



Ministry  
of Justice



Legal Aid  
Agency

# Legal Aid Agency Framework Document

March 2024

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# Introduction and background

## 1. Purpose of document

- 1.1 This Framework Document (the “Framework Document”) has been agreed between the Ministry of Justice (MOJ) and the Legal Aid Agency (LAA) in accordance with HM Treasury's handbook Managing Public Money<sup>1</sup> (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2 The Framework Document sets out the broad governance framework within which the LAA and the MOJ operate. It sets out the LAA's core responsibilities; describes the governance and accountability framework that applies between the roles of the MOJ and the LAA; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3 The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4 References to the LAA include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If the LAA establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the LAA agreed with the MOJ.
- 1.5 Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the LAA's gov.uk website.<sup>2</sup>
- 1.6 This Framework document should be reviewed and updated at least every three years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the MOJ. The latest date for review and updating of this document is July 2026.

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<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1000670/MPM\\_Spring\\_21\\_with\\_annexes\\_080721.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Spring_21_with_annexes_080721.pdf)

<sup>2</sup> <https://www.gov.uk/government/organisations/legal-aid-agency/about/our-governance>

## **2. Objectives**

- 2.1 The MOJ and the LAA share the common objective of delivering swift access to justice. To achieve this the LAA and the MOJ will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the LAA to achieve its objectives through the promotion of partnership and trust and ensuring that the LAA also supports the strategic aims and objective of the MOJ and wider government as a whole.

## **3. Classification**

- 3.1 The LAA has been classified as a central government organisation by the ONS/HM Treasury Classifications team.
- 3.2 It has been administratively classified by the Cabinet Office as an Executive Agency.

# Purposes and aims

## 4. Purposes

- 4.1 The LAA was established in April 2013 and as an Executive Agency does not have a separate legal personality to the MOJ.
- 4.2 The LAA's role is to commission and administer legal aid services in England and Wales, taking account of the relevant provisions of the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012 and the policy and strategy set by ministers and the MOJ.

## 5. Aims

- 5.1 The LAA's strategic aims which are set out in the LAA Strategy are:
  - 1. Delivering access to justice through legal aid services that meet the needs of our users;
  - 2. Modernise our services, delivering value for money for taxpayers; and
  - 3. Become a truly diverse and inclusive employer of choice.

# Governance and accountability

## 6. Governance and accountability

- 6.1 The LAA shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 6.2 In particular (but without limitation), the LAA should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice<sup>3</sup> (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report;
  - comply with Managing Public Money;
  - in line with Managing Public Money have regard to the relevant Functional Standards as appropriate and in particular those concerning Finance, Counter Fraud, Grants, Debt, Commercial, Project Delivery, HR, Analysis, Digital, Data & Technology, Security, and Property; and
  - take into account the codes of good practice and guidance set out in Appendix A of this Framework Document, as they apply to Arms' Length Bodies.
- 6.3 In line with Managing Public Money Annex 3.1 the LAA shall provide an account of corporate governance in its annual governance statement including the LAA Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the LAA does intend to materially depart from the Code, the Sponsor should be notified in advance
- 6.4 The senior officers accountable for managing each function in the LAA are accountable to the LAA Accounting Officer for:
- the delivery of the LAA business plan objectives relevant to the function and the direction and control of associated resources;
  - the quality and value for money of the service provision; and
  - ensuring the LAA adopts the relevant function's policies, controls and standards, so far as consistent with the other provisions of this framework document.
- 6.5 As an embedded and integral part of the governance and performance management of the LAA, the senior officers accountable for managing each

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<sup>3</sup> <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

function in the LAA shall agree a proportionate basis for defining the scope of services, service levels, appropriate milestones and performance criteria, with routine reporting on compliance with defined standards and requirements, the resources deployed and costs, and any gaps in capacity and capabilities.

- 6.6 The senior officers accountable for managing each function in the LAA are accountable to the respective MOJ function leads for:
- providing assurance over compliance with functional standards, so far as consistent with the other provisions of this framework document;
  - implementing consistent policies, systems, processes and capabilities that support and promote interoperability and efficiency; and
  - supporting the on-going development of the function.
- 6.7 The senior officers accountable for managing each function in the LAA shall provide the MOJ function leads with such information about their operations, performance and capabilities as may reasonably be required. In the event of any significant concerns being identified, the MOJ function lead will draw these to the attention of the LAA Accounting Officer.
- 6.8 The respective MOJ function lead will engage with the LAA Accounting Officer and senior officer accountable for managing each function in the LAA to develop functional plans that set out activities, processes and developments that align to the delivery of MOJ outcome priorities to required standards, meet the collective needs across the organisation, and support an inclusive vision and clear prioritisation for all those operating within and supported by these activities. The LAA shall work collaboratively with the MOJ's functions to align processes, systems, knowledge and career pathways.
- 6.9 The LAA Accounting Officer will consult with and reflect the views of the MOJ function lead to inform the performance assessment of the function lead in the LAA to support their continuing personal and professional development.
- 6.10 The LAA Accounting Officer may provide their views on the performance of the MoJ function leads to support their continuing personal and professional development.
- 6.11 The MOJ may provide functional services to the LAA. The Principal Accounting Officer may seek to change the precise nature of the delivery model for these functions during the lifetime of the framework document to support better delivery of LAA objectives, more consistency, increased innovation and enhanced efficiency. Where there is proposed to be significant change in the way functions are delivered, the LAA Accounting Officer will be consulted.

