

To:	Legal Services Board	
Date of Meeting:	22 May 2014	Item: Paper (14) 31

Title:	Draft LSB Annual Report and Accounts 2013/14	
Introduced by:	Chris Kenny, Chief Executive chris.kenny@legalservicesboard.org.uk / 020 7271 0057 Edwin Josephs, Director of Finance and Services Edwin.jospehs@legalservicesboard.org.uk / 020 7271 0051	
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Status:	Official	

Summary:
<p>We are required to produce an Annual Report and Accounts (Report) each year. The Report not only forms part of our accountability obligations to Parliament and to stakeholders but is also an opportunity to formally share our achievements during the 2013/14 business plan year.</p> <p>The Accounting Officer is due to sign the Report on 26 May and it is scheduled to be laid before Parliament on 10 June 2014.</p>

Risks and mitigations	
Financial:	N/A.
FoIA:	Annex A – Section 22: information intended for future publication
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. The latter had a full discussion on 13 May.
Consumer Panel:		✓	N/A.
Others:	The first draft report was submitted for information to Ministry of Justice (MoJ) on 17 April, and a copy of the version attached at Annex A has also been submitted.		

Recommendation:
<p>(1) to agree the draft LSB Annual Report and Accounts 2013/14</p> <p>(2) to delegate authority to approve the submission of the LSB Annual Report and Accounts 2013/14 to the Comptroller and Auditor General and Lord Chancellor to Chairman and Chief Executive.</p>

LEGAL SERVICES BOARD

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Draft LSB Annual Report and Accounts 2013/14 for approval Executive Summary

Recommendations

The Board is invited:

- to **agree** the draft LSB Annual Report and Accounts 2013/14
- to **delegate** authority to approve the submission of the LSB Annual Report and Accounts 2013/14 to the Comptroller and Auditor General and Lord Chancellor to Chairman and Chief Executive.

Context

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

Background

3. The Board was invited in April to review, out of committee, draft versions of both Sections A and B of the Report. The ARC separately reviewed, at its meeting in March 2014, an early draft of the report, and at its meeting in May, an earlier proofed draft.
4. Comments received from Board Members and Philip Lindsell, our external accounting adviser, - as well as from the National Audit Office (NAO) and the Internal Auditors - have been addressed. The NAO anticipates that the C&AG will certify the financial statements with an unqualified audit opinion without modification and present the audit certificate as included in the report at **Annex A**.

Audit and Risk Committee review

5. The ARC considered the Report in detail at its meeting on 13 May and have endorsed it to the Board. In doing so, they took account of a lengthy "challenge" discussion between the external adviser, the NAO and the Executive which has led to a number of changes in the detailed wording on disclosure in respect of the notional payments to the Consolidated Fund. The Committee also reaffirmed the importance it attached to the MoJ making the necessary change to primary legislation to remove the lacuna in s175 of the Act.

6. LSB colleagues have proof read the 'designed Report' and have amended the version the ARC considered to take into account design errors, and a number of updates, including the Court of Appeal's decision to grant leave to appeal in relation to QASA judicial review, and the MoJ's response to its call for evidence on simplifying legal regulation.

Next steps

7. On the basis of the ARC's endorsement, provided at its 13 May meeting, the Board is now invited to **approve** the attached Report for submission to the Comptroller and Auditor General (C&AG) and the Lord Chancellor.
8. 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 (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), the C&AG is expected to provide certification during the week beginning 2 June 2014.
9. The Report is on scheduled to be laid before Parliament on 10 June (11 June for the 2012/13 Report).
10. It is not intended that to publicise the launch of the report beyond the issuing of a press release to key stakeholders, which is expected to be accompanied by supportive remarks by the minister, whom the Chairman and CEO will be meeting on the following day.

13.05.14