

Corporate Governance Assurance Agreement

between the

Legal Services Regulatory Authority

and the

Department of Justice and Equality

2018 – 2020

Part I – Assurance Agreement

1. Introduction

The Legal Services Regulatory Authority, in accordance with section 13 of the Legal Services Regulation Act 2015 (the “Act”), will regulate the provision of legal services by legal practitioners and will ensure the maintenance and improvement of standards in the provision of such services in the State.

The Authority is a body corporate with perpetual succession and a seal.

The Authority, subject to the Act, shall be independent in the performance of its functions.

Work on the setting-up of the Authority has been underway since July 2016 and the Authority’s official date of establishment was 1 October 2016. Parts 1 and 2 of the Act were commenced as necessary to get the new body underway. The Authority comprises eleven members including a lay majority and a lay Chairperson. Under the terms of the Act, members of the Authority are put forward by prescribed nominating bodies and appointed by the Government with the approval of a resolution of each House of the Oireachtas. The Authority held its inaugural meeting on 26 October 2016. Its first Chairperson is Dr. Don Thornhill. The Authority had been working from modest office accommodation and with the support of a seconded officer as acting Secretary provided by the Department of Justice and Equality. Having initially availed of the services of an interim appointee the Authority appointed Dr. Brian Doherty as its first full-time Chief Executive from September 2017 and has secured more suitable and serviced office accommodation.

In tandem with its initial preparatory work, the Authority has been deeply engaged in the conduct of public consultations and in the completion of five reports within set deadlines under sections 118, 119 and 120 of the Act which were commenced for that purpose. These reports, which have been duly laid before the Houses of the Oireachtas, relate to

Legal Partnerships, Multi-Disciplinary Practices and certain restrictions that apply to the work of barristers. The Authority also submitted its first and second Annual Reports under the terms of the Act on 26 April 2017 and on 26 April 2018 respectively.

The Authority submitted its First Strategic Plan for the period 2018 to 2020 to the Minister on 6 April 2018 which coincides with the period of this agreement. It is also continuing to develop its corporate website at www.lsr.a.ie to provide as much information as possible on that platform.

Having delivered the various front-loaded reporting obligations under the Act the current working focus is very much on the managed rollout of the Authority's remaining interlocking functions. It is recognised that this will also require the matching development of its essential organisational capacities and of its office, IT and staffing resources.

Against that background, this will be the first Corporate Governance Assurance Agreement between the Legal Services Regulatory Authority ("the Authority") and the Department of Justice and Equality ("the Department"). Under it, both parties will continue to work closely together to ensure that they can successfully coordinate the identification of the necessary steps and commencements by the Department, and the delivery, by the Authority as a new and independent regulator, of the various remaining provisions concerned.

In broad terms the following represent the key outputs under the Act that are expected to inform and shape the collaboration between the Department and the Authority for the period of this initial Corporate Governance Assurance Agreement. These will also require the commencement of the respective provisions of the Act concerned. –

- **The establishment of the Legal Services Regulatory Authority** with responsibility for oversight of both solicitors and barristers. Part 2 of the Act mainly refers.

- **The provision of an independent complaints system** dealing with legal professional misconduct. The Authority will also support the rollout of a new and independent **Legal Practitioners Disciplinary Tribunal** to adjudicate on matters of serious misconduct in relation to both solicitors and barristers. Part 6 of the Act mainly refers.
- **An enhanced legal costs regime** which places more extensive transparency obligations on both solicitors and barristers to keep clients informed about the details of their legal costs. Separately, the new **Office of the Legal Costs Adjudicator** will assume the role of the existing Office of the Taxing-Master in dealing with disputes about legal costs. Part 10 of the Act mainly refers.
 - **A framework for new legal business models** based on the outcomes and recommendations of the respective public consultations and reports of the Authority. These would be envisaged as working options alongside the more traditional forms of legal practice. As the Authority has also opined “Limited Liability Partnerships” will also be a key incentivising factor in these considerations especially where Legal Partnerships are concerned. The lifting of certain restrictions on access to barristers is also part of this consideration. Part 8 of the Act mainly refers.
 - **Finances and the levy** – during this crucial phase of the Authority’s coming into operation essential steps will have to be taken in establishing the Authority’s long-term funding mechanism. This will involve a transition from the current discretionary drawdown of advances from the Justice Vote to the application of

