



An tÚdarás Rialála
Seirbhísi Dlí
Legal Services
Regulatory Authority

MINUTES FINAL

39th Meeting of Legal Services Regulatory Authority – Minutes (FINAL)

Date: 16 November 2023

Time: 16:30 to 18:30

Location: In Person

Attendees:

Authority Members	Executive & Secretariat	Others
Angela Black	Brian Doherty (CEO)	
Eileen Barrington	Ultan Ryan (Secretary)	
Geraldine Clarke		
Joan Crawford		
Shane Galligan		
Dermott Jewell		
Sara Moorhead		
Simon Murphy		
Síona Ryan		
Don Thornhill (Chairperson)		

Apologies: N/A

One vacancy for IHREC nominee remains unfilled.

Section 1 – Administration

1.0 General

1.1 Agenda adopted.

1.2 Declaration of Interests on agenda items. None raised.

Authority Members to submit completed Annual Declarations to Secretary.

- 1.3 Minutes of Authority meeting of 14 September 2023 approved subject to amendment of attendance list which was incomplete.

Matters arising in Minutes dealt with in CEO Report.

- 1.4 Schedule of Meetings for 2024 circulated. Members to check and confirm availability directly to Secretary.

Section 2 – Governance

2.0 CEO Report

- 2.0.1 CEO Report provided updates on matters arising from Minutes of 14 September 2023 and highlighted activity and Risk Register dashboard since the last Authority meeting:

2.0.2 Recruitment and Staffing:

The LSRA's current staffing remains at 63 as per the Duly Authorised Register. This equates to 53.9 FTQ (Full-Time Equivalents) with some staff availing of work sharing patterns.

The new Data Protection/FOI Officer who joined the Office of the Chief Executive in August at HEO level continues to provide additional support to the Secretary and the CEO.

An HR Manager has been recruited and has joined the LSRA on a temporary contract basis to assist the Office of the Chief Executive whilst the LSRA's permanent head of HR is on long term sick leave.

An additional mediator has been recruited on a part time temporary contract to assist with the resolution of admitted complaints.

The recruitment campaign for Research Manager (HEO) has been completed and the successful candidate will start in November.

A recruitment campaign for Legal Advisors (AP) will be advertised shortly.

The LSRA Executive submitted the Grant Thornton workforce plan to DPER (now Department of Public Expenditure, NDP Delivery and Reform (DPENDR)) on 1 December 2022. The CEO has since been engaging with DPENDR on the submission. DPENDR previously indicated that any sanction for further staff was dependent on the new levy model being in place. Following further engagement with the LSRA, DPENDR has indicated that they will support our workforce plan once Department of Justice have provided their approval.

Now that the levy has been issued for the 2022 levy year and funds are due to be received shortly, the LSRA Executive will re-engage with DPENDR on the increase in staffing sanction.

2.0.3 Notaries Public and Anti-Money Laundering:

The CEO updated the Authority in relation to engagement between the Executive, the Faculty of Notaries Public, the Law Society and the Department of Justice. The LSRA has informed the Department of Justice that it has not been resourced to undertake an AML role for Notaries Public. Further engagement is required to resolve the matter.

2.0.4 Barriers Report and Setting the Standards Report:

Update and proposal on next steps on section 34(1)(d) "Barriers" Report and section 34(1)(a) "Setting the Standards" Report (update on establishment of Education and Training Committee pursuant to section 16 of the Legal Services Regulation Act 2015) dealt with under Agenda item 7 for this meeting.

2.0.5 Limited Liability Partnerships (LLPs) and Roll of Practising Barristers:

The Authority noted that there were 448 LLP's on the LSRA register as of 7 November 2023. There were 3,071 practising barristers on the Roll of Practising Barristers as at 7 November 2023.

2.0.6 International Conference of Legal Regulators (ICLR):

The CEO provided an update on a very successful ICLR 2023 event in Dublin at the end of October. Feedback on the Conference was very positive and the Authority commended the CEO and the LSRA Executive on the work involved and the success of the event.

