

Response and Actions for CRL arising from the RPA 2023

Standard	Issues	Actions	Responsibility	Progress
Well-led	Continued assurance that the recommendations and findings of the LSB investigation report are implemented.	<ul style="list-style-type: none"> Regular contact between CILEX and CRL CEOs. Reconciliation of historic PCF payments. Transfer of contingent reserves. Sharing and scrutiny of communications. 	CEO	<ul style="list-style-type: none"> A minimum of fortnightly meetings taking place between CILEX and CRL CEOs. Positive dialogue and awareness of CILEX's timetable. PCF reconciliation agreed, except 2020. Formal request for the transfer of reserves made to CILEX. Regular update of Undertakings action plan and attendance at joint LSB progress review meetings.
	Assurances given in 2020 by CILEX and CRL regarding compliance with the IGRs and IGR guidance indicated there may be weaknesses in technical governance.	<ul style="list-style-type: none"> Review technical governance arrangements. 	DoG	<ul style="list-style-type: none"> Complete by Q3 2024.
	Transparency of decision-making	<ul style="list-style-type: none"> Update the agenda format for Board meetings to make clear matters that are Public and those that are private. Adhere to CRL's publication policy by publishing Board papers in advance of meetings 	DoG	<ul style="list-style-type: none"> Revised Board Agenda format agreed to be used from May 2024 Board meeting. Presumption now is that all papers should

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		<ul style="list-style-type: none"> • Invite questions from the public in advance of Board meetings. • Extend the scope of papers that are published to include but not limited to: CEO performance report, Directors' report, strategic implementation plan/ corporate plan progress updates, strategic risk register and policy papers. 		<p>be published in advance. Reasons for papers to be considered in private and the exemption being applied will be clearly outlined. Papers to be published include: full CEO and Directors reports, the Finance report and strategic plan updates.</p>
	Improved reporting to the Board	<ul style="list-style-type: none"> • Further development of the assessment and reporting of strategic and operational risks. 	CEO, DoG.	<ul style="list-style-type: none"> • Risk appetite statement published February 2024. • Proposals for risk reporting considered at Feb 2024 Board. • New Strategic Risk reporting format implemented– May 2024.
		<ul style="list-style-type: none"> • Confirm effectiveness of current performance metrics for core regulatory processes. 	DoR	<ul style="list-style-type: none"> • Performance metrics review – Q3
	Capacity and Capability	<ul style="list-style-type: none"> • Monitor and report on delivery against Corporate Plan, adjusting priorities where necessary. • Ensure effective knowledge capture and transfer between 	Executive Team & Board	<ul style="list-style-type: none"> • Corporate Plan published in January 2024. Progress updates to be reviewed by the Board and published.

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	Quality of the joint CRL and CILEX's PCF application for 2024.	<p>outgoing and incoming employees.</p> <ul style="list-style-type: none"> • Ensure adequate resourcing to deliver strategic priorities and BAU activities. • Identify and remedy potential 'single point of failure' risks. <ul style="list-style-type: none"> • CRL will continue to collaborate fully with CILEX, although noting the concern raised by LSB regarding charging the non-authorized/paralegals for regulation is dependent on CILEX charter change. • Ensure significantly more clarity and transparency in the presentation of financial information in the next PCF application. 	CEO	<ul style="list-style-type: none"> • CRL has continued to recruit high calibre staff with no vacancies as at 20 June 2024. • Additional CPD and PAS resource recruited. competence. • Development of EA role to include Business Support to widen the knowledge of HR and Finance processes. • Update assurance mapping against LSB regulatory performance framework – Q2. • PCF workshop held between new CRL Finance Manager and CILEX CFO.

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	Financial resilience	<ul style="list-style-type: none"> • Reconcile any PCF surplus or deficit using the method agreed with CILEX. • Ensure timely transfer of the contingent reserves. • Ongoing monitoring of CRL's financial performance. • Compliance with LSB and CILEX Group reserves policy. 	CEO & Board	<ul style="list-style-type: none"> • 2023 PCF reconciliation agreed. • CRL now meeting both LSB and CILEX reserve policies. • Publication of Board Finance Report to inform LSB's understanding of CRL's financial position.
Effective approach to regulation	Robustness, quality and accuracy of applications for approval of alterations to regulatory arrangements (and PCF)	<ul style="list-style-type: none"> • Review other rules changes submissions from other regulators and learn from successful submissions. • Address the need to provide a better evidence base in support of applications. • Work with CILEX on ensuring accurate information is provided to the LSB in PCF applications and review internal approval arrangements. • Review the <i>Commencing & Implementing Change</i> procedure, including for Board approval of LSB submissions. 	DoG	<ul style="list-style-type: none"> • Complete by Q2 2024.

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	Assurance of how CRL ensures its activities translate to effective consumer outcomes.	<ul style="list-style-type: none"> To provide better analysis and advanced research on how consumers will be impacted by changes in regulation or associated activities. Include consumer impact as part of the Board paper template. Consumer perspective to be included as part of 2025-28 strategy development. 	DoR	<ul style="list-style-type: none"> Ongoing Complete by Q2 Complete by Q3
	<p>Consumer Empowerment</p> <p>CRL has committed to meeting the expectations in our statement of policy in this area by September 2024.</p>	<ul style="list-style-type: none"> CRL is on track to be compliant with the LSB's statement of policy by September 2024, and on remote hearings in future. CRL will work with others within the sector with a view to ensuring consistency of standards and approach, whilst differentiating our requirements to the particular nature of the firms that we regulate. 	DoG	<ul style="list-style-type: none"> September 2024
	Concerns that CRL had not been able to establish long-term compensation fund arrangements.	<ul style="list-style-type: none"> Given continuing uncertainty on regulatory arrangements, it has been confirmed that the current arrangement will now continue into 2024 with CRL and CILEX jointly underwriting the fund at the same level. 	CEO	<ul style="list-style-type: none"> Letter sent to LSB confirming existing arrangements to continue until there is clarity regarding future regulatory arrangements.