the statutory levy under which the Authority is to be funded. This will also be predicated on the establishment and application of the Roll of Practising Barristers. Parts 7 (Levy) and 9 (Roll of Practising Barristers) of the Act mainly refer. The Authority has engaged the services of an economist to analyse the mechanisms of the levy model in the Act.

It is also recognised that the Legal Services Regulatory Authority is working on several substantial projects that will assist in identifying the staffing needs and resources required to allow it to support the ongoing roll out of its functions to a structured and achievable timetable. This will include continuing direct engagement between the Authority and the Department under this Agreement as well as between the Authority and the other key stakeholders (e.g. Department of Public Expenditure and Reform on staffing). The Authority has engaged the services of specialist consultants to assist with the completion of a workforce plan to map out the resourcing requirements of the Authority.

In addition, it is recognised that there is now an acute work burden on the Authority in introducing Legal Partnerships under the terms of section 100 and section 1(3) of the Act. This will impact on other areas of the Authority's work. It is also recognised that the development of a realistic schedule of relevant and necessary commencement orders will be required and will be coordinated collaboratively between the Authority and the Department. The Authority will also need to increase its staffing and resources to meet the demands of introducing the new practice models.

2. Role of the Legal Services Regulatory Authority within the Justice & Equality Sector

2.1 Objectives

The Authority will regulate the provision of legal services by legal practitioners and will ensure the maintenance and improvement of standards in the provision of such services in the State with regard to the following objectives under section 13(4) of the Act:

- protecting and promoting the public interest,
- supporting the proper and effective administration of justice,
- protecting and promoting the interests of consumers relating to the provision of legal services,
- promoting competition in the provision of legal services in the State,
- encouraging an independent, strong and effective legal profession, and
- promoting and maintaining adherence to the professional principles.

2.2 Functions

In regulating the provision of legal services by legal practitioners and ensuring the maintenance and improvement of standards in the provision of such services in the State, the Authority will undertake the statutory functions that are conferred on it by section 13(2) of the 2015 Act including the following specific functions as part of its role:

- Keep under review and make recommendations to the Minister and disseminate information in respect of:
 - admission requirements of Law Society, Bar Council, and Honorable Society of King's Inns;
 - availability and quality of education and training including ongoing training for the two professions;

- policies in relation to admission and, or, entitlement to practise of the Law Society, Bar Council and Honorable Society of the King's Inns;
 - professional codes ;
 - the organisation of the provision of legal services in the State.
- Specify the nature and minimum levels of professional indemnity insurance;
- Establish and administer a system of inspection of legal practitioners for the purposes of the Act;
- Receive and investigate complaints under sections 46 and 47 of the Act;
- Establish and maintain a Roll of Practicing Barristers;
- Promote public awareness and disseminate information in respect of legal services including their cost;
- Keep the Minister informed of developments in respect of the provision of legal services and make recommendations to assist the Minister in coordinating and developing policy;
- To undertake, commission or assist in research projects and other activities in respect of the provision of legal services, which in the opinion of the Authority may promote an improvement in standards for the provision of those services and public awareness of them, and make recommendations to the Minister arising from those projects or activities; and
- Perform any other functions conferred by the Act or by regulations made under it.

3. Corporate Governance

3.1 Advance Funding Arrangements

Advance Funding Statements

It is recognised that, during the period of this agreement and pending the commencement and implementation of Part 7 of the 2015 Act (relating to the levy on legal practitioners), the Authority will continue to draw down funds in support of its initial establishment phase under section 32 of the Act relating to “Advances by Minister to Authority”.

Once Part 7 comes into effect it will trigger the application of the financial levy on regulated legal practitioners under which the Legal Services Regulatory Authority can receive funding from the professions.