2.0.7 Authority Membership:

IHREC nomination to fill Authority vacancy has not yet been notified to the Department of Justice. Secretary to follow up.

2.0.8 Risk Management:

Risk Management update provided in CEO report. The following points were noted:

Risk 1 - Funding: The Authority noted that the Risk in relation to the funding of the LSRA is set at High and Red. This status will remain in place until the Levy model has been fully implemented and both the deficit/surplus and budgeted net expenditure position is stabilised. The LSRA received consent to calculate the Levy on 19 October and Levy notices issued on 2 November.

Risk 2 – GDPR: Work is ongoing with the review of LSRA and LPDT data protection policies and procedures. Audit of GDPR compliance is near completion and an update on the outcomes and recommendations will be [provided to the Authority and FAR Committee at their next meetings.

Risk 3 – Business Continuity: Staffing and funding remain an issue and sanction for revised workforce plan is subject to new levy model being in place. Business Continuity plan being developed as one of a number of policy documents being drafted for end 2023.

Risk 4 – Cyber-Security: Assurances in place with ICT service provider. Recruitment of IT Manager a priority for 2024. Update meeting with DOJ Chief Information Officer and Team held on 8 November. Updates provided to DOJ aegis bodies in relation to resilience and security, including development of second back-up site.

Risk 5 – Legal Challenges: New Risk approved by Authority and FAR Committee: *There is a risk that the LSRA's financial position and operational capacity may be significantly affected in the event of significant legal challenges to either the LSRA or LPDT.*

2.0.9 Other matters dealt with under separate agenda items.

3.0 Duly Authorised Register.

Duly Authorised Register approved, reflecting staff changes since previous meeting.

4.0 FAR Chairperson's Report to the Authority

FAR Committee met on 20 October 2023. The FAR Committee Chairperson's report included updates on the following:

- a. CEO provided the FAR Committee with a progress update on the implementation of the new Levy model in 2023.
- b. The Committee, following discussion on the levy process, again noted that with the new levy model, a significant administrative overhead will remain in place for the LSRA to complete the levy process each year but in 2023 in particular due to transition to the new levy and the lateness of the legislative provisions becoming available.
- c. The Committee noted the key role of the annual budget in the setting of the levy under the amended model and that activities not budgeted for in advance for 2024 are unlikely to be progressed.
CEO updated the FAR Committee on the Risk Register, including the new risk relating to legal challenges highlighted in the CEO Report to the Authority for this meeting. The Chairperson of the FAR Committee noted the expenditure on legal costs in the LSRA Accounts and the risk associated with potential judicial reviews. The Authority noted that a contingency for legal challenges is included in the LSRA budget for €250k and expressed concern about the financial risk to the LSRA and LPDT associated with legal challenges. LSRA Executive to continue to monitor this risk.
- d. Secretary updated the Committee on:

1. **Internal Audit Unit (IAU) Report on 2022 Internal Controls:** Progress update on recommendations (x15) arising from Internal Audit reports, including a number of draft policy documents;
 2. **Audit of GDPR Compliance:** Fieldwork on audit complete (close-out meeting held on 10 November) and Audit Report being drafted by auditors. Plan to address recommendations to be put in place once report finalised and agreed;
 3. **OACG Audit of 2022 Financial Statements:** OACG audit commenced 16 November. Audit ongoing.
- e. The Committee reviewed Management Accounts for August 2023.

Section 3 – Finance

5.0 Financial Reports:

5.1 Management Accounts for period ended 30 September 2023

The Authority noted the LSRA Management Accounts at end September 2023.

5.2 Update on levy for 2022 Financial Year

The calculation of the levy for the 2022 levy year, to be issued in 2023, was completed on 19 October 2022 and the audit of the calculation was completed over the period 19 October 2023 to 1 November 2023. A draft calculation had been completed in advance of consent being received from the Minister which allowed for quick finalisation of the financial consultant's report.

The levy assessment notices were issued to the Law Society of Ireland, the Bar of Ireland and the non-Law Library practising barristers on 2 November 2023.

