ Ensuring specialist policies are reviewed and updated at least annually. ▪ Making sure Specialist Risk Registers are reviewed and updated at least quarterly. ▪ Escalating risks to relevant parts of the business and the ''owning'' directorate Risk Register.

	• Supporting the Assurance Mapping process to assess assurance activities over the risks included in Specialist Risk Registers. • Escalate any risks related concerns and areas pf non-compliance immediately to the Head of Programme Management and Assurance, the Enterprise Risk Manager and to the Executive Team.
All Staff	All staff should be aware of risks that are relevant to their roles and how they should respond to them. Staff are required to advise management of any emerging risks in their area.
Internal and External Audit	Adopt a risk-based approach to audit work and provide independent opinions to the OLC Board (via ARAC) on the operation of governance, controls, and risk management arrangements.

6.2 Quality Assurance and Service Compliance

The OLC has put in place a Quality Assurance (Service Compliance) function in the second line of defence to ensure working practices in core business operations (that is, in the General Enquiries, Resolution Centre and Early Resolution Teams) are compliant with required quality standards as per the Legal Ombudsman Scheme Rules. As well as taking insight and learning from quality assurance checks, this function is supported by, amongst other things, learning and insights derived from Service Complaints and Legal Challenges, The Deputy Chief Ombudsman is responsible for the Quality Assurance / Service Compliance of Core Business functions, and they report to the Chief Ombudsman who is accountable to the Board.

Primarily, it is the responsibility of the Operations Team to make sure complaints raised with LeO are handled in accordance with established Customer Service Principles, ensuring the needs of various stakeholders are met during a fair investigation / dispute resolution process. Accordingly, Operations Team management perform regular checks to ensure team members are delivering to expected quality service levels. A dedicated Quality Audit team has been put in place to perform independent quality assurance checks from a second line of defence perspective and report to the Quality Committee, which in turn escalates quality assurance matters to the OLC Board.
The diagram below illustrates various facets of the Quality Assurance Framework at LeO.

Service Reviews are performed on "live files" to allow for Team Leader intervention if a reasonable level of service is not being provided, and Outcome Reviews are performed later in the process to assess whether a reasonable outcome was achieved. Service Reviews, Outcome Reviews and Dip Sampling quality assurance checks are initially performed by Operations Team management and formally reported to the Quality Assurance function on a quarterly basis. The Quality Assurance function is required to perform independent verification activities to ensure service delivery quality levels are in line with the information reported by the Operations Team. Further, Quality Assurance reviews the information to identify and report on themes, trends, and opportunities for improvements.

Quality Assurance activities also include the monitoring of Ombudsman Send Backs and Ombudsman Feedbacks. These relate to the number of instances where ombudsmen "send back" files to investigators when they are unable to reach a provisional or final decision and the "feedback" given by ombudsmen on the quality of service after a decision is made on a case. Ombudsman Send Backs and Ombudsman Feedbacks are reviewed to identify themes and trends and recommend improvement actions.

A Legal Manager has been appointed to, amongst other things, review and advise on service delivery to reduce the likelihood of cases ending in Judicial Review.

Service Complaints raised by customers are investigated by a dedicated, independent team who assess the service provided to the customer against customer service principles, guidance and process. The team identify performance improvement feedback for individual team members and

wider organisational learnings or whether a remedy is required. The service complaints process provides for escalation of complaints to an independent external service complaint adjudicator if they cannot be resolved internally. Individual feedback is provided to the subject of each complaint and thematic feedback is reported at Quality Committee. The Service Complaints Adjudicator reports to OLC with an update on the themes and trends they have identified on a twice yearly basis.

Likewise, Customer Satisfaction Surveys are issued at three key stages (following initial contact with LeO, within 40 to 53 days after the allocation of an investigator, and within one month of the closure of a case) to ensure the quality of service delivered is in accordance with the organisation's Customer Service Principles. The Quality and Feedback Model also ensures cases have been handled in accordance with Customer Service Principles and Scheme Rules.

Quality Assurance activities are reported to the Quality Committee meetings that take place twice a quarter. Membership of the Committee is by the agreement / invitation of the Chief Ombudsman and the Deputy Chief Ombudsman. Other attendees to Quality Committee meetings normally include the Head of Operations, Transformation and Business Intelligence, Quality Officer, Legal Manager, Senior Ombudsman (Service Improvement), Quality Manager and representatives from the Operations Management team.