A sum of €1 million was drawn down by the Authority from the Justice Vote in each of the years 2016 and 2017. A similar amount is anticipated for 2018 and such further amounts for such further periods as may be necessary to ensure the effective coming into operation of the Authority including the coming on stream of the levy.

In support of this start-up funding arrangement and until such time as the planned levy comes into operation, it is agreed that an *Advance Funding Statement* shall be signed between the Department of Justice and Equality and the Legal Services Regulatory Authority in respect of each draw-down of the funding concerned. The relevant funding terms will be as agreed by the parties to this agreement under the *Advance Funding Statement*. The Authority acknowledges the position of the Department that all funds are advanced under Section 32 of the Act with the intention of recoupability from the Authority once the levy provisions are commenced and the levy-based funding is operational.

The Authority also acknowledges the levy-based funding model as set out in the legislation and the position of the Department that the Authority should be funded by way of a levy on the legal profession.

The Department acknowledges the Authority position, as reflected in the Authority's risk register, that the levy provisions as drafted may not, in practical implementation, provide an adequate source of funding to the Authority and may not similarly provide for the recoupability of advances.

The Department notes also that the Authority has engaged an economist to examine the levy provisions and provide an expert economic/financial opinion to the Authority in relation to this.

Both the Department and the Authority commit to the prompt and robust analysis and examination of the funding provisions within the 2015 Act to ensure that there is a sustainable framework under which the Authority is sufficiently funded to fulfil the full extent of its broad remit as a new regulatory body.

3.2 Roles and Responsibilities

Accounting Officers

It is noted that the Legal Services Regulatory Authority, in drawing down funds in support of its initial establishment phase and as provided under section 32 of the Act relating to "Advances by Minister to Authority", falls under the Vote of the Department of Justice and Equality (Vote 24). As such, the Secretary General of the Department is the Accounting Officer insofar as advances to the Authority may be concerned.

It is also recognised that, under the specified terms of section 29 of the Act, the Chief Executive of the Legal Services Regulatory Authority shall, whenever required in writing, give evidence to a Committee of Dáil Éireann established to examine and report on the

appropriation accounts and reports of the Comptroller and Auditor General – i.e. the Public Accounts Committee. This includes on the regularity and propriety of transactions, the economy and efficiency of the use of resources, the systems, procedures and practices employed for evaluating the effectiveness of operations or any matter relating to these that may be raised in a report of the Comptroller and Auditor General.

Similarly, it is noted that under section 30, the Chief Executive is also publicly accountable for the general administration of the Authority to the Oireachtas Joint Committee on Justice and Equality.

It is, therefore, recognised by both parties that the Chief Executive of the Authority and the Department's Secretary General may be held accountable, where relevant, before a Committee of Dáil Éireann for the monies advanced to, or expended by, the Authority. Both parties therefore agree to provide any such information, to the other, as may be required for the purposes of an appearance before a Committee of Dáil Éireann to account for said monies in accordance with Sections 29 and 30 of the 2015 Act.

It is similarly recognised that the Minister for Justice and Equality has wider accountability to Dáil Éireann in respect of the overall justice policy framework including for the implementation and effectiveness of the 2015 Act under which the Legal Services Regulatory Authority will play a key and independent role.

The Authority

Section 9 of the Legal Services Regulation Act 2015 requires the Legal Services Regulatory Authority to consist of eleven members including a lay majority and lay Chairperson.

Each member of the Authority shall be appointed by Government, subject to the provisions of the Act. The term of membership of any Authority member will not exceed four years and no member shall hold office for periods the aggregate of which exceeds 8

years. At the same time, under the Act, terms of appointment are staggered to support continuity.

