

By email only

Duncan Wiggetts
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cc: Sophie.Wales@icaew.com

8 June 2023

Dear Duncan

2023 Annual Regulatory Performance Assessment: Information request

1. This letter explains the process and timelines for our 2023 assessment and sets out the information that we will require from the ICAEW.
2. The new regulatory performance framework came into force in January 2023. This will be the first assessment under the new framework and will cover the period from October 2022 to May 2023. We have engaged with regulators bi-laterally and at an all-regulator Q&A event about how to prepare for the new approach and we trust that these discussions have been helpful.

Scope

3. Our annual assessment information request asks **all regulators** to provide assurance about their performance against two of the three new standards - **well-led** and **effective approach to regulation**. In relation to these standards we will particularly be seeking assurance about the following common issues we identified in our 2022 assessment:
 - transparency of decision-making
 - capacity and capability
 - use and deployment of evidence
 - levels of proactiveness in supervisory work, and
 - resources, capability and capacity for enforcement
4. We will also be seeking assurance about how regulators are implementing the ongoing competence and consumer empowerment statements of policy.



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BOARD**

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Information request

5. Your response to our information request should include:
 - Your assurance mapping or other analysis and/or explanation as to how you provide your Board with assurance that the ICAEW demonstrates the new framework's characteristics and, adding these together, meets the standards.
 - Supporting evidence including links to relevant published documents (eg Board papers). There is no need to provide large amounts of information. We are seeking the documents that you judge as the most relevant documents and evidence to provide assurance.
6. We expect that regulators will be frank and open in sharing information with the LSB and that this will be available in documents already provided or that have been published. You should assume that we will be familiar with your published board papers and other key corporate documents and therefore signposting will be sufficient. Where necessary, confidentiality will be maintained in how we present information in our assessment. Please identify any documents you consider to be confidential when responding to this request.
7. In November 2022, we assessed the ICAEW as having provided the following and consequently we agreed actions that you would undertake and we have monitored your performance against these actions:
 - sufficient assurance against our previous framework's regulatory approach, authorisation, supervision standards and enforcement standards; and
 - partial assurance against its well-led standard.
8. For this year's assessment we ask that you provide assurance as to how the ICAEW:
 - demonstrates the characteristics of each of the **well-led** and **effective approach to regulation** standards including responses to our specific questions set out in the Annex;
 - has addressed the specific areas for improvement under the **operational delivery** standard relating to authorisation, supervision, and enforcement that we identified in our 2022 assessment including responses to our specific questions set out in the Annex; and
 - responses to any other specific questions set out in the Annex.
9. When preparing your response, in line with the well-led standard and your Board's role in monitoring the ICAEW's performance, we would be happy for you to use information in the form that you have already provided to your Board, supplemented by any additional information you consider necessary to provide assurance.

10. Our assessment of your performance will take account of information that we have gathered since our last annual assessment in November 2022. This will include: our regular contacts such as relationship management meetings, CEO and Board-level meetings; applications submitted to us for approval; any information that you may have provided since the last assessment round; and information from other sources including publicly available material.
- 11. Please provide us with your response to this information request by 28 July 2023.**

The LSB's assessment

12. Our assessment will also use a narrative format and our new grading system. As we did in our 2022 assessment, we will apply a red/ amber/ green rating against each standard, but not against each characteristic. However, to help regulators understand the LSB's assessment, we will include references to individual characteristics.
13. As we have requested that all regulators provide assurance against the whole of the well-led and effective approach to regulation standards, our assessment will include full assessments of your performance against them.
14. In the case of the operational delivery standard, we have only requested that regulators provide assurance on issues relating to authorisation, supervision and enforcement that were noted in last year's assessment and any that have arisen since.

Next steps

15. As we have previously, we will work with you to agree any new actions and milestones stemming from our assessment. We will ensure that you have time to review and comment on our final assessment before its publication in November.
16. If you have any questions about the assessment process, the request for information set out in this letter and its annex, or the deadline for response please either contact me or Vibeke Bjornfors, your relationship manager.

Yours sincerely



Angela Latta,
Head, Performance and Oversight

Annex: Information request for ICAEW

Well-led: Regulators are well-led with the resources and capability required to work for the public and to meet the regulatory objectives

Please provide assurance to the LSB on how ICAEW meets this standard including in relation to:

- transparency of decision-making
- capacity and capability
- resources, capability and capacity for enforcement

As part of your response please also answer the specific questions below.

1. Please provide details of any steps ICAEW is taking to gather more information about the needs of probate consumers including specific examples of feedback from consumers or consumer organisations.
2. Please provide details about how in practice the ICAEW is taking the policy statement on consumer empowerment into account, in the design and evaluation of legal services regulatory arrangements.
3. Please provide details of any steps that ICAEW has taken in 2023 or expects to take in 2023 to increase the publication rate of Board papers and thereby achieving greater transparency about issues being considered, decisions being taken and reasons for doing so.

Effective approach to regulation: Regulators act on behalf of the public to apply their knowledge to identify opportunities and address risks to meeting the regulatory objectives

Please provide assurance to the LSB on how ICAEW meets this standard including in relation to:

- use and deployment of evidence
- levels of proactiveness in supervisory work

As part of your response please also answer the specific questions below.

Questions on progress on empowering consumers statement of policy:

4. With reference to the [empowering consumers policy statement](#), please provide information on any relevant work you have undertaken in the last year to ensure the **provision of useful information** that best enables effective consumer choice **on the quality of legal services providers** to consumers.
5. Please set out when you expect to have met the specific expectations in the empowering consumers policy statement.

6. Please provide an update on the findings from monitoring of your revised transparency rules. Please explain how you have taken account of the empowering consumers policy statement in undertaking this work, and considering whether any other measures are needed to ensure provision of useful information for consumers.

Question on progress on ongoing competence statement of policy

7. Please provide any relevant updates on progress since January 2023 toward meeting the outcomes in the ongoing competence policy statement, including any changes to your expected timeline for meeting the outcomes.

Operational delivery: Regulators' operational activity (eg education and training, authorisation, supervision, enforcement) is effective and clearly focused on the public interest.

(Authorisation)

8. Please provide an update on ICAEW's plans for putting in place regulatory arrangements for the reserved legal service of oaths as well as relevant training standards and processes.

(Supervision)

9. Please provide details of the outcomes of the oversight of the training provider for probate and any plans to publish evidence to document ICAEW's supervision of this training provider.

(Enforcement)

10. Please provide a progress update on the review of ICAEW's sanctions guidance.