

Regulatory Independence Certification

On behalf of the Law Society, an approved regulator designated under section 20 and Schedule 4 of the Legal Services Act 2007, we jointly certify that we have in place arrangements that comply with the requirements of the Internal Governance Rules 2009 and that in particular:

- (1) observe and respect the principle that structures or persons with representative functions must not exert, or be permitted to exert, undue influence or control over the performance of regulatory functions, or any person(s) discharging those functions;
- (2) ensure that persons involved in the exercise of our regulatory functions are, in that capacity, able to make representations to, be consulted by and enter into communications with any person(s) including but not limited to the Legal Services Board, the Consumer Panel, the OLC and other Approved Regulators;
- (3) ensure that the exercise of our regulatory functions is not prejudiced by our representative functions or interests;
- (4) ensure that the exercise of our regulatory functions is, so far as reasonably practicable, independent of our representative functions;
- (5) ensure that such steps are taken as are reasonably practicable to ensure the provision of such resources as are reasonably required for or in connection with the exercise of our regulatory functions; and
- (6) ensure that persons involved in the exercise of our regulatory functions are able to notify the Legal Services Board where they consider that their independence or effectiveness is being prejudiced.

Signed:

Applicable Approved Regulator



_____ and _____

[President/equivalent]

[Chief Executive/equivalent]

Regulatory board



Charles Plant, Chair



Antony Townsend, Chief Executive

Principle 1: Governance

Internal Governance Rule	Relevant arrangements in place	Summary of those arrangements	Summary of practical issues that have arisen over 2009 in respect of these issues
<p>A. Each AAR must delegate responsibility for performing all regulatory functions to a body or bodies without any representative functions.</p>	<p>This is covered in General Regulation rule 18 and rule 19A</p>	<p>The Law Society has delegated the duties to comply with the Legal Services Act to the SRA. In practical terms the SRA has delegated powers to deal with regulatory matters, develops policy (on which it consults the Society and other stakeholders), sets its own procedures and makes decisions on individual cases. In 2008, the Society delegated rule-making powers to the SRA. The SRA Board has strategic independence when deciding how best to achieve its goals. The SRA Board reports to Council when required as to how it is discharging its functions, including risk management and budgetary issues.</p>	
<p>B. The regulatory body or, if more than one, each of the regulatory bodies, must be governed by a board or equivalent structure</p>	<p>This is covered in General Regulation rule 26.1</p>	<p>The SRA Board oversees the work of the SRA. Its terms of reference and lines of responsibility are transparently laid out in the General Regulations. The SRA Board, consists of 16 members —nine solicitors (one of whom chairs the board) and seven lay people. Five <u>committees</u> established by the board assist it in its work</p>	
<p>C. In appointing persons to regulatory boards, AARs must ensure that:</p> <ul style="list-style-type: none"> • a majority of members of the regulatory board are lay persons; and • the selection and appointment of a chair is not restricted by virtue of any legal qualification that person may or may not hold, or have held. 	<p>The Law Society and SRA have developed the attached protocol on the appointments process</p>	<p>At present the Chair is a solicitor and there is solicitor majority. Most of the Board appointments were made for a three year term, with the exception of one solicitor and one lay member, who will retire after two years. Applications for the post of chair were restricted to solicitors. Unless some existing solicitor members were to step down the Board could not become compliant before the end of its term without enlargement beyond its current size of sixteen members through</p>	

