

By email

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Dear Maggie

LSB Internal Governance Rules and Regulatory Performance

I am writing further to your letter dated 14 May 2021 and following discussions between our teams on 17 May 2021.

We have given careful consideration to your request for a further extension to our authorisation for limited non-compliance with the Internal governance rules (IGR) until 31 December 2021. As I noted in my letter of 24 March 2021, the intent of an authorisation under Rule 16(1) of the IGR was for a time-limited period to enable full compliance. We are sympathetic to the fact that you are to some extent reliant on CILEx Regulation to provide the LSB with details of the enabling arrangements it must put in place to allow for transfer of your regulated community. Nevertheless we would have expected to see greater progress and pace at ACCA in ensuring that you have an appropriate alternative regulatory facility in place for your regulated community.

In the light of our stated position and further considerations, we are not prepared to provide an extension until 31 December 2021 as you requested but for a shorter period. Your request for the LSB's authorisation under Rule 16(1)(c) (Saving Provisions) is granted until 30 September 2021. We consider this to be reasonable and reflects our view that there has been a considerable amount of time elapsed since the introduction of the IGR in July 2019.

In order to ensure that the LSB is aware of the current status on your plans we will set up monthly meetings with your team. We expect that these meetings will be helpful to both the LSB and ACCA in working through the procedures to enable ACCA to cease as an approved regulator. We will contact you separately to make the arrangements.

Turning now to our regulatory oversight through our [regulatory performance framework](#). At the time that ACCA made its decision to withdraw from legal services regulation in October 2019, the LSB was considering bringing ACCA fully into the

LSB regulatory performance assessment framework. When discussions took place with my team in November 2019, you informed us of your intent to cease regulating by 31 December 2020. On that basis we decided not to bring ACCA within our performance framework. However, we now find ourselves in the invidious position whereby you will continue to regulate for the foreseeable future and the fact that the LSB does not have sufficient information on ACCA's regulatory practices in order to be satisfied that your regulated community is effectively regulated.

We have therefore decided that we require ACCA to provide us with details of your regulatory practices.

The performance framework is comprehensive and includes 5 standards and a total of 27 outcomes which underpin the standards and is set out in the Annex. We have assessed other regulatory bodies on each of these outcomes based on evidence that we have gathered and from information provided by each regulatory body. Taking account of ACCA's circumstances we have decided that it would be disproportionate to ask you to provide a detailed account of your practices for each outcome. Therefore, we ask that you provide an account of your practices for each of the 5 standards in the framework. Your report should provide sufficient detail on your practices, and be guided on what to include by the underpinning outcomes, to give the LSB assurance that ACCA has appropriate arrangements in place for effective regulation. Please provide your submission by 30 July 2021.

Should you require any clarification on what is required then please contact Angela Latta.

I trust that you will understand the LSB position. I should just remind you that the LSB team is available to advise and support ACCA in your plans to cancel your designation and please let my team know if there is anything they can do to help.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Matthew Hill', with a stylized flourish at the end.

Matthew Hill
Chief Executive

Regulatory Performance Framework

Annex

Regulatory Approach	<p>RA1: Regulatory arrangements and supporting guidance documentation are:</p> <ul style="list-style-type: none"> • outcomes-focused • written in plain English • maintain professional principles <p>with detailed rules limited to where evidence and analysis justifies them.</p>
	<p>RA2: So they are effective and operate as intended, regulatory arrangements and supporting guidance documentation are regularly reviewed and, where necessary, updated based on a robust evidence-base.</p>
	<p>RA3: The regulator has a robust evidence base from a range of sources on: (a) consumers' needs and use of legal services (b) new and emerging policy developments (c) the regulated community and (d) the market(s) regulated by it which informs its regulatory arrangements and approach.</p>
	<p>RA4: Regulatory arrangements and associated guidance documentation are informed by learning gathered from all of the regulators work including its risk assessment and enforcement work.</p>
	<p>RA5: The regulator understands the impact of its regulatory arrangements and guidance on consumers, the regulated community, the market and the regulatory objectives.</p>
Authorisation	<p>A1: Only those who meet the regulator's standards are authorised to provide education and training.</p>
	<p>A2: The regulator's standards of education and training set the competencies required for authorisation for entry to the profession.</p>
	<p>A3: Only those who meet the regulator's standards are authorised to practise.</p>
	<p>A4: The authorisation process, including the management of appeals, is fair, based on the regulator's standards, efficient and transparent.</p>
	<p>A5: The regulator's list of those they regulate is accessible, accurate and provides information on the disciplinary records of those regulated.</p>
Supervision	<p>S1: The regulator has an: outcomes-focused, evidence-based, transparent, risk-based and consumer-focused approach to supervisory activity. Supervisory activity is both proactive and reactive and uses a range of tools.</p>
	<p>S2: Education and training providers are monitored to provide assurance that standards are met. If they are not, steps are taken to remedy this.</p>
	<p>S3: The regulated community are monitored to provide assurance that standards are met. If they are not, steps are taken to remedy this.</p>
	<p>S4: Those under review and the wider regulatory community have the opportunity to benefit from the learning and good practice identified from the supervisory activity.</p>
Enforcement	<p>E1: The regulator has an accessible and clear process so that concerns can be raised about an authorised person which sets out who a person can complain to, the process that will be used and the possible outcomes.</p>

Enforcement	<p>E2: The regulator ensures that all complaints are reviewed on receipt and serious cases are prioritised and, where appropriate, referred to an interim orders panel.</p>
	<p>E3: The enforcement process and any associated appeals process is: consistent; independent; risk-based; evidence-based; documented; transparent; proportionate; focused on consumer protection, maintaining professional principles and protecting the public interest.</p>
	<p>E4: The enforcement and any associated appeals process is timely taking into account the complexity and type of case, and the conduct of both sides.</p>
	<p>E5: During the process, and at each key decision stage, the regulator keeps those involved and any others affected by the case (for example in cases of dual regulation, the regulator, the provider of information and those under investigation) informed of progress, unless it is not appropriate to do so.</p>
	<p>E6: The regulator clearly explains the reasons for its decisions to take or not to take things forward at each stage of the process.</p>
	Well-led:
<p>WL2: The regulator understands the resources (financial, human and technical) and organisational structure it needs to carry out its regulatory functions (including authorisation, supervision and enforcement) effectively and efficiently and these are implemented.</p>	
<p>WL3: The regulator is transparent about its own: decision-making; regulatory approach; the risks it and its regulated community faces and how these are being mitigated; performance; regulated community and related markets; financial costs.</p>	
<p>WL4: The regulator learns from its own work, stakeholders, the legal sector and other sectors and uses that learning to improve its work.</p>	
<p>WL5: The Board considers its own effectiveness in ensuring the regulator is a well-led, independent, transparent, and consumer-focused organisation, which acts in a way that is compatible with the regulatory objectives</p>	
<p>WL6: The regulator communicates with a diverse range of stakeholders, for example its regulated community, the approved regulator, its representative body(ies), students, consumers, government, etc. to account for its plans, progress and performance and ensure appropriate and accurate information is effectively taken into account in its work.</p>	
<p>WL7: The Approved Regulator/Regulatory Body meets the outcome to ensure regulatory independence:</p> <ul style="list-style-type: none"> • The Approved Regulator has the necessary delegation arrangements in place and gains assurance that its regulatory functions are effectively carried out in line with the IGR. • The Regulatory Body carries out its regulatory functions in line with the IGR and provides assurance to its Approved Regulator as required by Section 28 of the Legal Services Act 2007. 	