# Role of the MOJ

## 7. The Responsible Minister

- 7.1 The Secretary of State for Justice as Lord Chancellor is accountable to Parliament for all matters concerning the LAA.
- 7.2 The Minister's statutory powers in respect of provision of legal aid are set out in LASPO Act 2012.
- 7.3 Through the exercise of these powers the Minister:
- must have regard to the need to protect the operational independence, duties, and ability to make independent decisions of the Director of Legal Aid Casework (DLAC);
  - is responsible for the policy framework within which the LAA operates;
  - provides guidance and direction to ensure the strategic aims and objectives of the LAA are consistent with those of the MOJ and government.;
  - must set the performance framework within which the LAA will operate including approving the LAA's Strategy and Annual Plan
  - will act in accordance with the Governance Code on Public Appointments in relation to the appointment of the LAA Board Chair and of non-executives;
  - must designate a civil servant as the DLAC
  - is responsible for matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter
  - is responsible for such other matters as may be appropriate and proportionate

### Appointments to the Board

- 7.4 The Chief Executive of LAA is appointed by the responsible Minister.
- 7.5 The Minister shall have the following appointment and approval rights in relation to LAA's Board:
- The chairperson is appointed by the responsible Minister. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.
  - Three non-executive members are appointed by the responsible Minister.
  - All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

## 8. The Principal Accounting Officer

8.1 The Principal Accounting Officer (PAO) is the Permanent Secretary of the MOJ.

### **PAO's specific accountabilities and responsibilities**

- 8.2 The Principal Accounting Officer (PAO) of the MOJ designates the Chief Executive as the LAA's Accounting Officer and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the Accounting Officer, setting out their responsibilities and delegated authorities. LAA's Accounting Officer is expected to consult the PAO should any issue arise that engages their AO responsibilities, in a timely fashion.
- 8.3 The respective responsibilities of the PAO and accounting officers for Arm's Length Bodies (ALBs) are set out in Chapter 3 of Managing Public Money.
- 8.4 The PAO is also responsible, supported by the Senior Sponsor and the policy sponsorship team, for advising the Responsible Minister on:
- an appropriate framework of objectives and targets for the LAA in the light of the MOJ's wider strategic aims and priorities;
  - an appropriate budget for the LAA in the light of the MOJ's overall public expenditure priorities;
  - how well the LAA is achieving its strategic objectives and whether it is delivering value for money; and
  - the exercise of the Minister's statutory responsibilities concerning the LAA as outlined above and LASPO Act 2012 and other relevant legislation.
- 8.5 The PAO, supported by the Senior Sponsor and senior officers accountable for managing each function in the MOJ, is also responsible for ensuring arrangements are in place in order to:
- monitor the LAA's activities and performance;
  - address significant problems in the LAA, making such interventions as are judged necessary;
  - periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the MOJ and the LAA's objectives and activities in line with the wider departmental risk assessment process;
  - inform the LAA of relevant government policy in a timely manner; and
  - bring Ministerial or departmental concerns about the activities of the LAA to the LAA Board, and, as appropriate, to the departmental board requiring explanations and assurances that appropriate action has been taken.

## **9. The role of the Senior Sponsor and Policy Sponsorship team**

- 9.1 The responsible Senior Civil Servant for this relationship is the Senior Sponsor, as delegated by the Permanent Secretary. Working with the policy sponsorship team, they are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of the LAA. They also support the PAO on their responsibilities toward the LAA.
- 9.2 The Senior Sponsor, supported by the performance team in the MOJ, will liaise regularly with LAA officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations.
- 9.3 Representatives of the MOJ's Policy Group, as the policy sponsorship team, will also liaise regularly with LAA officials and take the opportunity to explain and discuss wider policy developments that might have an impact on the LAA.

## **10. Resolution of disputes between the LAA and MOJ**

- 10.1 Any disputes between the MOJ and the LAA will be resolved in as timely a manner as possible. The MOJ and the LAA will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the Permanent Secretary to nominate a non-executive member of the MOJ Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.
- 10.2 This does not apply to decisions made by the DLAC in respect of individual determinations and funding decisions, which must remain independent in nature.

## **11. Freedom of information requests and data protection**

- 11.1 Where a request for information is received by either party (the MOJ and the LAA) under the Freedom of Information (FOI) Act 2000, or the Data Protection Act (DPA) 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.
- 11.2 The LAA will carry out its obligations under the FOI Act 2000, the UK General Data Protection Regulation (UK GDPR), the DPA 2018 and the Environmental Information Regulations 2004, including ensuring requests are answered in a timely way, are compliant with the relevant legislation and, where applicable, are provided in line with agreed MoJ internal processes for request handling.