		<p>the recruitment of additional lay members (whether all at once or on a phased basis). It could not become compliant in relation to the role of chair without a new selection process open to lay applicants.</p> <p>In the Law Society and SRA's view such solutions are disproportionate and would be likely to prove highly disruptive to the SRA's ongoing work and its substantial programme of regulatory reform.</p> <p>The Law Society and the SRA propose to proceed to compliance on a phased basis over the coming three years, and so by that means reaching the goal of a lay majority board with minimal disruptions to the work of the Board or the SRA as a whole. We would be very happy to discuss this approach and timetabling with the Legal Services Board.</p>	
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LSB Guidance	Extent to which guidance has been followed, with any reasons for departing from guidance explained
An AAR should take all reasonable steps to agree arrangements made under these Rules with the regulatory body or, as the case may be, the regulatory bodies.	The Law Society has consistently consulted on governance arrangements with the SRA. Representatives of the SRA are invited to comment on relevant proposals and attend meetings to give their point of view. The Law Society always considers any concerns that the SRA may raise.
<p>If an AAR wishes otherwise than through its regulatory body/bodies to offer guidance to its members or more widely on regulatory matters, it should:</p> <ul style="list-style-type: none"> • ensure that it does not contradict or add material new requirements to any rules or guidance made by the regulatory body/bodies; and • consult with the regulatory body/bodies when developing that guidance 	In relation to guidance the primary motivation for both the Law Society and the SRA is to provide the most accurate information. If the professional body wishes to provide guidance it will consult with the SRA to minimise the risk of contradictions.
The Principle	Explanation of any other arrangements in place that bare on the principle and in particular how those arrangements comply with the principle
Nothing in an Applicable Approved Regulator's (AAR's)	The arrangements in place, including the establishment of the Joint Board, are compliant to

arrangements should impair the independence or effectiveness of the performance of its regulatory functions	ensure that the regulatory independence and effectiveness of the SRA is not impaired. Additionally the key principles in relation to budgets and resources have been adopted, and have been updated, to give practical effect to the internal governance rules as well as to provide the agreed basis on which detailed service level agreements for the future arrangements will be drafted.
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Principle 2: Appointments etc

Internal Governance Rule	Relevant arrangements in place	Summary of those arrangements	Summary of practical issues that have arisen over 2009 in respect of these issues
<p>A. All appointments to a regulatory board must be made on the basis of selection on merit following open and fair competition, with no element of election or nomination by any particular sector or interest groups.</p>	<p>This is covered in General Regulation rule 16. The arrangements also take into account the guidelines issued by the Commissioner for Public Appointments</p>	<p>The Law Society has always operated a fair and open recruitment process to the SRA Board. There is no element of nomination or election by any interest group.</p>	
<p>B. The selection of persons so appointed must itself respect the principle of regulatory independence and the principles relating to “appointments etc” set out in the Schedule.</p>	<p>The Law Society and SRA have developed the attached protocol on the appointments process</p>		
<p>C. Decisions in respect of the remuneration, appraisal, reappointment and discipline of persons appointed to regulatory boards must respect the principle of regulatory independence and the principles relating to “appointments etc” set out in the Schedule.</p>	<p>This is covered in General Regulation rule 19 and rule 33, and is reiterated in the attached protocol on the appointments process which the Law Society and SRA have jointly developed.</p>	<p>The Law Society operates an independent Remuneration Committee. The Committee determines the amounts of remuneration for the SRA Board and the Chair.</p> <p>In terms of appraisal mechanisms the SRA Board Chair has the responsibility for designing and operating that process.</p> <p>The Chair of the SRA Board will be entitled to determine that up to half the vacancies arising on any occasion should be filled by re-appointment of the existing SRA Board members and to identify the individuals to be reappointed subject to overall term limits.</p>	
<p>D. Except insofar as an AAR would be, or would reasonably be considered likely to be, exposed</p>	<p>This is covered in General Regulation rule 19.</p>	<p>Any complaint against a SRA Board member will be referred by the Chair to a body established by the SRA Board to investigate</p>	

<p>to any material legal liability (other than to pay wages, salaries etc) as a consequence of the delay required to obtain the concurrence of the Board, no person appointed to a regulatory board must be dismissed except with the concurrence of the Board.</p>		<p>the complaint. The investigating body will report to the Chair whether it considers the complaint to be substantiated and if so what sanction should be recommended.</p> <p>The report and the Board's decision will be sent to the Law Society's Chief Executive. Only the Council may impose removal of Board membership.</p>	
<p>E. No person appointed to and serving on a regulatory board must also be responsible for any representative function(s).</p>	<p>This is covered in General Regulation rule 14.6.</p>	<p>No Council members are allowed to sit on the SRA Board. The Law Society rules do not preclude solicitors who have a representative role from outside the Law Society (for example a role on the Black Solicitors Network) from being appointed to the SRA Board.</p>	

