

To:	Legal Services Board	
Date of Meeting:	26 May 2011	Item: Paper (11) 41

Title:	LSB Annual Report and Accounts 2010/11
Introduced by:	Julie Myers, Corporate Director julie.myers@legalservicesboard.org.uk / 020 7271 0059
Author:	Karen Marchant, Corporate Affairs Associate karen.marchant@legalservicesboard.org.uk / 020 7271 0054 Edwin Josephs, Director of Finance and Services edwin.josephs@legalservicesboard.org.uk / 020 7271 0084 Bryan Hislop, Board Secretary bryan.hislop@legalservicesboard.org.uk / 020 7271 0070
Status:	Unclassified

Summary:
<p>The Board was invited in mid-April to review by correspondence a draft version of the Annual Report and Accounts for 2010/11. The Audit and Risk Committee (ARC) was separately invited to review by correspondence the financial narrative and statements.</p> <p>The comments received have been addressed and National Audit Office (NAO) has confirmed an unqualified audit opinion. Subject to any advice from ARC (which meets to consider the Report on 23 May), the Board is now invited to approve the draft Report for submission to the Comptroller and Auditor General and the Lord Chancellor.</p> <p>The final Report is scheduled to be laid before Parliament on 9 June.</p>

Risks and mitigations	
Financial:	N/A.
FoIA:	Initial assessment: Annex A – s22 (the Report is due to be laid on 9 June).
Legal:	N/A.
Reputational:	The Report represents our formal accountability to Parliament and to stakeholders.
Resource:	N/A.

Consultation	Yes	No	Who / why?
Board Members:	✓		Iterations of the draft Report have been reviewed both by the Board and ARC.
Consumer Panel:		✓	N/A.
Others:	The draft Report was submitted for information to Ministry of Justice (MoJ) on 16 May.		

Recommendations:

The Board is invited:

- (1) to agree the draft LSB Annual Report and Accounts 2010/11
- (2) to delegate authority to approve the submission of the LSB Annual Report and Accounts 2010/11 to the Comptroller and Auditor General and Lord Chancellor to the Chairman, the Chairman of Audit and Risk Committee and the Chief Executive.

LEGAL SERVICES BOARD

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LSB Annual Report and Accounts 2010/11

Executive Summary

Recommendations

The Board is invited:

- (1) to agree the draft LSB Annual Report and Accounts 2010/11
- (2) to delegate authority to approve the submission of the LSB Annual Report and Accounts 2010/11 to the Comptroller and Auditor General and Lord Chancellor to the Chairman, the Chairman of Audit and Risk Committee and the Chief Executive.

Context

1. 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.
2. The Board must also produce an annual statement of accounts.

Background

3. The Board was invited in mid-April to review by correspondence a draft version of the Report. In addition, ARC was invited to review by correspondence the financial narrative and statements.
4. The comments received from Board Members have been addressed. In addition, NAO asked for a level of disclosure in some areas that was not sought in previous years and a re-statement of the figures from 2009/10 to take account of the error in the application of the rent-free period for Victoria House. However, NAO has confirmed an unqualified audit opinion.
5. Subject to any advice from the ARC (which meets to consider the Report on 23 May), the Board is now invited to approve the draft Report attached at **Annex A** for submission to the Comptroller and Auditor General and the Lord Chancellor. **(For the avoidance of doubt, this draft is a 'work in progress' and the final design will be greatly improved, whilst still taking account of Cabinet Office guidance to avoid excessive colours / graphics in documents that are primarily reports for the record.)**
6. The draft Report was also submitted for information to MoJ on 16 May. No comments have been received to date.

Next steps

7. Subject to the Board agreeing the Report, the Chief Executive (as Accounting Officer) will sign and submit the Report to NAO for the signature of the Comptroller and Auditor General. The Report will be submitted to MoJ on 31 May (during the Whitsun recess), in anticipation of being laid before Parliament on 9 June. The Chairman will meet the Minister to discuss the Report on 15 June.
8. We are preparing a comprehensive communications plan about the launch of the Report, including a media release that we hope will be accompanied by supportive remarks by the Minister, distribution to key stakeholders and proactive briefing of media. We will also attempt to secure an interview for the Chairman in an appropriate outlet.
9. Board Members will recall that the timetable for producing this year's Report reduced by about one month the period for presenting the Report to the Board, principally to test capacity to deliver against the Government's 'Clear Line of Sight (Alignment) Project', which will be in force for the 2011/12 reporting period. We are satisfied that this year's 'trial' demonstrates that, from the Board's perspective, we can deliver a Report in this significantly shorter timeframe – there may, however, be challenges for NAO in advancing its work.

19.05.11