- 11.3 Information that is provided to the LAA in connection with the case of an individual seeking or receiving legal aid is protected from disclosure. Section 34 of LASPO Act 2012 places restrictions on the disclosure of information that is received by the LAA in relation to legal aid applications. Section 35 of LASPO Act 2012 sets out exemptions to the section 34 non-disclosure obligation.
- 11.4 Section 33 of the LASPO Act 2012 places restrictions on the disclosure of information about financial resources provided to the LAA or DLAC under section 22, in relation to legal aid.
- 11.5 In addition to the statutory non-disclosure requirements, further non-disclosure guidance has been established between the LAA and the MOJ, based on the DPA 2018. This guidance prevents the inappropriate sharing of information that may include personal or sensitive personal data as defined by the DPA 2018, such as legally privileged material that may have been submitted as part of an application for legal aid.
- 11.6 The LAA will maintain a central monitoring record of FOI and DPA requests received and dealt with. The MoJ may require this information for inclusion in MOJ statistics.

## **12. Reporting on legal risk and litigation**

- 12.1 The LAA will manage any litigation arising from its operational activities in line with the litigation strategy agreed with the MoJ. The LAA should involve MoJ-based Government Legal Department lawyers and other officials at the earliest appropriate stage, where appropriate.
- 12.2 In respect of each substantial piece of litigation involving the LAA, the MOJ and the LAA will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the Sponsor in an appropriate and timely manner;
  - legally privileged documents and information are clearly marked as such;
  - individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege; and
  - circulation of privileged information within government occurs only as necessary.
- 12.3 Where appropriate, the LAA may seek legal advice independent of the MoJ.

- 12.4 The LAA shall provide a quarterly update to the Senior Sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Senior Sponsor in a timely manner.

# The LAA governance structure

## 13. The Chief Executive

### **Responsibilities of the LAA's Chief Executive as accounting officer**

13.1 The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the LAA. In addition, they should ensure that the LAA as a whole is run on the basis of the standards, in terms of governance, decision making and financial management, that are set out in Box 3.1 of Managing Public Money. These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the Principal Accounting Officer of the MOJ.

### **Responsibilities for accounting to Parliament and the Public**

13.2 Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the LAA in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the ALB and published on gov.uk;
- acting in accordance with the terms of Managing Public Money and other instructions and guidance issued from time to time by the MOJ, the Treasury and the Cabinet Office;
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - any governing legislation
  - this framework document,
  - any delegation letter issued to LAA by the PAO
  - any elements of any settlement letter issued to the MOJ that is relevant to the operation of the LAA; and
  - any separate settlement letter that is issued to the LAA from the MOJ.

- ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance any conditions arising from the above documents.
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee and other Parliamentary Select Committees on the LAA's stewardship of public funds;
- supporting the DLAC's role where these are held by separate individuals, in making determinations in individual legal aid cases. In supporting the DLAC in this role, the Chief Executive must ensure that he or she does not compromise the independence of the DLAC in decision-making in an individual case.

### **Responsibilities to the MOJ and Principal Accounting Officer**

13.3 Responsibilities to the MOJ, in particular the PAO, include:

- establishing, in agreement with the MOJ, the LAA strategy and business plans in the light of the MOJ's wider strategic aims and agreed priorities;
- informing the MOJ of progress in helping to achieve MOJ's policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the MOJ; that the MOJ and in particular the PAO is notified promptly if over or under spends are likely and that corrective action is taken and
- ensuring that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the MOJ and in particular the PAO in a timely fashion.

### **Responsibilities to the LAA Board**

13.4 The Chief Executive is responsible for:

- advising the LAA Board on the discharge of the LAA's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the LAA Board on the LAA's performance compared with its aims and objectives;
- ensuring that financial and commercial considerations are taken fully into account by the LAA Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed and commercial guidance followed.

### **Managing conflicts**

13.5 In executive agencies, final decisions, responsibility and accountability rest with the Chief Executive as accounting officer. However, the expectation is that the Chief Executive will follow the advice of the Board.

- 13.6 If the LAA Board, or its chairperson, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical the Chief Executive in their role as Accounting Officer should reject that course of action.
- 13.7 The Chief Executive must ensure that the Board have a full opportunity to discuss the rationale. The Chief Executive should confirm the rationale for not following the advice of the Board in writing to the Chair of the Board and the Principal Accounting Officer, and copy that to the Treasury Officer of Accounts.
- 13.8 If the responsible Minister agrees with the proposed course of action of the Board, it may be appropriate for the Minister to direct the AO in the manner as set out in MPM paragraph 3.6.6 onwards.

