

# Delegation framework

## *Introduction*

Updated 28 September 2023 (Published 9 November 2022)

The SRA Delegation Framework sets out how the SRA's Board, Committees and Executive work together to discharge the SRA's functions.

The SRA is the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice. We exercise the regulatory functions conferred on the Law Society of England and Wales (TLS) by statute relating to solicitors, registered European lawyers, registered foreign lawyers, law firms and individuals working and holding roles within those firms. The statutory powers are found within the Solicitors Act 1974, the Administration of Justice Act 1985, the Courts and Legal Services Act 1990, and the Legal Services Act 2007 (LSA 2007).

TLS has delegated its regulatory powers and functions to the SRA (the "**Company**"), an independent wholly-owned subsidiary of the Society. The TLS General Regulations set out the SRA's terms of reference, along with the framework governing assurance of its work by the Council. This is also governed by the Legal Services Board's Internal Governance Rules, the Company's Articles and an Assurance Protocol agreed between the Law Society and the Company.

The Company is entitled to carry out its delegated functions through its Board, sub-committees and staff. Delegations are a key element in effective governance and management. The Board has established three committees: the Audit and Risk Committee (ARC), Remuneration Committee (Remco) and Nominations Committee. Their Terms of Reference can be found at annex 2 of the Governance Handbook. Matters delegated to the Executive are carried out by individuals within the organisation in accordance with our published Schedule of Delegation [<https://www.sra.org.uk/sra/decision-making/schedule-delegation/>] .

## *Delegation Principles*

Delegation should:

1. Be robust and transparent, with clear lines of accountability and effective oversight.
2. Be consistent and proportionate - with decisions being made at the most effective operational level and reflecting the strategic role of the Board.
3. Promote efficiency - avoiding duplication and overlap of roles, and ensuring realistic sequencing/timelines to enable

work to progress in a timely manner.

4. Reflect only the following key activities: prepare, approve, review, monitor, perform, report. [1] [[footnote-1]]

## *Delegation Framework*

### *Strategy and Risk*

Category	Legislative references	Delegation	TLS Group governance
SRA Corporate Strategy	Reg {24(a)} General Regulations (GRs); Rule 4(2)(a) of the Internal Governance Rules 2019 (IGRs)	Prepared by Executive  Approved by Board  Monitored and reviewed by Board	
Business plan	Reg {24(a)}	Prepared by Executive  Approved by Board  Actions performed by Executive  Performance against plan monitored and reviewed by Board	
Strategic risk register	Reg 24(c) - (e) 27 and Agreed Assurance Protocol	Prepared by Executive  Reviewed by ARC  Approved by Board  Controls/actions performed by Executive  Monitored by ARC and reported to Board	Systems and processes for risk management reported to GAC
LSB Self-assessment	Section 4 Legal	Prepared by Executive	

	Services Act 2007	Approved by Board	
Internal audit plan	Reg [24(c) - (e)] and Agreed Assurance Protocol	<p>Prepared by Executive</p> <p>Reviewed and approved by ARC</p> <p>Internal audit reports are prepared by the internal auditor in accordance with the plan, discussed with Executive and reviewed by ARC</p> <p>Recommended actions performed by Executive and reviewed by ARC</p>	Systems and processes for internal audit reported to GAC
External audit	Reg 27(2)	<p>Selection of external auditors overseen by ARC</p> <p>ARC to recommend appointment of external auditors to Board</p> <p>ARC to approve external audit plan from external auditors</p> <p>External auditor's management letter reviewed by ARC</p> <p>Actions arising from the management letter performed by Executive and monitored by ARC.</p>	Annual report and accounts provided to GAC for preparation of consolidated accounts

## Financial

Category	Legislative references	Delegation	TLS Group governance
Annual budget	Reg 24(b)	<p>Prepared by Executive</p> <p>Approved by Board</p> <p>Performance against budget, and development and progress of major capital programmes monitored, by Board</p>	
SRA Net funding requirement	Reg 24(b)	<p>Prepared by Executive</p> <p>Approved by Board to submit to Council</p>	
Setting regulatory fees	Reg 24(6) and 19(2)B(3)	<p>Policy approach prepared by Executive</p> <p>Fee levels and respective contributions prepared by Executive and approved by Board to collect the total Law Society Group Net Funding Requirement approved by the Council.</p> <p>s51 application for approval of fee levels by the LSB (to give effect to Council and SRA</p>	<p>Council sets the proportion of practising fees to be applied for permitted purposes relating to representative functions</p>