Responsibilities of the Quality Committee include: quarterly review of KPIs / Performance Measures relating to service quality; review of risks that could jeopardise the achievement of expected service levels, and the controls and mitigation actions in place; review of activities designed to improve service quality, ensuring they are properly targeted / prioritised; provide direction and advice on the operation of the quality assurance framework; escalate issues (to Executive Team) as necessary to ensure services are delivered to required quality standards and Scheme Rules.

7. Responsibilities and Accountabilities

7.1 Responsibility for Management Decisions

This scheme of delegation accords with Schedule 15 of the Act regarding the general management of the Legal Ombudsman. It sets out those responsible for making general management decisions, the delegations of authority from the OLC to the Chief Ombudsman (CO) and the further delegations from the CO to others. This responsibility matrix covers the following areas: strategic and financial

planning; budget setting and approval; risk management; personnel pay structures; recruitment, suspension, dismissal or termination of employees; external communications and publications.

No	Area of Responsibility	Level of Responsibility				Non-Executive Oversight and Advice by
		LSB	OLC	CO	Specific Role Holder	
Strategic and Financial planning						
1	Approving the corporate strategy.		✔		N/A	OLC Board
2	Approving the annual Business Plan.		✔		N/A	OLC Board
3	Approval of strategies affecting the long-term capability of the Legal Ombudsman scheme LeO, including HR, finance, and IT.		✔		N/A	OLC Board
4	Changes to Scheme Rules.	✔			N/A	N/A
5	Setting KPIs.		✔		N/A	OLC Board
6	Approving performance targets.		✔		N/A	OLC Board
7	Approving changes to the governance framework.		✔		N/A	OLC Board
8	Oversight of the executive management of the Legal Ombudsman.		✔		N/A	OLC Board
9	Approving Memoranda of Understanding with other bodies.		✔		N/A	OLC Board
Budget setting and approval						
10	Approving the draft annual budget prior to requesting LSB and MoJ approval.		✔		N/A	ARAC
11	Approving the annual budget.	✔			N/A	N/A
12	Approving proposal for in year budget variation prior to requesting LSB approval		✔		N/A	ARAC
13	Approving in year request for budget variation.	✔			N/A	N/A

No	Area of Responsibility	Level of Responsibility				Non-Executive Oversight and Advice by
		LSB	OLC	CO	Specific Role Holder	
Risk Management						
14	To institute or defend routine legal proceedings – those where the risk of substantial reputational damage or financial loss is low, and to deal with matters arising from ongoing legal proceedings.			✔	Legal Manager	N/A
15	To institute or defend significant legal proceedings – those where the risk of substantial reputational damage or financial loss is high.			✔	N/A	OLC Chair
16	Determining responses to formal and informal threats of legal action (not				Deputy Chief Ombudsman	N/A

No	Area of Responsibility	LSB	OLC	CO	Specific Role Holder	Non-Executive Oversight and Advice by
	including employment matters – see below).					
17	Determining response to manage the risk of legal challenges, and dealing with legal challenges on employment matters, and for keeping RemCo informed of significant developments.				N/A	N/A
18	Approval of organisational strategy for the management of and the appetite for strategic risk.		✔		N/A	ARAC
19	To appoint or remove an independent complaints adjudicator.		✔		N/A	N/A
20	To establish a process for reviewing and determining the response to complaints about the Legal Ombudsmans service from users of the service.			✔	Deputy Chief Ombudsman	OLC Board
21	Agreeing and amending the OLC Board scheme of Delegation (the Legal Ombudsman's scheme of delegation is the responsibility of the Chief Ombudsman).		✔		N/A	OLC Board
22	Agreeing and amending the Finance Regulations and spending authorities (subject to Schedule of Matters reserved to the OLC and FTLs).			✔	N/A	OLC Board
23	Signing commercial contracts within MoJ Financial Transaction Limits or with prior MoJ approval.				N/A	ARAC
Personnel pay structures						
24	Setting the terms and conditions of service for the Chief Ombudsman.		✔		N/A	RemCo.
25	Agreeing pay structures for all staff except the Chief Omgudsman			✔	N/A	RemCo
26	Approval of the annual pay remit for the Chief Ombudsman		✔		N/A	N/A
27	Approving recognition awards			✔	Moderation panel made up of the Executive Team	RemCo