## **14. The Director of Legal Aid Casework (DLAC)**

### **Appointment**

- 14.1 Determinations in individual legal aid cases will be made by a statutory office holder, a civil servant designated by the Secretary of State as the DLAC under section 4 of LASPO Act 2012.
- 14.2 The civil servant designated as the DLAC may also be the Chief Executive of the LAA. If both roles are held by the same person, different accountability and reporting arrangements exist for the two roles.
- 14.3 The DLAC will receive a letter from the Secretary of State confirming his or her designation. The letter will set out the requirements of the office and the period of appointment.

### **Responsibilities**

- 14.4 Under section 4(3) of the LASPO Act 2012 DLAC must comply with the directions given by the Secretary of State acting as Lord Chancellor about the carrying out of the DLAC's function under the Act and must have regard to guidance given by the Secretary of State about the carrying out of those functions. However, under section 4(4) of the LASPO Act 2012 the Secretary of State must not give a direction or guidance about the carrying out of the DLAC's functions in relation to an individual legal aid application. In addition the Secretary of State must ensure that the DLAC acts independently of the Secretary of State when applying a direction or guidance to an individual case.

- 14.5 The DLAC is responsible for determining if an individual qualifies for legal aid. The DLAC may be performance managed against delivering his/her functions, including compliance with directions and guidance issued by the Secretary of State, but otherwise not for his or her decision making in individual cases. The DLAC may also be performance managed against any parts of the LAA's Business Plan that he or she is responsible for delivering.
- 14.6 The DLAC may delegate his or her functions. When those functions are carried on behalf of the DLAC, their actions are treated as those of the DLAC and the provisions of sections 4(3) and 4(4) of the LASPO Act 2012 extend to them. The performance management of those acting on behalf of the DLAC shall be undertaken in such a way as to ensure the DLAC's independence in decision making is protected.
- 14.7 The DLAC is required by section 7 of the LASPO Act 2012 to produce a DLAC's annual report as soon as reasonably practicable after the end of each financial year, stating how he or she has carried out the functions of the office in the financial year. The DLAC must send the report to the Secretary of State, who is responsible for laying the report before Parliament and arranging for it to be published. The LAA will support the DLAC in the production of this report.
- 14.8 In addition to the DLAC's annual report, the DLAC will provide information to the Secretary of State as appropriate on his or her performance of the role, including any themes, trends or lessons learnt that the DLAC has noted whilst carrying out the functions of his or her office.
- 14.9 The DLAC, and civil servants performing a delegated function on his or her behalf, shall ensure appropriate handling and assurance arrangements are in place in relation to information provided to the DLAC in connection with the case of an individual seeking or receiving legal aid.
- 14.10 The DLAC will advise Ministers as required, and to the extent possible without compromising the independence of the DLAC in relation to individual cases, in respect of Parliamentary Questions and Parliamentary Correspondence addressed to Ministers on the carrying out of the functions of the DLAC's office.
- 14.11 The DLAC or a member of the LAA's staff may respond directly to correspondence addressed to the DLAC from a Member of Parliament or Peer on matters concerning the carrying out of the functions of the DLAC's office.
- 14.12 The LAA and the MOJ will ensure that appropriate arrangements are put in place to support any press handling requirements of the DLAC. These arrangements will take account of the independence of the DLAC in relation to decision-making in

individual cases and the requirement to protect information provided to the LAA or DLAC in connection with the case of an individual seeking or receiving legal aid.

- 14.13 The approach for providing legal services will recognise the independence of DLAC and requirements around decision making in individual legal aid applications. Lawyers advising the DLAC LAA and their performance management shall be undertaken in such a way as to ensure the DLAC's independence in decision making is protected.

## 15. The LAA Board

### Composition of the LAA Board

- 15.1 The LAA will have a Board in line with good standards of corporate governance, the guidance as set out in Annex A and any relevant legislation. The role of the LAA Board shall be to support the Chief Executive in the effective delivery of services and overall performance by advising on strategy and the deliverability of policies, maintaining high standards of corporate governance, ensuring that controls are in place to manage risk, scrutinising performance, and acting as the forum for self-challenge. The Board shall support the LAA to deliver its objectives, in accordance with the purposes as set out above, LAA's regulatory, common law duties and its responsibilities under this framework document. Membership and detailed responsibilities of the LAA Board shall be set out in the LAA Board terms of reference. Remuneration of the LAA Board will be disclosed in line with the guidance in the Government Financial Reporting manual (FReM).<sup>4</sup>
- 15.2 The LAA Board will consist of a chairperson, together with the Chief Executive, and three non-executive members that have a balance of skills and experience appropriate to directing the LAA's business. For the LAA, there should be members or attendees who have experience of LAA business, operational delivery, corporate services such as HR, technology, property asset management, estate management, communications and performance management. This will include as an executive and voting board member an appropriately qualified finance director as described in Annex 4.1 of Managing Public Money. The LAA Board should include a majority of independent non-executive members to ensure that executive members are supported and constructively challenged in their role.
- 15.3 If the office of DLAC is not held by the Chief Executive, the DLAC shall also be a member of the LAA Board.

