

<b>Meeting</b>	OLC Board	<b>Agenda Item No.</b>	9
		<b>Paper No.</b>	124.8
<b>Date of meeting</b>	15 December 2022	<b>Time required</b>	45 mins

<b>Title</b>	<b>Presentation: Understanding OLC’s Governance</b>
<b>Sponsor</b>	Laura Stroppolo. Head of Programme Management & Assurance
<b>Status</b>	OFFICIAL

<b>Executive summary</b>
<p>In line with the Corporate Governance review, the presentation attached sets out key discussion points for Board to consider in readiness for the OLC Governance framework agenda item at the January 2023 Board meeting.</p> <p>The presentation is split into 5 areas:</p> <ul style="list-style-type: none"> <li>• What’s different in OLC Governance?</li> <li>• Tripartite Protocol</li> <li>• Board responsibility vs delegated responsibility</li> <li>• Lay and non-lay members</li> <li>• Delivering the commitment to transparency – Category 1 Committee</li> </ul> <p>The presentation draws out the intricacies of the OLC governance, in line with the Legal Services Act and the Tripartite Protocol and what this means in practise.</p> <p>In readiness for the January Board meeting, the Executive invite Board members to comment and draw out key questions to aid the final drafting of the Governance Framework, which will be tabled for discussion in January.</p>
<b>Recommendation/action required</b>
Board is asked to comment on the key areas of discussion

# OLC Governance

**15 December 2022**

LEGAL  
OMBUDSMAN

## Key areas for discussion

- Understanding the OLC's Governance, including revisiting what makes it different to other ALBs
- Considering Board responsibility vs delegated responsibility
- Combining lay and non-lay members
- Category 1 Committee and what it means to publish decisions in full relating to particular cases and naming the firm

# What's different in OLC Governance?

There have been minimal changes in relation to OLC Governance. However the published version of the Governance Framework hasn't been updated since 2015 and a full refresh of the document has been drafted by the PM&A Team in line with the Corporate Governance Audit actions.

- What does OLC Governance mean?
  - ALB (not part of civil service)
  - Tripartite Protocol (MoJ & LSB approvals)
  - Scheme of Delegations
- Annual Budget & Business Plan Cycle
- Annual Report & Accounts process
- To provide further robustness of the OLC Governance, LeO have reviewed their internal governance process, which in turn provides further rigour and assurance to the Board and its committees. These additions are listed below:
  - Executive & Management Team meetings
  - Programme and Project Boards
  - EDI Steering Group

# Tripartite Protocol – relationship between OLC / MoJ / LSB

- The Tripartite Protocol sets out the relationship between the OLC, LSB and MoJ.
- The document describes the ways in which the three organisations will work together to discharge their respective responsibilities as regards to the OLC.
- Section 3 of the Tripartite Protocol sets out the key principles that will create the conditions for effective and proportionate Governance.
- Underpinning good governance requires effective partnership between the MoJ and the independent ALBs it sponsors.
- 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
- MoJ is likely to focus on governance and Managing Public Money and the LSB on its statutory oversight functions, such as performance targets, consideration and approval of budget, appointing the Chair and OLC members.

# Board responsibility vs delegated responsibility

- Schedule 15, paragraph 22 of the Legal Services Act (LSA) states the following:
  - (3) A committee may delegate functions (including functions delegated to the committee) to—*
    - a) a sub-committee,*
    - b) the chairman or any other member of the OLC,*
    - c) an ombudsman, or*
    - d) a member of the OLC's staff appointed under paragraph 13.*
- OLC Committees: Audit Risk & Assurance Committee (ARAC), Remuneration Committee (RemCo) and Category 1 Committee (Cat 1)\*.
- The Performance & Quality (Task & Finish Group) was established in Q3 of 20/21, and still retains a key role as part of the annual Budget & Business Plan cycle.
  - Discussion point: Board's views on ongoing status of P&Q?
- Terms of Reference for each of the committees is reviewed on an annual basis and presented to the OLC Board with any amendments for approval.

\* currently under review, see later in presentation

# Lay and non-lay members

Schedule 15, paragraph 19 of the Legal Services Act states:

*(1) The OLC may establish committees.*

*(2) Any committee so established may establish sub-committees.*

*(3) Only members of the OLC may be members of a committee or sub-committee.*

*(4) A majority of the members of a committee or sub-committee must be lay persons.*

- The LSA and The Rules of Procedure do not indicate whether Chairs need to be lay or non-lay – Board discussion point.

# Delivering on the commitment to transparency: Category 1 Committee

- Why is this needed?
- Background to publishing decisions in full relating to particular cases and naming the firm.
- What's under review and what the Board can expect in January?



**Board members are invited to comment or ask questions on OLC Governance.**