It should also be noted that, as per the levies issued in previous years, the consent of the Minister also includes an amount towards the recoupment of the advances under section 32 of €2.7 million made to the LSRA in 2021 and 2022. The Minister has consented to a recoupment figure of zero for the levy for the 2022 levy year.

The total leviable amount for the year is €5.6m. The Law Society has already paid an advance of its levy (€2.4m) in 2023 which has been offset against the total levy owed by the Law Society in its levy notice. An amount of €1m was

also advanced to the LSRA from the Vote of the Department of Justice in 2023 and this will be repaid before end 2023.

5.3 Draft Budget for 2024 Financial Year

The Authority noted the first draft of the LSRA Budget for 2024. This budget has been shared with the Law Society to facilitate its calculation of Practising Cert fees for 2024 to include a calculation relating to estimated LSRA Levy.

The Authority noted that the levy notices issued late in 2023 due to the transition to the new levy model and the challenges arising. It is anticipated that the next levy notices will issue in April 2024. A further revision of the Draft 2024 Budget will be undertaken prior to the calculation of the levy in 2024.

The Authority expressed concern about the potential for the LSRA to be charged by the Department of Justice or Government with new work if it is not captured in the budget. Exchequer funding would be needed to fund any such unplanned, unbudgeted activity.

Costs of non-core activities impacting on LSRA resources such as administrative supports for the patents of precedence process were also discussed.

Section 4 – LSRA Policy and Implementation

6.0 Updates on the Performance of the Complaints & resolutions Department of the LSRA and on the Operation of the LPDT

6.1 Update on the Performance of the Complaints & Resolutions Department

The Authority was provided with an update on complaints and resolutions activity, including statistical report and dashboard. There are now 11 Complaints Resolution Officers (CROs) assigned to the Department. Further recruitment for the Department and the LSRA generally is subject to sanction at DPENDR and tied in with the implementation of the new levy funding model.

The CEO explained that while the Complaints Committee has added an extra division and increased sittings, the volume of cases at Complaints Committee continues to build. The existing caseloads for Complaints Committee will be the subject of a structured audit to see if any can be resolved and closed without needing to go to Committee due to further activity on the case since referral. The fifth division of the Complaints Committee will also be looking at specific categories of complaints to work to progress those.

A Complaints Committee steering committee has been established to assist the Committee. The Complaints Committee is working through cases more quickly and KPI's are improving.

The Authority were updated on the increased volume of cases going into the informal resolution process following the earlier engagement with parties on this option. An additional resource has been brought in to assist with the caseloads.

The CEO provided updates on section 90 enforcement cases and the case management system.

6.2 Update on the Operation of the LPDT:

The Authority was updated on the operation of the Legal Practitioners Disciplinary Tribunal (LPDT).

To date in 2023, 15 applications have been received from the Law Society and 2 from the LSRA.

Inquiry hearing dates were held in September 2023 with a total of 5 inquiry hearing days. No inquiry hearings were held during October, although case-management hearings took place during this month.

7.1 Update and Proposal on the Next Steps on the section 34(1)(d) "Barriers" Report:

The Authority was updated on activities relating to this report. A revised draft recommendations report was provided which included four new recommendations. The Authority discussed the revised Authority recommendations document and approved the document subject to certain amendments to the text of recommendations. The LSRA Executive to effect those amendments and engage again with the key stakeholders with the intention of submitting a final report to the Minister for Justice by the end of 2023.

7.2 Update on the establishment of the section 16 Education and Training Committee:

The Authority was provided with a progress update on the establishment of an Education and Training Committee under section 16 of the Legal Services Regulation Act 2015.

8.0 Review of activities for 2023

The Authority noted and acknowledged the significant work undertaken by the LSRA in 2023, including the ICLR 2023 event.

9.0 Closed Session

The Secretary left the meeting for the closed session of the Authority.

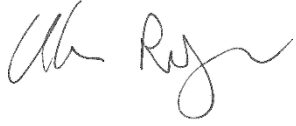
13.0 AOB

No matters arising.