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<sup>4</sup> <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

## **LAA Board committees**

- 15.4 The LAA Board may set up such committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member of the LAA Board.
- 15.5 The LAA Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration. The LAA Board chair should ensure that sufficient time is allowed at the LAA Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 15.6 Where there is disagreement between the relevant committee and the LAA Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the Senior Sponsor, Principal Accounting Officer and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 15.7 The LAA Board chair should ensure board committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the LAA Board. The LAA Board chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

## **Duties of the LAA Board**

- 15.8 The LAA Board is specifically responsible for:
- providing support and advising on the establishment and delivery of the strategic aims and objectives of the LAA consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
  - supporting effective leadership of the LAA within a framework of prudent and effective controls which enables risk to be assessed and managed;
  - ensuring the financial and human resources are in place for the LAA to meet its objectives;
  - reviewing management performance;
  - ensuring that the LAA Board receives and reviews regular financial and management information concerning the management of the LAA;
  - ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the LAA or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate

bringing such matters to the attention of the Responsible Minister and Principal Accounting Officer via the executive team, senior sponsor or directly;

- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the LAA Board operates within the limits of its statutory authority and any delegated authority agreed with the MOJ, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the LAA Board takes into account guidance issued by the MOJ;
- ensuring that as part of the above compliance they are familiar with:
  - this framework document,
  - any delegation letter issued to body
  - any elements of any settlement letter issued to the MOJ that is relevant to the operation of the LAA; and
  - any separate settlement letter that is issued to the LAA from the MOJ; and
  - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and the LAA as a whole act in accordance with their obligations under the above documents.
- demonstrating high standards of corporate governance at all times, including by using the independent LAA Audit and Risk Assurance Committee to help the LAA Board to address key financial and other risks;
- supporting the appointment of, with the Responsible Minister's approval, a Chief Executive and, in consultation with the MOJ, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilization of public resources.
- putting in place mechanisms for independent and annual evaluation of the performance of the Chairperson by the independent non-executives, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the Responsible Minister; and
- determining all such other things which the LAA Board considers ancillary or conducive to the attainment or fulfilment by the LAA of its Objectives.

15.9 The LAA Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

15.10 The LAA Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The LAA Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts

(The Orange Book).<sup>5</sup> The LAA Board must set up an Audit and Risk Assurance Committee (ARAC) chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the MOJ's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The LAA Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

## 16. The Chair's role and responsibilities

- 16.1 The Chair is responsible for leading the LAA Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their contract of employment/any appointment letter, the priorities in the chair's letter issued to them by the sponsor team, any relevant statute governing the LAA, this document and the documents and guidance referred to within this document.
- 16.2 Communications between the LAA's Board and the responsible minister should normally be through the Chair.
- 16.3 The Chair is bound by the Code of Conduct for Board Members of Public Bodies,<sup>6</sup> which covers conduct in the role and includes the Nolan Principles of Public Life.<sup>7</sup>
- 16.4 In addition, the Chair is responsible for:
  - ensuring (including by monitoring and engaging with appropriate governance arrangements) that the LAA's affairs are conducted with probity.
  - ensuring that policies and actions support the Responsible Minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the LAA.
- 16.5 The Chair has the following leadership responsibilities:
  - formulating the board's strategy;
  - ensuring that the board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the MOJ;
  - promoting the efficient and effective use of staff and other resources;
  - delivering high standards of regularity and propriety; and
  - representing the views of the board to the general public.

<sup>5</sup> <https://www.gov.uk/government/publications/orange-book>

<sup>6</sup> <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

<sup>7</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

16.6 The Chair also has an obligation to ensure that:

- the work of the LAA Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for reappointment;
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
- that the LAA Board has a balance of skills appropriate to directing the LAA's business, and that all members including the Chair and Chief Executive continually update their skills, knowledge and familiarity with the LAA to fulfil their role both on the LAA Board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector.
- LAA Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- they, together with the other LAA Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the Responsible Minister is advised of the LAA's needs when LAA Board vacancies arise;
- there is a Board Operating Framework in place setting out the role and responsibilities of the LAA Board consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for LAA Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

## 17. Individual LAA Board members' responsibilities

17.1 Individual LAA Board members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest;
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate;<sup>8</sup>

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<sup>8</sup> <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the LAA Board's rules on the acceptance of gifts and hospitality, and of business appointments;
- act in good faith and in the best interests of the LAA
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and Boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government.