The duly appointed members of the Legal Services Regulatory Authority at the time of signature of this Agreement are as set out in *Table 1* below:

Table 1 : Members of the Legal Services Regulatory Authority

Authority Member	Nominating Body	Term of Appointment (Years)
Don Thornhill – Chairperson	The Higher Education Authority	5
Angela Black	The Citizens Information Board	4
Deirdre McHugh	The Competition and Consumer Protection Commission	3
Gerry Whyte	The Irish Human Rights and Equality Commission	4
Stephen Fitzpatrick	The Institute of Legal Costs Accountants	3
Dermott Jewell	The Consumers Association of Ireland	3
Sara Moorhead *	The Bar Council	3
Joan Crawford	The Legal Aid Board	4
Eileen Barrington	The Honorable Society of King’s Inns	4
James MacGuill	The Law Society	4
Geraldine Clarke	The Law Society	3

*Ms Sara Moorhead was appointed to the Authority following the resignation of David Barniville due to his appointment to the High Court.

The members of the Authority are collectively responsible for leading and directing the Authority's activities within a framework of prudent and effective control as set forth in the *Code of Practice for the Governance of State Bodies* (2016). The Authority formally adopted the *DPER Code of Practice* at its meeting in January 2017.

Chairperson of Authority

In accordance with Section 9 (2)(b) of the Act, one of the lay members of the Authority shall be appointed to be chairperson of the Authority by the Government. The Chairperson is responsible for leading and guiding the Authority in its task of setting the Authority's strategic policies. The Chairperson works with the Chief Executive to manage the Authority's agenda and provides direction to the Secretary to the Authority.

The Chairperson will furnish an annual Comprehensive Report to the Minister for Justice & Equality ("the Minister"), in conjunction with the Authority's annual report and financial statements. This report will outline any significant commercial developments in the preceding year and affirm the Authority's compliance with relevant codes and regulations, in accordance with the *Code of Practice for the Governance of State Bodies* (2016). In particular addressing the requirements of paragraph 1.9 of the 'Business & Financial Reporting Requirements' Annex to the 2016 *Code of Practice for the Governance of State Bodies*.

Chief Executive Officer

In accordance with Section 24 and 28 of the Legal Services Regulation Act 2015, the Chief Executive is appointed by the Authority and shall hold office under a written contract for service. Reporting to the Authority the Chief Executive is responsible for implementing the policies and decisions of the Authority and for the day-to-day management and administration of the business and resources (financial and non-financial) of the Authority.

In overall terms, and in addition to those specific matters referred to under the heading of “Accounting Officer” above, the Chief Executive is tasked with:

- Implementing the policies and decisions of the Authority.
- Managing and controlling generally staff, administration and business.
- Performing such other functions (if any), as may be required by the Authority or authorised under the Act.
- Keeping, under the direction of the Authority, all proper and usual accounts of moneys received and spent by the Authority or submit estimates with its approval.
- Submitting, with the agreement of the Authority, estimates of income and expenditure, proposals and plans as may arise under section 28 of the 2015 Act.

3.3 Annual Self-Assessment Evaluation

In 2018, the Authority has undertaken an annual self-assessment evaluation of its own performance in accordance with the Code of Practice for the Governance of State Bodies. This self-assessment has been coordinated by the Authority’s Accountants (*CrowleysDFK*). When the Authority has committees in place, the performance of those committees will be included in the self-assessment evaluations. An external evaluation of the Authority’s performance should be carried out every three years.

3.4 Statement of Strategy

The Authority submitted its first Statement of Strategy (covering the period 2018-2020) to the Minister on 6 April 2018 as provided under the Act. This Statement of Strategy was laid before the Oireachtas on 1 May 2018 and was subsequently uploaded to the Authority’s website www.isra.ie.

3.5 Draft Unaudited Financial Statements

During the period of this Agreement draft unaudited annual financial statements should be submitted to the Department not later than two months after the end of the relevant

financial year, in accordance with the *Code of Practice for the Governance of State Bodies* (1.4 (ii) – ‘Business and Financial Reporting’ Annex). Draft unaudited financial statements covering the period 1 October 2016 to 31 December 2017 (15 months) were submitted to the Department on 28 February 2018 in accordance with those requirements.