No	Area of Responsibility	Level of Responsibility				Non-Executive Oversight and Advice by
		LSB	OLC	CO	Specific Role Holder	
Personnel pay structures						
28	Presenting annual bonus proposals for RemCo comment and endorsement.			✔	N/A	RemCo
29	Appointing and dismissing committees, sub-committees and sub-groups.		✔		N/A	OLC Chair

No	Area of Responsibility	LSB	OLC	CO	Specific Role Holder	Non-Executive Oversight and Advice by
30	Approving of Terms of Reference of committees, sub-committees and sub-groups		✔		N/A	OLC Board
31	Approving of committee and sub-committee performance objectives.		✔		N/A	OLC Chair
Recruitment, suspension, dismissal or termination of employees						
32	Decision about the redundancy of an individual employee within contractual terms (excludes Executive Team).			✔	N/A	N/A
33	The suspension, dismissal, or termination of an individual employee (Executive Team).			✔	Head of People Strategy and Services, recommend for approval by Chief Ombudsman	N/A
34	Decision to implement a redundancy scheme offered to all staff, for any MoJ or Cabinet Office approvals under delegations.		✔		Chief Ombudsman, subject to any MoJ and Cabinet Office approvals, as required by delegations.	OLC Board
35	The appointment or dismissal of the Chief Ombudsman.		✔			OLC Board
36	The appointment, suspension, dismissal or termination of individual Senior Managers (Heads of Function or above			✔	N/A	OLC Chair
37	Consent to appoint an Ombudsman following Board approval.			✔	N/A	OLC Board
38	Approving the Chief Ombudsman's recommendation to dismiss an Ombudsman		✔		N/A	OLC Board
39	Approval of any payments made to staff as a result of termination of contract which go beyond contractual terms.			✔	N/A	RemCo
40	Approving significant changes of organisational structure.		✔		N/A	OLC Board
41	Appointing, dismissing and approving the remuneration of the internal auditor		✔		N/A	OLC Board
External Communications and publications						
42	Agreeing Legal Ombudsman scheme answers to Parliamentary Questions.		✔	✔	Chief Ombudsman	OLC Chair
43	Agreeing Legal Ombudsman scheme formal correspondence to MoJ		✔	✔	Chief Ombudsman	OLC Board
44	Agreeing Legal Ombudsman scheme formal correspondence to LSB.		✔	✔	Chief Ombudsman	OLC Board

No	Area of Responsibility	Level of Responsibility				Non-Executive Oversight and Advice by
		LSB	OLC	CO	Specific Role Holder	

No	Delegated Matter					
45	Approve the publication of Public Interest Decisions.		✔		N/A	Public Interest Decisions Committee
46	Consideration and determination of a complaint about a Category 2 publication of an Ombudsman Decision Data.			✔	N/A	N/A
47	Publication of information on a Category 2 Ombudsman Decision.			✔	N/A	N/A
48	Approval of policy statements.		✔		N/A	OLC Chair
49	Approval in-principle of the content of consultation documents and responses to external consultation.		✔		N/A	OLC Chair
50	Approval of the OLC annual reports and accounts.		✔		N/A	ARAC
51	Approval of the minutes of OLC meetings.		✔		N/A	OLC Board

7.2 Financial Delegations of Authority

Financial Delegations of Authority (DoA) are set out below:

No	Delegated Matter	Authority Delated To
Management of costs within budgets		
1	Individual Budget level	Budget Holder
2	Re-allocation of budget between departments during a financial year.	CO
3	Allocation of budget to Projects	CO
Bank Accounts		
4	Authority to set up Bank accounts.	CO
5	Authority to grant and maintain access to and set appropriate payment limits for BACS and other bank payment mechanisms in respect of properly approved expenditure.	Head of Finance Procurement and IT
Non-Pay Revenue Expenditure		
Approval of Purchase Orders		
6	Up to £20,000	Budget Holder
7	From £20,001 to £75,000	An additional Executive Team member
8	Approving all proposed revenue expenditure above £75,000	OLC
Capital Expenditure		
Approval of Purchase Orders		
10	Up to £20,000	Budget Holder
11	From £20,001 to £75,000	An additional Executive Team member
12	Approving all proposed capital expenditure above £75,001	CO
Authorisation of Payments		
12	Payment to an individual Supplier of up to £50,000	Head of Finance, Procurement and IT