# Management and financial responsibilities and controls

## 18. Delegated authorities

- 18.1 The LAA's delegated authorities are set out in the delegation letter issued to the LAA Chief Executive. This delegation letter may be updated and superseded by later versions which may be issued by the MOJ in agreement with HM Treasury.
- 18.2 In line with Managing Public Money Annex 2.2 these delegations will be reviewed on an annual basis.
- 18.3 The LAA shall obtain the MOJ's and where appropriate HM Treasury's prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations, or which is not provided for in the LAA's annual budget as approved by the MOJ;
  - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the MOJ;
  - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
  - carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

## 19. Spending authority

- 19.1 Once the budget has been approved by the MOJ and subject to any restrictions imposed by statute, the Responsible Minister's instructions, this document, HM Treasury settlement or delegation letters, the LAA shall have authority to incur expenditure approved in the budget without further reference to the MOJ, on the following conditions:
- the LAA shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the MOJ and as agreed by HM Treasury and Cabinet Office as appropriate;
  - the LAA shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;

- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal MOJ approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- the LAA shall provide the MOJ with such information about its operations, performance, individual projects or other expenditure as the MOJ may reasonably require.

## **20. Banking and managing cash**

- 20.1 The LAA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 20.2 The LAA should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.
- 20.3 Commercial Accounts where approved should be operated in line with the principles as set out in Managing Public Money.
- 20.4 The Accounting Officer is responsible for ensuring the LAA has a banking policy as set out in Managing Public Money and ensuring that policy is complied with.

## **21. Procurement**

- 21.1 The LAA shall ensure that it operates within the delegated authorities set out in the delegation letter(s), which will include their Delegated Commercial Authority (DCA) as well as their Spending Authority to incur expenditure approved in the budget.
- 21.2 The LAA shall ensure that its procurement policies are aligned with and comply with any relevant UK Public Procurement Regulations, HMG policies and procedures or other international procurement rules.
- 21.3 The LAA shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 21.4 In procurement cases where the LAA is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the senior sponsor.
- 21.5 The LAA will retain responsibility for the procurement, commissioning and contract management of all services delivering legal aid for the standard civil and criminal

legal aid contracts. The rates paid are set in remuneration regulations and it is not possible to change those without legislative reform. Accordingly, providers meeting the minimum quality requirements for a contract will be awarded one without competition. Competition should be considered in other circumstances, for example when looking to limit the number of contracts to be awarded.

- 21.6 Other goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional and a quarterly report explaining those exceptions should be sent to the MoJ Chief Commercial Officer.
- 21.7 Procurement by the LAA of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).
- 21.8 The LAA shall
- engage fully with MOJ and Government wide procurement initiatives that seek to achieve VfM from collaborative projects,
  - comply with all relevant Procurement Policy Notes issued by Cabinet Office and
  - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM.
- 21.9 The LAA shall comply with the Commercial<sup>9</sup> and Grants<sup>10</sup> standards. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

## 22. Risk management

- 22.1 The LAA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts.<sup>11</sup>

<sup>9</sup> <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

<sup>10</sup> <https://www.gov.uk/government/publications/grants-standards>

<sup>11</sup> [http://www.hm-treasury.gov.uk/orange\\_book.htm](http://www.hm-treasury.gov.uk/orange_book.htm)

## 23. Counter fraud and theft

- 23.1 The LAA should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 23.2 The LAA should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in Managing Public Money Annex 4.9 and the Counter Fraud Functional Standard.<sup>12</sup> The LAA should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract.
- 23.3 The LAA should keep records of and prepare and forward to the MOJ an annual report on fraud and theft suffered by the LAA and notify the MOJ of any unusual or major incidents as soon as possible. The LAA should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

## 24. Staff

### Broad responsibilities for staff

- 24.1 Within the arrangements approved by the Responsible Minister and HM Treasury, the LAA will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of sex, gender reassignment, marital or civil partnership status, pregnancy or maternity, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
  - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
  - the performance of its staff at all levels is satisfactorily appraised and the LAA performance measurement systems are reviewed from time to time;
  - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the LAA's objectives;
  - proper consultation with staff takes place on key issues affecting them;
  - adequate grievance and disciplinary procedures are in place;
  - whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;

<sup>12</sup> <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies.<sup>13</sup>

## **Staff costs**

- 24.2 Subject to its delegated authorities, the LAA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them (this should include all staff costs – the on costs – not just the headline salary and should take into account costs potentially increasing through pay increases).

## **Pay and conditions of service**

- 24.3 The LAA's staff are subject to the same levels of remuneration and terms and conditions of service (including pensions) within the general pay structure as the MOJ. The LAA has no delegated power to amend these terms and conditions.
- 24.4 If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code<sup>14</sup> and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the MOJ to vary such rates.
- 24.5 Staff terms and conditions and policies relating to staff are accessible on the intranet.
- 24.6 The LAA shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance<sup>15</sup> and the Public Sector Pay and Terms Guidance.<sup>16</sup>
- 24.7 The LAA shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the department. The general pay structure is approved by the department and the Treasury, where relevant with due regard to the Senior Pay Guidance.
- 24.8 The travel expenses of LAA Board members shall be tied to the rates allowed to staff of the LAA (and so the MOJ). Reasonable actual costs shall be reimbursed.