3.6 Annual Report and Accounts

Section 21 of the Legal Services Regulation Act 2015 requires the Authority to make a report to the Minister for Justice and Equality (“the Minister”) and to the Oireachtas Joint Committee on Justice, Defence and Equality, not later than 30 April in each year, in relation to the performance of the functions and activities of the Authority during the preceding year.

It is also acknowledged in the making of this Agreement that the Legal Services Regulatory Authority has a suite of other reporting obligations conferred on it under the terms of the Legal Services Regulation Act.

3.7 Reporting Requirements – Annual Report

In accordance with Appendix A of the ‘Business & Financial Reporting’ Annex to the *Code of Practice for the Governance of State Bodies*, the Annual Report should include:

- i. A statement noting that this Corporate Governance Assurance Agreement has been reached with the Department of Justice and Equality and, in particular, indicating the Authority’s level of compliance with the requirements of the Code of Practice for the Governance of State Bodies.
- ii. A statement of how the Authority operates;
- iii. A statement of how the performance evaluation of the Authority and its committees has been conducted;
- iv. Number of Authority meetings and attendance level of each Authority member;

- v. Names of Chairperson, the CEO and members of the Authority and its committees;
- vi. Confirmation that an appropriate assessment of the Authority's principal risks has been carried out, including a description of these risks, where appropriate and associated mitigation measures or strategies; and
- vii. Confirmation that the Authority has complied with all relevant tax law.

3.8 Reporting Requirements – Financial Statements

In accordance with Appendix B of the 'Business & Financial Reporting' Annex to the *Code of Practice for the Governance of State Bodies*, the Financial Statements should include:

- i. Details of non-salary related fees paid in respect of Authority members and the salary of CEO;
- ii. Aggregate pay bill, total number of employees and compensation of key management level;
- iii. Total Costs incurred in relation to travel and subsistence and hospitality;
- iv. Details of expenditure on external consultancy/adviser fees;
- v. Details of the number of employees whose total employee benefits for the reporting period fell within each band of €10,000 from €60,000 upwards;
- vi. Details of termination/severance payments and agreements with a value in excess of €10,000, made within the period.

3.9 Internal Audit

The parties are agreed that for the lifetime of this Corporate Governance Assurance Agreement the Department of Justice and Equality's Internal Audit Unit will provide support to the Authority in monitoring and reviewing the effectiveness of the Authority's arrangements for governance, risk management and internal control. The first such report was completed in October 2017. Audit work will be agreed between the Authority and the

Head of Internal Audit in the Department of Justice and Equality. The Audit Unit will, subject to resources, carry out the audits within an agreed timeframe.

3.10 Audit and Risk Committee

The Authority's Finance, Audit and Risk Committee, once established, shall consist of at least two independent, non-executive Authority members, and shall have written terms of reference which clearly outline the committee's authority and duties. The role of the Committee is to ensure that the interests of Government and other stakeholders are fully protected in relation to business and financial reporting and internal control. The Authority shall establish its Finance, Audit and Risk Committee in 2018. The establishment of this Committee is at an advanced stage.

3.11 Protected Disclosures

In accordance with Section 21(1) of the Protected Disclosures Act 2014, the Authority has established and maintains appropriate Protected Disclosures Procedures for the making of protected disclosures by workers who are or were employed by the Authority and for dealing with such disclosures.

3.12 Governance Obligations

The Legal Services Regulatory Authority is subject to a range of statutory and corporate governance obligations including the 2016 *Code of Practice for the Governance of State Bodies*. The Authority will ensure that all the necessary obligations, including those for risk management, internal audit and the Public Spending Code are fully complied with.

3.13 Chairperson's Comprehensive Report to the Minister

To confirm compliance (or otherwise) with key provisions of the Code of Practice and the Governance Standard for Justice and Equality Sector Bodies, the Chairperson of the

Authority will complete, on an annual basis, a Comprehensive Report to the Minister in order to provide assurance to the Department that the systems of internal control, risk management and other areas of compliance are operating effectively. This report will address all of the relevant requirements of paragraph 1.9 of the *'Business & Financial Reporting Requirements'* Annex to the *Code of Practice for the Governance of State Bodies*.