<p>LSB Guidance</p>	<p>Extent to which guidance has been followed, with any reasons for departing from guidance explained</p>
<p>If regulatory boards do not lead on managing the appointments process, it should have a very strong involvement at all stages.</p>	<p>The Law Society will consult closely with the SRA before any recruitment process begins. A protocol has been developed and agreed by both parties. This protocol provides that appointments to the SRA Board will be made with regard to the following principles:</p> <ul style="list-style-type: none"> • A majority of appointments panels, including the Chair, will be drawn from outside the Law Society in its professional body capacity. • The Law Society will make every effort to agree with SRA as to who should chair the Appointment Panel. Where agreement is not possible, the Law Society will consult the Legal Services Board about its proposal for Chair of the Panel prior to putting a recommendation to the Council. • The Chair of the SRA Board or his/her nominee will always be included on the Appointments Panel for ordinary members of the Board, save where the Chair is retiring in which case the incoming Chair will be a member of the panel. • An SRA Board member will always be included on the panel for appointment of a new SRA Board Chair • It will be open to the Chair of the SRA Board to determine that up to half the vacancies arising on any occasion should be filled by reappointment of existing members. Such reappointments are subject to a maximum overall length of service of six years, as set out in the Law Society General Regulations. The Chair of the SRA Board shall not be obliged to reappoint without competition to the full extent permitted, or at all.

	<ul style="list-style-type: none"> • Where it is proposed to instruct recruitment consultants, the identity of the consultants will be decided in consultation with SRA. Where tenders are considered, an SRA representative will be included on the Tender Board. • Remuneration for SRA Board members will continue to be set by the Remuneration Committee. • The responsibility for designing and operating the appraisal process of SRA Board members will rest with the SRA Board Chair.
Best practice for public appointments should be taken into account. In particular, account should be taken of the Code of the Commissioner of Public Appointments insofar as relevant.	The Law Society takes into account best practice for public appointments as set out in the Code of the Commissioner of Public Appointments.
Appointment panels or equivalent should be established following the guidance set out in the Board's letter of 2 December 2008 ¹ .	The Society's recruitment process for future SRA Board's takes into account this letter, as the agreed appointments protocol demonstrates.
The chair of the regulatory board (or an alternate) should always form part of that panel, unless the panel is established to select the chair (in which case another member of the regulatory board should participate).	The agreed appointments protocol provides for this.
The appointments process should be conducted with regard to the desirability of securing a diverse board with a broad range of skills. The framework applied at Schedule 1 paragraph 3 of the Act serves as a useful template.	The SRA Board is appointed with reference to best practice in public appointments, which takes into consideration these factors.
<ul style="list-style-type: none"> • Remuneration – decisions in respect of regulatory board pay and conditions should be made having regard to best practice and in any event should not be controlled wholly or mainly by persons responsible for representative functions; • Appraisals – while persons with representative functions may be consulted about regulatory board members' appraisal, they should not be involved formally in agreeing the outcome, or future objectives; • Reappointments – decisions should be guided by objective appraisals and the desirability of ensuring a balance between regular turnover and continuity. 	<p>The Remuneration Committee determines the amount of remuneration payable to SRA Board members and SRA Board Chair. The Remuneration Committee currently consists of six members, one of whom is an SRA Board member and two of whom are Council Members.</p> <p>The SRA Board Chair will design and operate the appraisal process, and will consult the Joint Board on the arrangements for this.</p> <p>It will be open (but not required) for the Chair of the SRA Board to determine that up to half the vacancies arising on any occasion should be filled by reappointment of existing members. Such reappointments are subject to maximum overall length of service of six years as set out in the Law Society's General Regulations.</p>
While the LSB accepts that there may be <u>exceptional</u> reasons which justify immediate dismissal without	Both the Law Society and SRA recognise this.