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<sup>13</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1107259/Public\\_Bodies\\_-\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_5.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1107259/Public_Bodies_-_a_guide_for_departments_-_chapter_5.pdf)

<sup>14</sup> <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

<sup>15</sup> <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

<sup>16</sup> <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

## **Pensions, redundancy and compensation**

- 24.9 Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 24.10 LAA staff (as MOJ staff) shall normally be eligible for a pension provided by Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the occupational pension scheme provided by the MOJ, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.
- 24.11 Any proposal by the LAA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the MOJ. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.
- 24.12 The MOJ will be responsible for the management and administration of the residual Legal Services Commission pension scheme and for the ongoing funding requirement.

# Business plans, financial reporting and management information

## 25. Corporate and business plans

- 25.1 The LAA shall submit annually to the MOJ a draft of business plan covering the year ahead. The LAA shall agree with MOJ the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect LAA's statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). Where appropriate, the plan shall demonstrate the areas where the LAA contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones.
- 25.2 The first year of the LAA Strategy, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the MOJ. Subject to any commercial considerations, a digest of the strategy and business plan should be published by the LAA on its website and separately be made available to staff.
- 25.3 The following key matters should be included in the annual business plan:
- key objectives and associated key performance targets for the coming year, and the strategy for achieving those objectives;
  - key non-financial performance targets;
  - a review of performance in the preceding financial year; together with comparable outturns for the previous 2–5 years, and an estimate of performance in the current year
  - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
  - other matters as agreed between the MOJ and the LAA.

## 26. Budgeting procedures

- 26.1 Each year, in the light of decisions by the MOJ on the updated draft corporate plan, the MOJ will send to the LAA by year end:
- a formal statement of the annual budgetary provision allocated by the MOJ in the light of competing priorities across the MOJ and of any forecast income approved by the MOJ; and
  - a statement of any planned change in policies affecting the LAA.
- 26.2 The approved LAA annual business plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any MOJ funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

## 27. Annual report and accounts

- 27.1 The LAA must publish an annual report of its activities together with its audited accounts after the end of each financial year. The LAA shall provide the MOJ its finalised (audited) accounts each year (around July) in order for the accounts to be consolidated within the MOJ's. A draft of the report should be submitted to the MOJ two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the MOJ as well as the Treasury's Financial Reporting Manual (FReM).
- 27.2 The annual report must:
- cover any corporate, subsidiary or joint ventures under its control;
  - comply with the FReM and in particular have regard to the illustrative statements for an executive agency;<sup>17</sup>
  - outline main activities and performance during the previous financial year and set out in summary form forward plans
- 27.3 Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on the LAA website, in accordance with the guidance in the FReM.

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<sup>17</sup> <https://www.gov.uk/government/publications/government-financial-reporting-manual-2022-23>

## **28. Reporting performance to the MOJ**

- 28.1 The LAA shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.
- 28.2 The LAA shall inform the MOJ of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly. This will include reporting on the budgetary impacts of the DLAC's decision making.
- 28.3 The LAA's performance shall be formally reviewed by the MOJ at least quarterly at Business Assurance Meetings (BAM) carried out according to their terms of reference. BAMs shall be chaired by the Senior Sponsor and attended by the Chief Executive of the LAA. These meetings provide a timely formal opportunity for a two-way conversation to discuss LAA performance, risk and finance to assure the PAO, via the Senior Sponsor, that the LAA is functioning efficiently and effectively.
- 28.4 The responsible minister will, unless other arrangements have been agreed, meet the Chair of the LAA Board and Chief Executive of the LAA at least once a year to discuss the LAA's performance and current issues.
- 28.5 The Principal Accounting Officer will meet the LAA Accounting Officer at least once a year.
- 28.6 The DLAC will report to the Responsible Minister at least once per year.

## **29. Information sharing**

- 29.1 Subject to relevant legislation, and specifically the role and duties of DLAC, the MOJ has the right of access to all LAA records and personnel for any purpose including, for example, sponsorship audits and operational investigations.
- 29.2 The LAA shall provide the MOJ with such information about its operations, performance, individual projects or other expenditure as the sponsor MOJ may reasonably require.
- 29.3 The MOJ and HM Treasury may request the sharing of data held by the LAA in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

- 29.4 As a minimum, the LAA shall ensure the MOJ is provided with information monthly that will enable the MOJ satisfactorily to monitor:
- the LAA's cash management;
  - forecast outturn by resource headings;
  - other data required for the Online System for Central Accounting and Reporting (OSCAR).
  - data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter

# Audit

## 30. Internal audit

30.1 The LAA shall:

- establish and maintain arrangements for internal audit through the Government Internal Audit Agency ;
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury<sup>18</sup>
- set up an Audit and Risk Assurance Committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook,<sup>19</sup>
- forward the audit strategy, periodic audit plans and annual audit report, including the GIAA assigned LAA Head of Internal Audit's opinion on risk management, control and governance as soon as possible to the MOJ; and
- keep records of and prepare and forward to the MOJ an annual report on fraud and theft suffered by the LAA and notify the MOJ of any unusual or major incidents as soon as possible
- share with the MOJ information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the MOJ's responsibilities in relation to financial systems within the LAA;

## 31. External audit

31.1 The Comptroller & Auditor General (C&AG) passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before parliament

31.2 The C&AG:

- will consult the MOJ and the LAA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the LAA;

<sup>18</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

<sup>19</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/512760/PU1934\\_Audit\\_committee\\_handbook.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf)

- will share with the MOJ information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the MOJ's responsibilities in relation to financial systems within the LAA;
- will consider requests from departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion;
- The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the LAA has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the LAA shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

# Reviews and winding up arrangements

## 32. Review of the LAA's status

- 32.1 The LAA will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the department's ministers and their PAO. The next review will be in 2024/5.