		Board decisions) prepared and submitted by the Executive.	
Annual Accounts		Prepared by Executive  Reviewed in detail by ARC, including as to accounting policies adopted  Audited by external auditors  Approved by Board	
Compensation fund contributions	Reg 23(4)	Policy approach prepared by Executive and reviewed by Board  Level of respective contributions prepared by Executive, reviewed and approved by Board	
Compensation Fund financial statements	Reg 23(4)	Prepared by Executive, reviewed in detail by ARC and approved by Chair of Board and CEO	

## Governance

Category	Legislative references	Delegation	TLS Group governance
Determining the number of committees, their composition and terms of reference		Proposals prepared by Executive	



		<p>Reviewed by Committee Chairs</p> <p>Approved by Board</p> <p>Appointments to committees to be made by the Chair, on consultation with the Board</p>	
<p>Performance management, appointment, reappointment, terms and conditions of Board members</p>	<p>Regulation 7 the IGRs, Articles of Association</p>	<p>Protocols for appointment, reappointment, suspension and removal of members prepared by Executive</p> <p>Appraisal framework prepared by Executive</p> <p><i>Protocol and framework approved by Board</i></p> <p><i>Decision- making and implementation in accordance with protocol</i></p>	
<p>Performance framework and remuneration for CEO and SMT</p>		<p>Remco to determine performance and remuneration framework</p> <p>Chair to determine bonus,</p>	

		incentive and non-contractual severance payment for the Chief Executive, and the Chief Executive, for the SMT	
Delegating authority	Articles of Association	<p>Delegation framework prepared by Executive and reviewed by Board</p> <p>Schedule of delegation for executive functions prepared by Executive and approved by Chief Executive</p> <p>Ad hoc decisions to delegate Board matters to the Chair, Executive, committees or working groups to be approved by the Board</p>	
Management reporting	Reg 24(d), and (e); 27(1) and (2) and Agreed Assurance protocol	<p>Annual report to the Council prepared by Executive and approved by the Board</p> <p>Annual reports to GAC</p>	Annual report to be made to the Council on oversight/governance and financial performance.

		prepared by Executive and approved by ARC	Annual report from the SRA to be made to, and considered by, the GAC on operation of effective systems of financial control to include accounting principles, financial policies and controls adopted by the SRA, and risk management and internal audit
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### *Regulatory Policy*

Category	Legislative references	Delegation	TLS Group governance
Regulatory and Education policy programme	Reg 23(7)	Policy proposals prepared by Executive and reviewed by Board  Consultation documentation prepared and approved for publication by Executive	
Research programme	Reg 24(a)	Annual schedule prepared by Executive  Reviewed by Board  Performed by executive	
Making, amending and revoking regulatory arrangements	Reg 23(7)	Draft rules/regulations/codes and guidance governing regulatory approach prepared by Executive	



		Guidance approved by Executive  Rules, regulations and codes approved by Chief Executive	
Applications to LSB/FCA for approval of changes to regulatory arrangements	Reg 23(9)	Prepared and performed by Executive	

### *Operational functions*

Category	Legislative references	Delegation	TLS Group governance
Exercising regulatory powers and operational performance	Reg 23(1) to (5), (8) and (10) and 24(a), (f) and (h)	<p>Statutory powers performed by Executive</p> <p>Operations and administrative support functions performed by Executive (with responsibility for shared services relating to SRA)</p> <p>Quality assurance activities and handling of complaints about SRA performed by Executive</p> <p>Exercise of powers and operational performance monitored by Board</p>	

Key performance indicators	Reg 24(a) and (i), and Regulation 4 of the IGRs	Prepared by Executive Monitored by Board	
Internal controls/operational and compliance policies	Reg 42(c) and (f), and Regulation 4 of the IGRs	Prepared by Executive Reviewed by ARC Performed by Executive	
Procurement	Reg 24(f) and Regulation 4 of the IGRs	Performed by Executive  Exceptional spend of £5million+ approved by the Board	

### Legend

Phrase	Meaning
Prepare	To draft or design a document, procedure or proposal
Review	To consider a draft document or proposal and input into its development
Approve	To consent or ratify - includes making final amendments/decision on a document, proposal or course of action
Monitor	To maintain oversight and control
Perform	To exercise a function or complete a task
Report	To present an account of progress or performance
Advise	[Used in the Committee terms of reference] This includes making recommendations as to a particular course of action.