

SRA BOARD
9 September 2025

CLASSIFICATION – PUBLIC



This paper will be published

Board reporting outside of the meeting cycle

Reason for paper	This paper proposes criteria to be used to assess whether issues should be reported to the Board, including whether a short notice Board meeting should be called, outside of the scheduled Board meeting cycle and reporting including through performance report and CEO report.
Recommendations(s)	The Board is asked to agree the proposed criteria in paragraph 9 and note the further work to be undertaken in relation to our corporate governance arrangements.
Previous Board and committee consideration	The Board has had no previous discussions about these criteria.
Next steps	Once agreed further work will be done to marble some of this through our other corporate governance documentation including the Governance Handbook, the Delegation Framework and Committee terms of reference.

If you have any questions about this paper please contact: Paul Philip, Chief Executive

SRA BOARD
9 September 2025

CLASSIFICATION – PUBLIC



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Summary

- 1 This paper proposes criteria to be used to assess whether a risk that crystallises should be reported to the Board, including whether a short notice Board meeting should be called, outside of the scheduled Board meeting cycle.

Background

- 2 The investigation into Axiom Ince suggested that a short notice Board meeting should have been called when the CEO and Board Chair became aware of the case rather than waiting to report it to the Board at its scheduled meeting in September 2023.
- 3 It has always been the case that decisions have been made about what needs to be reported to the Board and when but establishing criteria for those decisions will formalise what has been implicit for the sake of wider transparency and clearer corporate governance

Discussion

- 4 Decisions on whether and when to refer issues to the Board, including whether additional meetings should be called, are currently a matter for the judgement for the CEO in discussion with the Board Chair. The unpredictable nature of the sort of issues that might need to be escalated to the Board is such that that element of judgment can never be entirely removed.
- 5 Where an occurrence comes to the attention of the CEO outside of the agreed Board meeting schedule a decision will need to be made as to whether to report to the Board at the next scheduled meeting, circulate information or convene a short notice Board meeting. This will always be done in consultation with the Chair.
- 6 Proposed criteria for making these decisions are set out below though in developing these we have identified that further work needs to be done to marble some of this through our other corporate governance documentation including the Governance Handbook, the Delegation Framework and Committee terms of reference. This will include our handling of issues related to reputation, which is not delegated from the Board. We will do this work in the next couple of months and circulate to the Board for approval and then publish the updated versions of all of the relevant documents. We will include this issue as part of the pending governance review.

Criteria

- 7 In formalising the establishment of criteria on escalating issues to the Board we therefore need to consider:

SRA BOARD
9 September 2025

CLASSIFICATION – PUBLIC



- (i) whether the issue should be reported to the Board
- (ii) if it should, whether it needs to be reported outside of the meeting cycle
- (iii) and if so, whether that can be by circulating a note of whether an emergency meeting is needed.

- 8 In relation to (i), in making such a decision the CEO, in discussion with the Board Chair, will consider if the matter reported to them will have:
- a) a significant negative press or reputational exposure for the profession, SRA or the Law Society
 - b) a significant operational failure
 - c) a significant financial event for the organisation (eg increased expenditure or loss of income or need to increase expenditure)
 - d) a significant staff issue (eg industrial action)
 - e) a significant change to the external landscape eg following an important government announcement.

Examples of what might constitute significant events are:

- the financial collapse of a large firm
- a cyber attack on firms or on the SRA
- an event which causes significant detriment to the marketplace
- a major intervention into a very big firm or a large number of firms
- a very high profile political issue
- a matter of particular media interest.

- 10 In making these decisions the CEO and Chair will also have regard to the Risk Impact Examples included in the Risk Management Framework with an expectation that matters which fall into categories 4 and 5 will be reported to the Board outside of the meeting cycle.
- 11 Decisions on points (ii) and (iii) should take into account whether the Board can do anything to influence what happens, when the risk will crystallise (if it has not already done so), and when it will be made public.

Recommendation: the Board is asked to: agree the proposed criteria in paragraph 9 and note the further work to be undertaken in relation to our corporate governance arrangements.

Next steps

- 11 If the Board agrees the proposed criteria they will be published and we will then undertake the further work described above on our corporate governance framework and seek the Board's agreement to any changes by circulation.

SRA BOARD
9 September 2025

CLASSIFICATION – PUBLIC



Supporting information

Links to the Corporate Strategy and/or Business Plan and impact on strategic and mid-tier risks

- 12 The Board oversees all of the work of the organisation and is therefore relevant to all of our objectives and, potentially, to all of the risks in the strategic and mid-tier registers.

How the issues support the regulatory objectives and best regulatory practice

- 13 The work has been prompted by the LSB's directions issued to us following the Axiom Ince investigation and therefore represent best regulatory practice.

Public/Consumer impact

- 14 There is no direct public/consumer impact but defining the circumstances in which issues will be escalated to the Board outside of the meeting cycle will support our role as the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice.

What engagement approach has been used to inform the work and what further communication and engagement is needed?

- 15 The work has been prompted by the LSB's directions issued to us following the Axiom Ince investigation. The criteria will be published in the Governance Handbook.

What equality and diversity considerations relate to this issue?

- 16 None.

How the work will be evaluated

- 17 The appropriateness of the proposed criteria will be included in reviews of the Board's governance arrangements.