## 33. Arrangements in the event that the LAA is wound up

- 33.1 The MOJ shall put in place arrangements to ensure the orderly winding up of the LAA. In particular it should ensure that the assets and liabilities of the LAA are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the MOJ.) To this end, the MOJ shall:
- have regard to Cabinet Office guidance on winding up of ALBs.
  - ensure that procedures are in place in the LAA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
  - specify the basis for the valuation and accounting treatment of the LAA's assets and liabilities;
  - ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts;
  - arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the MOJ inherits the role, responsibilities, assets and liabilities, the MOJ's AO should sign.
- 33.2 The LAA shall provide the MOJ with full details of all agreements where the LAA or its successors have a right to share in the financial gains of developers. It should also pass to the MOJ details of any other forms of claw-back due to the LAA.

## Annex A: Guidance

The LAA shall comply with the following guidance, documents and instructions:

### Corporate governance

- This framework document,
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance: <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of conduct for Board members of Public Bodies: <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Departments and Arm's Length Bodies: [www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice](http://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice)

### Financial management and reporting

- Managing Public Money (MPM): <https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM): [www.gov.uk/government/collections/government-financial-reporting-manual-frem](http://www.gov.uk/government/collections/government-financial-reporting-manual-frem)
- Relevant Dear Accounting Officer (DAO) letters: [www.gov.uk/government/collections/dao-letters](http://www.gov.uk/government/collections/dao-letters)
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts: <https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent department.

### Management of risk

- Management of Risk: <https://www.gov.uk/government/publications/orange-book> and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>
- Public Sector Internal Audit Standards: [www.gov.uk/government/publications/public-sector-internal-audit-standards](http://www.gov.uk/government/publications/public-sector-internal-audit-standards)
- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>

- The Government cyber-security strategy and cyber security guidance: <https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and <https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

### **Commercial management**

- Procurement Policy Notes: <https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls: <https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains – a practical guide: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1040283/Transparency\\_in\\_Supply\\_Chains\\_A\\_Practical\\_Guide\\_2017\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf)

### **Public appointments**

- The following are relevant where public bodies participate in public appointments processes.
- Guidance from the Commissioner for Public Appointments: <https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments: [www.gov.uk/government/publications/governance-code-for-public-appointments](http://www.gov.uk/government/publications/governance-code-for-public-appointments)
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees: <https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

### **Staff and remuneration**

- HM Treasury guidance on senior pay and reward: [www.gov.uk/government/publications/senior-civil-service-pay-and-reward](http://www.gov.uk/government/publications/senior-civil-service-pay-and-reward)
- Civil Service pay guidance (updated annually): [www.gov.uk/government/collections/civil-service-pay-guidance](http://www.gov.uk/government/collections/civil-service-pay-guidance)
- Public sector pay and terms: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing Guidance and Code of Practice: <https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: [www.gov.uk/guidance/equality-act-2010-guidance](http://www.gov.uk/guidance/equality-act-2010-guidance)

### **General**

- Freedom of Information Act guidance and instructions: [www.legislation.gov.uk/ukpga/2000/36/contents](http://www.legislation.gov.uk/ukpga/2000/36/contents) and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>

- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to the LAA
- Guidance from the Public Bodies team in Cabinet Office: [www.gov.uk/government/publications/public-bodies-information-and-guidance](http://www.gov.uk/government/publications/public-bodies-information-and-guidance)
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute): <https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects: [www.gov.uk/government/organisations/infrastructure-and-projects-authority](http://www.gov.uk/government/organisations/infrastructure-and-projects-authority)
- The Government Digital Service: [www.gov.uk/government/organisations/government-digital-service](http://www.gov.uk/government/organisations/government-digital-service)
- The Government Fraud, Error, Debt and Grant Efficiency function; [www.gov.uk/government/collections/fraud-error-debt-and-grants-function](http://www.gov.uk/government/collections/fraud-error-debt-and-grants-function) and [www.gov.uk/government/publications/grants-standards](http://www.gov.uk/government/publications/grants-standards)
- Code of Practice for Official Statistics: <https://code.statisticsauthority.gov.uk>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs): [www.gov.uk/government/publications/accounting-officer-system-statements](http://www.gov.uk/government/publications/accounting-officer-system-statements)



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