Action Points – Meeting of 16 November 2023	
Agenda Item	Action
1.2	Authority members to sign annual declarations forms and submit to Secretary. Secretary to file declarations for audit purposes.
1.3	<p style="text-align: center;"><u>Minutes:</u></p> <ul style="list-style-type: none"> • Minutes of 14 September 2023 approved subject to minor amendments (update attendance list). • Secretary to arrange upload to LSRA website.
2.0.	<p style="text-align: center;"><u>CEO Report:</u></p> <p><u>Updates for next meeting on:</u></p> <ul style="list-style-type: none"> • 2.0.2 Recruitment and staffing, including engagement with Department of Justice and DPENDR on workforce review and sanction. • 2.0.3 CEO to update on progress relating to AML and the Faculty of Notaries Public. • 2.0.4 Barriers Report – update on engagement with stakeholders, finalisation of report including recommendations, and submission to the Minister for Justice by end 2023. • 2.0.4 Setting Standards – update on establishment of section 16 Education and Training Committee. • 2.0.5 Update for Authority at next meeting on: <ul style="list-style-type: none"> ▪ Levy (see item 7) ▪ Legal Partnerships (Regulations, Consultations etc) ▪ Financial Position and Levy 2023/2024 • 2.0.7 Update on Authority Membership, specifically IHREC vacancy. • 2.0.8 Update on Risk Register
3.0	<p style="text-align: center;"><u>Duly Authorised Register:</u></p> <ul style="list-style-type: none"> • Updated Duly Authorised Register will be circulated prior to next Authority Meeting to reflect staff changes.
4.0	<p style="text-align: center;"><u>Finance, Audit & Risk (FAR) Committee:</u></p> <ul style="list-style-type: none"> • FARC Chairperson to update the Authority following the Committee’s next meeting on 2 February 2024 (for Authority meeting of 21 March 2023).

	<ul style="list-style-type: none"> • <u>OCAG Audit</u> Executive to update Authority on audit and certification of 2022 Financial Statements and Recommendations arising in OCAG Management Letter. • <u>GDPR Compliance Audit</u> Authority to be update on GDPR Compliance Audit Report and recommendations arising. <u>Internal Audit Unit recommendations</u> • LSRA Executive to keep Authority informed of progress on resolution of 15 IAU Audit Recommendations.
5.0	<u>Financial Reports:</u>
5.1	<u>Management Accounts:</u> Up to date Management Accounts to be presented to the Authority at the next meeting.
5.2	<u>Update on Financial Position:</u> For inclusion as separate item or in CEO Report <ul style="list-style-type: none"> • Update on Levy process • Update on Financial Position to end 2023 and into 2024
6.0	<u>Update on the Performance of the Complaints and Resolutions Department and the LPDT</u>
6.1	<u>Update on performance of Complaints and Resolutions Department:</u> <ul style="list-style-type: none"> • Update Authority on Complaints statistics and processing; • Update on performance activities for Complaints Department; • Update Authority on Advertising Regulation activities;
6.2	<u>Update on the Performance of the LPDT</u> <ul style="list-style-type: none"> • Update on operation of the LPDT including Inquiries.
7.1	<u>Update on Section 34 Reports (Barriers Report):</u> (as a separate item or included in CEO Report) <ul style="list-style-type: none"> • Barriers Report – update on engagement with stakeholders, finalisation of report including recommendations, and submission to the Minister for Justice by end 2023.
7.2	<u>Update on Section 34 Reports (Setting the Standards Report):</u> <ul style="list-style-type: none"> • Update on the establishment of the section 16 Education & Training Committee.

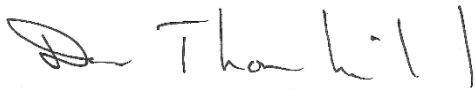
FINAL Minutes Signed



18 January 2024

Ultan Ryan, Secretary

Date



18 January 2024

Don Thornhill, Chairperson

Date