¹ See: <http://www.justice.gov.uk/news/docs/legal-services-board-open-letter-021208.pdf>

<p>concurrence having first been obtained, it would expect a full explanation if such circumstances were ever to arise. An AAR should accordingly be prepared to justify why it could not comply with the relevant Rule.</p>	
<p>Where an AAR proposes to discipline one or more member(s) of a regulatory board, where such discipline is short of dismissal, the Board should be consulted privately in advance of the action being taken, and the AAR should consider any representations the Board may chose to make.</p>	<p>Disciplinary measures short of dismissal from the SRA Board will be dealt with by the SRA Board with reference to the General Regulations (Rule 19 (7)). The Law Society and SRA would always consider any representation the LSB chose to make and recognise that in such circumstances it is important to inform the oversight regulator of what is occurring.. The SRA will also consult the Law Society before a final decision was taken.</p>
<p>Where possible, a person appointed should not have been responsible for any representative functions immediately prior to appointment. The longer the gap between holding responsibility for representative functions and taking up regulatory functions, the more likely it is that the principle of regulatory independence will be observed.</p>	<p>The Law Society and SRA believe that the appointments panel is best placed to judge these issues on a case by case basis.</p>
<p>Codes of conduct or equivalent for board members should highlight the importance of observing and respecting the regulatory objectives and the principles of better regulation, rather than operating to represent any one or more sectoral interests. Codes should also highlight the importance of respecting the principle of regulatory independence, as underlined by the provisions of sections 29 and 30 of the Act.</p>	<p>The General Regulations embed the principles of the Legal Services Act into the workings of the Law Society and therefore the SRA. Specifically, the General Regulations in relation to the SRA Board state that the Board shall take into account the recommendations of the Better Regulation Task Force in exercising its function. The eight regulatory objectives set out in the Legal Services Act 2007 underpin all the work that the SRA does. The SRA's business plan (which is approved by the SRA Board) sets out how the SRA's priorities contribute to the achievement of the regulatory objectives.</p>

The Principle	Explanation of any other arrangements in place that bare on the principle and in particular how those arrangements comply with the principle
<p>(1) Processes in place for regulatory board members' appointments, reappointments, appraisals and discipline must be demonstrably free of undue influence from persons with representative functions.</p> <p>(2) All persons appointed to regulatory boards must respect the duty to comply with the requirements of the Legal Services Act 2007.</p>	<p>A protocol has been developed and agreed by both parties. This protocol includes that appointments to the SRA Board will be made with regard to the following principles:</p> <ul style="list-style-type: none"> • A majority of appointments panels, including the Chair, will be drawn from outside the Law Society in its professional body capacity. • The Law Society will make every effort to agree with SRA as to who should chair the Appointment Panel. Where agreement is not possible, the Law Society will consult the Legal Services Board about its proposal for Chair of the Panel prior to putting a recommendation to the Council. • The Chair of the SRA Board or his/her nominee will always be included on the Appointments Panel for ordinary members of the SRA Board, save where the Chair is retiring in which case the incoming Chair will be a member of the panel.

	<ul style="list-style-type: none">• An SRA Board member will always be included on the panel for appointment of a new SRA Board Chair• It will be open to the Chair of the SRA Board to determine that up to half the vacancies arising on any occasion should be filled by reappointment of existing members. Such reappointments are subject to a maximum overall length of service of six years, as set out in the Law Society General Regulations. The Chair of the SRA Board shall not be obliged to reappoint without competition to the full extent permitted, or at all.• Where it is proposed to instruct recruitment consultants, the identity of the consultants will be decided in consultation with SRA. Where tenders are considered, an SRA representative will be included on the Tender Board.• Remuneration for SRA Board members will continue to be set by the Remuneration Committee.• The responsibility for designing and operating the appraisal process of SRA Board members will rest with the SRA Board Chair.
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Principle 3: Strategy and Resources etc