3.14 Data Protection

The Authority will engage proactively with the data protection obligations and ensure substantial compliance with the General Data Protection Regulation (GDPR) (in force from May 25, 2018) and the Data Protection Acts 1988 and 2018. Arrangements have been put in place to provide the Authority with access to the Department's Data Protection Support and Compliance Office.

3.15 Procurement

In accordance with section 8.16 of the Code of Practice, the Authority will ensure that competitive tendering is standard procedure in its procurement process and that procurement policies and procedures have been developed and published to all staff. The Chairperson should affirm adherence to the relevant procurement policy and procedures in the annual Comprehensive Report to the Minister.

3.16 Provision of Information to Members of the Oireachtas

In accordance with D/PER Circular 25/2016 - *Protocol for the Provision of Information to Members of the Oireachtas by State Bodies under the aegis of Government Departments/Offices*, the Authority are obliged to:

- i. Provide and maintain a dedicated email address (Isra-oir@Isra.ie) for Oireachtas members.

- ii. Put in place formal feedback processes to obtain feedback from Oireachtas members.
- iii. Comply with target deadlines and standards in terms of acknowledgements and responses to queries.
- iv. Designate a person at senior management level within the Authority with responsibility for ensuring the timely provision of information to members of the Oireachtas.
- v. Report annually (in the Chairperson's comprehensive report to the Minister) on compliance with standards set out in Circular 25/2016.
- vi. Seek, where appropriate, to publish the response to queries from members of the Oireachtas on Authority's website.

3.17 Governance obligations will also be reviewed as part of the overall monitoring process of this Corporate Governance Assurance Agreement.

3.18 Comply or Explain

- i. This Corporate Governance Assurance Agreement 2018-2020 has been agreed between both Parties as satisfying the requirements for an agreement as prescribed in the 2016 Code of Practice for the Governance of State Bodies. This Agreement sets out the broad corporate governance framework within which the Legal Services Regulatory Authority will operate and defines key roles and responsibilities which underpin the relationship between the Authority and the Department of Justice and Equality.
- ii. Having regard to the current size of the Authority, it is not deemed feasible for it to establish its own Internal Audit Unit whilst still in start-up phase. Alternative arrangements have been put in place to provide the Office with access to the Department of Justice and Equality's Internal Audit Unit as set out at paragraph 3.9 above.

4. Commitments

4.1 Mutual Commitments

- Both parties recognise the statutory independence of the Legal Services Regulatory Authority;
- Both parties agree to proactive and timely communications, cooperation and information on service delivery;
- Both parties support the effective achievement of agreed outcomes, as well as the promotion of partnership, responsiveness and mutual cooperation in their ongoing interactions;
- Both parties agree to consult and to keep each other fully apprised on all matters of mutual relevance;
- Both parties agree on the effective realisation of this agreement and the agreed outcomes that will come about.

The ongoing support of an annual budgetary provision for the Legal Services Regulatory Authority will form part of the estimates for the Justice and Equality Vote and will be considered in that context including in terms of the parties agreeing any recoupability.

4.2 Department of Justice and Equality Commitments

The Department will provide the following supports to the Authority as part of its ongoing collaboration to enable it deliver on its objectives:

- Liaise with the Authority and the Department of Public Expenditure and Reform in support of staffing arrangements when requested;
- Work closely with the Authority in the processing of Ministerial designations in support of staff electing to transfer to the Authority under the terms of section 26 of the Act;

- Share information on issues such as Public Financial Procedures and Civil Service HR Policy Guidelines as may arise from time to time;
- Engage with the Authority in activities related to its key role as one of those public bodies which form part of the Justice and Equality sector;
- Provide monthly financial reports and general financial advice where this may arise via the Department's Financial Management Unit (FMU);
- Provide assessment and sanction of IT expenditure as may arise under the ICT Governance Group;
- Exchange information with the Authority in responding to Parliamentary Questions or other public statements which relate to the Authority's functions under the 2015 Act;
- Consult with the Authority in respect of any circulars, memoranda or other matters which may impact on the performance of the Authority's functions.

