

# 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://media.sra.org.uk/sra/decision-making/schedule-delegation/) [<https://media.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)}<br>General Regulations (GRs); Rule 4(2) (a) of the Internal Governance Rules 2019 (IGRs) | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> <li>• Approved by Board</li> <li>• Monitored and reviewed by Board</li> </ul>  |   |
| Business plan           | Reg {24(a)}  | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> <li>• Approved by Board</li> <li>• Actions performed by Executive</li> <li>• Performance against plan monitored and reviewed by Board</li> </ul>                   |   |
| Strategic risk register | Reg 24(c) - (e) 27 and Agreed Assurance Protocol   | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> <li>• Reviewed by ARC</li> <li>• Approved by Board</li> <li>• Controls/actions performed by Executive</li> <li>• Monitored by ARC and reported to Board</li> </ul> | Systems and processes for risk management reported to GAC |
| LSB Self-assessment     | Section 4 Legal Services Act 2007  | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> <li>• Approved by Board</li> </ul>   |   |
| Internal audit plan     | Reg [24(c) - (e)] and Agreed   | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> </ul>  | Systems and processes for                                 |



|                |                    |  |   |
|----------------|--------------------|--|---|
|                | Assurance Protocol | <ul style="list-style-type: none"> <li>• Reviewed and approved by ARC</li> <li>• Internal audit reports are prepared by the internal auditor in accordance with the plan, discussed with Executive and reviewed by ARC</li> <li>• Recommended actions performed by Executive and reviewed by ARC</li> </ul>  | internal audit reported to GAC  |
| External audit | Reg 27(2)          | <ul style="list-style-type: none"> <li>• Selection of external auditors overseen by ARC</li> <li>• ARC to recommend appointment of external auditors to Board</li> <li>• ARC to approve external audit plan from external auditors</li> <li>• External auditor's management letter reviewed by ARC</li> <li>• Actions arising from the management letter performed by Executive and monitored by ARC.</li> </ul> | 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)              | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> <li>• Approved by Board</li> <li>• Performance against budget, and development and progress of major capital programmes</li> </ul> |                      |



|                                 |                         |  |  |
|---------------------------------|-------------------------|--|--|
|                                 |                         | monitored, by Board  |  |
| SRA Net funding requirement     | Reg 24(b)               | <ul style="list-style-type: none"><li>• Prepared by Executive</li><li>• Approved by Board to submit to Council</li></ul>   |  |
|                                 |                         | <ul style="list-style-type: none"><li>• Policy approach prepared by Executive</li><li>• 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.</li><li>• s51 application for approval of fee levels by the LSB (to give effect to Council and SRA Board decisions) prepared and submitted by the Executive.</li></ul> |  |
| Setting regulatory fees         | Reg 24(6) and 19(2)B(3) |  | Council sets the proportion of practising fees to be applied for permitted purposes relating to representative functions |
| Annual Accounts                 |                         | <ul style="list-style-type: none"><li>• Prepared by Executive</li><li>• Reviewed in detail by ARC, including as to accounting policies adopted</li><li>• Audited by external auditors</li><li>• Approved by Board</li></ul>  |  |
| Compensation fund contributions | Reg 23(4)               | <ul style="list-style-type: none"><li>• Policy approach prepared by Executive and reviewed by Board</li></ul>  |  |



- Level of respective contributions prepared by Executive, reviewed and approved by Board
  - Prepared by Executive, reviewed in detail by ARC and approved by Chair of Board and CEO
- Compensation Fund financial statements Reg 23(4)

## Governance

| Category  | Legislative references                         | Delegation   | TLS Group governance |
|---|--|--|----------------------|
| Determining the number of committees, their composition and terms of reference            |  | <ul style="list-style-type: none"> <li>• Proposals prepared by Executive</li> <li>• Reviewed by Committee Chairs</li> <li>• Approved by Board</li> <li>• Appointments to committees to be made by the Chair, on consultation with the Board</li> </ul> |                      |
| Performance management, appointment, reappointment, terms and conditions of Board members | Regulation 7 the IGRs, Articles of Association | <ul style="list-style-type: none"> <li>• Protocols for appointment, reappointment, suspension and removal of members prepared by Executive</li> <li>• Appraisal framework prepared by Executive</li> <li>• <i>Protocol and framework</i></li> </ul>    |                      |



|  |                         |  |
|--|-------------------------|--|
|  |                         | <p><i>approved by Board</i></p> <ul style="list-style-type: none"><li>• <i>Decision-making and implementation in accordance with protocol</i></li></ul>  |
| Performance framework and remuneration for CEO and SMT |                         | <ul style="list-style-type: none"><li>• Remco to determine performance and remuneration framework</li><li>• Chair to determine bonus, incentive and non-contractual severance payment for the Chief Executive, and the Chief Executive, for the SMT</li></ul>  |
| Delegating authority                                   | Articles of Association | <ul style="list-style-type: none"><li>• Delegation framework prepared by Executive and reviewed by Board</li><li>• Schedule of delegation for executive functions prepared by Executive and approved by Chief Executive</li><li>• Ad hoc decisions to delegate Board matters to the Chair, Executive, committees or working groups</li></ul> |



|                      |   |   |   |
|----------------------|---|---|---|
|                      |   | to be approved by the Board   |   |
| Management reporting | Reg 24(d), and (e); 27(1) and (2) and Agreed Assurance protocol | <ul style="list-style-type: none"> <li>Annual report to the Council prepared by Executive and approved by the Board</li> <li>Annual reports to GAC prepared by Executive and approved by ARC</li> </ul> | <p>Annual report to be made to the Council on oversight/governance and financial performance.</p> <p>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</p> |

## Regulatory Policy

| Category  | Legislative references | Delegation  | TLS Group governance |
|---|------------------------|---|----------------------|
| Regulatory and Education policy programme             | Reg 23(7)              | <ul style="list-style-type: none"> <li>Policy proposals prepared by Executive and reviewed by Board</li> <li>Consultation documentation prepared and approved for publication by Executive</li> </ul> |                      |
| Research programme                                    | Reg 24(a)              | <ul style="list-style-type: none"> <li>Annual schedule prepared by Executive</li> <li>Reviewed by Board</li> <li>Performed by executive</li> </ul>  |                      |
| Making, amending and revoking regulatory arrangements | Reg 23(7)              | <ul style="list-style-type: none"> <li>Draft rules/regulations/codes and guidance governing regulatory approach prepared by Executive</li> <li>Guidance approved by Executive</li> </ul>              |                      |



- 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)                      | <ul style="list-style-type: none"> <li>• Statutory powers performed by Executive</li> <li>• Operations and administrative support functions performed by Executive (with responsibility for shared services relating to SRA)</li> <li>• Quality assurance activities and handling of complaints about SRA performed by Executive</li> <li>• Exercise of powers and operational performance monitored by Board</li> </ul> |                      |
| Key performance indicators                               | <ul style="list-style-type: none"> <li>• Reg 24(a) and (i), and</li> </ul> | <ul style="list-style-type: none"> <li>• Prepared by Executive</li> <li>• Monitored by Board</li> </ul>  |                      |





- Regulation 4 of the IGRs

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. |