Internal Governance Rule	Relevant arrangements in place	Summary of those arrangements	Summary of practical issues that have arisen over 2009 in respect of these issues
<p>A. Defining and implementing a strategy should include:</p> <ul style="list-style-type: none"> • access to the financial and other resources reasonably required to meet the strategy it has adopted; • effective control over the management of those resources; and • the freedom to govern all internal processes and procedures. 	<p>This is covered in General Regulation rule 18.1 and rule 26B. The Law Society and SRA are establishing a new Joint Board to deal with issues about the provision of support services to the SRA and the budget. This Joint Board will report directly to the Council and comprises equal numbers drawn from the Law Society Council and the SRA Board and is chaired in a non voting capacity by the President of the Society. Where the Joint Board cannot agree on support services issues the matter will be referred to the SSRB, which comprises four members drawn from each of the Law Society and SRA plus two external members</p>	<p>The SRA Board set their strategic objectives, monitor performance against those objectives and prepare plans and budgets.</p>	
<p>B. The regulatory body (or each of the regulatory bodies) must</p>	<p>This is covered in General Regulation</p>	<p>The SRA are free to exercise the powers that have been delegated to it as they see fit.</p>	

have the power to do anything within its allocated budget calculated to facilitate, or incidental or conducive to, the carrying out of its functions.	rule 18 and rule 26. See above	Overall responsibility for complying with the Legal Services Act rests with the approved regulator.	
C. Insofar as provision of resources is concerned, arrangements must provide for transparent and fair budget approval mechanisms.	This is covered in General Regulation rule 8.4, rule 23.3 and rule 26B. The agreed key principles ensure fair and transparent budget approval mechanisms.	The Joint Board ensure that budgetary and support services arrangements are dealt with by a body of equal representation.	
D. Insofar as provision of any non-financial resources is concerned (for example, services from a common corporate service provider, or staff), arrangements must provide for transparent and fair dispute resolution mechanisms.	This will be covered in General Regulation rule 26B. The establishment of the Joint Board and the SSRB ensure fair and transparent dispute resolution mechanisms are in place.	The Support Services Resolution Board will resolve any disputes around central service issues. The SSRB contains equal numbers of SRA and Law Society representatives, plus two independent members.	

LSB Guidance	Extent to which guidance has been followed, with any reasons for departing from guidance explained
The Act requires separation of regulatory and representative functions. Absent of corporate management structures that are robustly and demonstrably separated from the control of persons with representative functions, these Rules are likely to require a high degree of delegation to regulatory bodies in respect of the control of strategy and resourcing.	The Law Society delegates all regulatory responsibility to the SRA Board. The SRA Board is free to determine how they meet the responsibilities which the Society has delegated to them.
What is or is not a regulatory function is determined in accordance with the Act. Subject to the Act, whether something is 'regulatory' should be for each regulatory body	The regulatory functions are delegated to the SRA as set out in the Society's General Regulations. In the first instance, it is for SRA to interpret its own terms of reference in consultation with the Law Society where appropriate.