4.3 Legal Services Regulatory Authority Commitments

The Legal Services Regulatory Authority commits to the delivery of its statutory objectives and functions including:

- Making recommendations to the Minister for Justice and Equality and disseminating information on the admission requirements relating to the solicitors' and barristers' profession, the availability and quality of the education and training of legal practitioners, the professional codes and the organisation of the provision of legal services in the state;
- Establishing and administering a system of inspection of legal practitioners;
- Receiving and investigating complaints;
- Maintaining the roll of practising barristers, the register of Legal Partnerships and the register of Limited Liability Partnerships;
- Promoting public awareness and disseminating information in respect of legal services;

- Informing the Minister of developments in respect of the provision of legal services and make recommendations to assist the Minister in co-ordinating and developing policy relating to legal service provision;
- Undertaking, commissioning or assisting in research projects and other activities which may promote an improvement in standards in the provision of legal services;
- Making recommendations to the Minister for Justice and Equality arising from research or other activities which may promote an improvement in standards in the provision of legal services;
- Conducting public consultations and preparing research reports in relation to the education and training arrangements for legal practitioners in the State, the unification of the solicitors' and barristers' profession, the creation of the new profession of conveyancer and any such other matter as may be requested by the Minister.
- Making such other reports to the Minister for Justice and Equality on the functions of the Authority as appropriate.

5. Potential Risk Factors

The Legal Services Regulatory Authority operates a formal Risk Management Strategy and maintains a Risk Register and, in accordance with the Department of Finance Guidelines, this is updated on an ongoing basis. The maintenance of the Register ensures that risks are identified and assessed and necessary mitigating actions are, where resources allow, put in place.

The Authority has identified the following four risks to be managed as part of the Risk Management Strategy:

1: There is a risk that the statutory funding arrangements provided by the levy will not be sufficient to properly fund the Authority resulting in a funding shortfall and resulting in reputational damage and a lack of sufficient resources.

2: There is a risk that the Authority will not be able to recruit sufficient skilled staff in a timely fashion with the result that the organisation will not have adequate

resources to meet its statutory obligations resulting in reputational damage and the potential for legal action.

3: There is a risk that the Authority will not be able to adequately control the scheduling and timing of the commencement of further parts and sections of the Act with the result that the organisation is not in a position to roll out the functions of the Authority in a managed and orderly way.

4: There is a risk that the Authority will not have been adequately prepared for the introduction of GDPR on 25 May 2018 with the result that it is in breach of the regulations causing reputational damage and possible proceedings under the GDPR.

6. Amendment of Agreement

Where necessary, both parties will engage to agree on any appropriate amendments to this agreement.

7. Monitoring Arrangements

The Department of Justice and Equality commits to a minimum of three meetings per year between the Authority and senior officials in which there will be detailed consideration of matters relating to this agreement and the respective roles and functions of the Authority and the Department as may arise. Similarly, to engage on any matters that may require to be dealt with as a consequence of changes in Departmental or Government policy.

The Parties will exchange, as appropriate:

- (a) Relevant and appropriately detailed performance information to allow for the monitoring of this Agreement;
- (b) Relevant and appropriately detailed performance information for inclusion in the Revised Estimates for Public Services volume; and

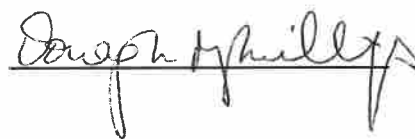
(c) Information as may be appropriate to the mutual coordination of such commencements and outputs as will arise in the ongoing implementation of the Act.

8. Duration and Signatories to the Agreement

It is agreed that the arrangements as set out in this Agreement will apply with effect from the date signed hereunder until 30 September 2020.



Dr. Brian Doherty
Chief Executive Officer
Legal Services Regulatory Authority



Ms. Oonagh McPhillips
Acting Secretary General
Department of Justice and Equality

Date: 13 July 2018

Date: 13/7/18 2018