13	Payment to an individual Supplier in excess of £50,000	CO
14	Total Supplier payments totalling up to £150,000	Head of Finance, Procurement and IT
15	Total Supplier payments totalling in excess of £150,000	Two Executive Team members
16	Transfers between OLC bank accounts	Head of Finance, Procurement and IT
17	Nominal payments to an individual of up to £10,000	Head of Finance, Procurement and IT
18	Nominal payments to an individual in excess of £10,000	CO
19	Payroll payments to be authorised via payroll sign-off forms. This includes payments such as Net Pay, HMRC, Pension.	Two Executive Team members (default to Head of Finance, Procurement and IT and Head of People Strategy and Services)
Authorisation to release properly authorised payments		
20	Payment of up to £250,000	Any one bank signatory
21	Payment of over £250,000	Any two bank signatories
Authorisation to award a new contract procured competitively (subject to DoA from MoJ)		
Subject to MoJ FTLs, authorisation of the award of a new contract with a total value:		
22	Up to £20,000	Budget Holder
23	From £20,001 to £75,000	An additional Executive Team member
24	Approving all proposed capital expenditure above £75,001	CO

No	Delegated Matter	Authority Delated To
Authorisation to award a new contract procured through a single tender action or direct award (subject to DoA from MoJ)		
26	Subject to MoJ FTLs, authorisation to award a contract through a single tender action or direct award.	CO
Travel and subsistence		
27	Authority to authorise travel and subsistence expenses claims.	Per Expenses Policy delegations
Joiners and changes to pay		
28	Authority to create an additional post or to increase a department's overall payroll budget.[2]	CO
29	Authority to fill a post or to extend a fixed term role, at a cost that exceeds the amount included in the department's payroll budget.[1]	CO
30	Authority to fill an existing post with permanent or fixed term staff at or within the cost for that post included in the department's payroll budget [1]	CO
31	Authority to fill an existing post with permanent or fixed term staff at or within the cost for that post included in the department's payroll budget [1] – all other roles.	CO
32	Authority to amend departmental role structures within the department's overall payroll budget [2] (and without redundancies which are subject to separate delegations).	CO
33	Amendments to Organisation Pay structure (Roles, Grading of roles, Salary Banding of roles, Pay remit).	CO
Joiners and changes to pay		
34	Change to an individual's pay and / or pay grade amendment (e.g., promotion).	CO
35	Authority to complete Payroll standing data forms affecting authorised starters, pay and benefit variations.	HR Team members
Leavers		
37	Authority to complete Payroll standing data forms affecting leavers.	HR Team members

	Holiday and absence	
38	Change to Holiday or Absence Policies.	RemCo
	Compensation [3]	
39	Individual remedy payments in respect of service complaints up to £999 up to cumulative delegation to make total payments in any one financial year of up to £6,000.	CO
40	Individual remedy payments in respect of service complaints up to between £1,000 and £1,500 and up to cumulative delegation to make total payments in any one financial year of up to £6,000.	OLC Chair
41	Individual remedy payments in respect of service complaints over £1,500 or cumulative annual value of £6,000.	MoJ
42	All Severance payments or special payments.	MoJ
	Sale or Disposals of equipment with proceeds or net book value	
43	Up to £25,000	Head of Finance , Procurement and IT
44	From £20,001 to £50,000	CO
45	Over £50,000	MoJ
	Write offs of Bad debts and losses	
46	Invoices up to £400	Head of Finance and IT
47	Invoices above £400	MoJ
48	Abandoned claims for the recovery of legal costs.	CO

NOTE: All figures are <u>inclusive</u> of VAT

[1] A department's payroll budget comprises the FTE headcount and pay costs that have been included in the department's budget for that financial year.

[2] The OLC does not have authority to make compensation payments other than as approved for remedy Payments for service complaints.

8. Appendices

8.1 The Seven Principles of Public Life (Nolan principles)

The Tripartite Operating Protocol requires that OLC Board members should observe the Seven Principles of Public Life. These seven principles, also known as the Nolan Principles, apply to anyone who works as a servant of the public and / or a steward of public resources, including people appointed to public office in non-departmental public bodies (Arms' Length Bodies) like the OLC. The Seven Principles of Public Life are documented below.

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Further information

Should you have any questions, or require any clarification, please do not hesitate to contact the Governance Framework Policy Owner (Head of Programme Management and Assurance).