to determine, in close consultation with respective AARs.	
<p>Where members of staff are employed by an AAR to discharge regulatory functions under the delegated remit of a regulatory body, the position of the AAR as legal employer should be recognised in the arrangements made under these rules. However, in complying with these Rules, those arrangements should make clear how decisions with respect to the management and control of such members of staff are to be exercised.</p> <p>The presumption under such arrangements should be – subject only to being exposed to unreasonable liability (such as in creating a pension scheme) – that an AAR should always agree a reasonable request from its regulatory body. While an AAR has a right of veto, therefore, it also carries a responsibility to justify that decision in light of the principle of regulatory independence. The Board may from time to time issue further illustrative guidance on these issues under Rule 11 of these Rules.</p>	<p>The management of staff in the SRA, and SRA’s organisational structure, are the responsibility of the SRA Chief Executive, who is held to account by the SRA Board.</p> <p>Disagreements between the Law Society and SRA about the delivery of shared services will be discussed in the Joint Board and can ultimately be resolved by the SSRB.</p>
<p>Each regulatory body should act reasonably when defining and implementing its strategy, and should in particular have regard to the provisions of Section 28 of the Act. It should also have due regard to the position of the AAR and in particular to any responsibilities or liabilities it may have as AAR.</p>	<p>The eight regulatory objectives set out in the Legal Services Act 2007 underpin all the work that the SRA does. The SRA’s business plan (which is approved by the SRA Board and on which the Law Society is consulted) sets out how the SRA’s priorities contribute to the achievement of the regulatory objectives.</p>
<p>Each regulatory body should act reasonably when exercising its functions in accordance with this Rule, and should in particular have regard to the provisions of Section 28 of the Act. It should also have due regard to the position of the AAR and in particular to any responsibilities or liabilities it may have as AAR.</p>	<p>The Law Society and the SRA consult each other often on matters that are relevant to both parties.</p>
<p>The process established by the AAR should provide appropriate checks and balances between it and the regulatory body (or bodies) so as to ensure value for money and observe the wider requirements of the Act, without impairing the independence or effectiveness of the regulatory body (or bodies).</p>	<p>The agreed key principles in relation to budget and support services (attached) ensure that the SRA receives the support services it needs to meet its requirements. The SSRB will resolve any disputes.</p>
<p>Subject only to the formal budgetary approval process and the operation of its dispute resolution mechanism(s) , an AAR’s arrangements should not prevent those performing</p>	<p>The SRA is able to obtain consultancy services from external suppliers, subject to Law Society procurement policies, but its ‘core’ support services, such as HR, finance and IT are provided by the Society, unless otherwise agreed.</p>

regulatory functions, where they believe their independence and/or effectiveness is compromised or prejudiced, from obtaining required services otherwise than through the AAR.	
AARs and regulatory bodies should be particularly careful to ensure that, in respect of public and/or consumer-facing services (including media relations and marketing-type activities), the principle of regulatory independence should be seen to be met, as well as being met.	The SRA has developed a distinctive brand. An example of how the SRA presents itself can be found on the SRA website. www.sra.org.uk
<p>When considering whether arrangements meet the required standards, the Board will consider factors such as:</p> <ul style="list-style-type: none"> • evidence that the provision of services to the regulatory body (or bodies) is not subordinate to the provision of services to any other part of the AAR; • provision being made for service level agreements agreed between respective parties; and • transparent, fair and effective dispute resolution mechanisms being in place. 	<p>The agreed key principles in relation to budget and support services (attached) ensure that the SRA receives the support services it needs to meet its requirements. These principles will also underpin all the SLAs in respect of support services and protocols in respect of budgets.</p> <p>The Support Services Resolution Board (SSRB) – which comprises equal numbers drawn from the Law Society Council and the SRA Board together with two independent members, is in place to resolve any disagreements about budget or support services.</p>

The Principle	Explanation of any other arrangements in place that bare on the principle and in particular how those arrangements comply with the principle
Subject only to the oversight permitted under Part 4 of this Schedule, persons performing regulatory functions must have the freedom to define a strategy for the performance of those functions and work to implement that strategy independently of representative control or undue influence.	The SRA Board has the freedom to decide how it should meet the regulatory objectives. The Board is tasked with setting the regulatory strategic objectives, monitoring performance against those objectives and preparing operational plans and budgets. The SRA Board must ensure that the need to obtain value for money is recognised in all matters for which they are responsible and complies with oversight and scrutiny arrangements.

Principle 4: Oversight etc

Internal Governance Rule	Relevant arrangements in place	Summary of those arrangements	Summary of practical issues that have arisen over 2009 in respect of these issues
<p>A. Arrangements in place must be transparent and proportionate.</p>	<p>This is covered in General Regulation rule 18.2, rule 18.3 and rule 18.7. The establishment of the Joint Board improves the current arrangements for oversight.</p>	<p>As an approved regulator the Law Society abides by the five principles of good regulation. The SRA is only asked to provide information that is important for the Law Society's scrutiny purposes. The Law Society from time to time revises the information it seeks, in consultation with SRA.</p> <p>We are making new arrangements to deal with higher level oversight - that is substantive discussions on major issues of potential concern. These matters, which are currently primarily dealt with in discussions between the respective Chief Executives or between the Law Society President and the Chair of SRA Board, will in future come within the ambit of the new Joint Board referred to above.</p> <p>Please find attached a document that sets out the current approach to oversight</p>	
<p>B. Arrangements in place must prohibit intervention, or the making of directions, in respect of the management or performance of regulatory functions unless with the concurrence of the Board.</p>	<p>The current oversight arrangements do not permit the Law Society to make directions concerning the management or performance of the regulatory function and that position will continue</p>		

LSB Guidance	Extent to which guidance has been followed, with any reasons for departing from
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	guidance explained
In making its arrangements, an AAR should balance its ultimate responsibility for the discharge of regulatory functions with its responsibilities to ensure separation of regulatory and representative functions.	The Law Society and the SRA always take into account the principles of better regulation and the regulatory objectives contained in the Legal Services Act when making structural decisions.
In considering proportionality, AARs should consider the risk of Board intervention. Note the Board's policy statement on compliance and enforcement powers, and in particular the Board's intention to use its most interventionist powers only when other measures (including informal measures) have failed.	The Law Society notes the LSB's views on this matter.
In determining whether to give concurrence, the Board will consider the extent to which the process leading to the proposed intervention or directions complies with the principle of regulatory independence.	

The Principle	Explanation of any other arrangements in place that bare on the principle and in particular how those arrangements comply with the principle
Oversight and monitoring by the AAR (which is ultimately responsible and accountable for the discharge of its regulatory functions) of persons performing its regulatory functions must not impair the independence or effectiveness of the performance of those functions.	<p>We consider that the current arrangements for oversight are largely satisfactory, and with the introduction of the new Joint Board will be fully compliant with both principles and guidance. They rely primarily on the provision of agreed information from SRA to the Law Society, and the Law Society's ability to raise questions on that. The information supplied is in large part information which the SRA Board already receives for its purposes.</p> <p>We are making new arrangements to deal with higher level oversight- that is, substantive discussions on major issues of potential concern. These matters, which are currently primarily dealt with in discussions between the respective Chief Executives or between the Law Society President and the Chair of SRA Board, will in future come within the ambit of the new Joint Board referred to above.</p>

General Evaluation

The Approved Regulator

The Law Society is committed to carrying out the responsibilities placed on it under the Legal Services Act. In 2005 the Society established independent boards to deal with regulation and consumer complaints. Over the last five years arrangements related to governance have been modified as and when it was appropriate to do so. During the last year the Society has established with the SRA, the Support Services Resolution Board and is in the process of establishing a new Joint Board. We are confident that these measures, which build on the previous systems that were in place, will ensure complete compliance with the LSB's internal governance rules, thus leaving no doubt that the solicitors' professions is being regulated in the public interest.

The Regulatory Body

We are completing this template on assumption that the new Joint Board and associated arrangements are in place and are working. Therefore it seems to us to be unproductive to complete the final column headed 'Summary of practical issues that have arisen over the past year in respect of these issues' when the new arrangements have in reality not been in place for a year. We believe it is important to look forward and build on the progress that has been made over the last few months to promote and facilitate enhanced co-operative working, rather than look backwards and reflect on arrangements which are no longer relevant.

Annexes attached

- General Regulations including Joint Board Terms of Reference (page 13) and SSRB Terms of Reference (page 22)
- Agreed key principles in respect of support services and budget
- Agreed appointments protocol
- Agreed oversight protocol