

Annual Review of Council Terms of Reference

Purpose: For review

Author: Head of Executive Office

Approver: Chief Executive

1. Summary

- 1.1 In line with best practice, The Council reviews its Terms of Reference annually.
- 1.2 The Council's current Terms of Reference are attached at **Appendix A**.
- 1.3 The Council's Terms of Reference refer to the Responsibilities of the Council, which are set out at Section 1 of the CLC's Corporate Governance Framework and which are attached at **Appendix B** for reference.
- 1.4 The Council last reviewed its Terms of Reference on 24 July 2024, when an amendment to reflect the potential need for flexibility in Council membership and re-appointments where required was agreed.
- 1.5 Council may wish to note that the Financial Reporting Council has expanded its expectations of its Annual Reporting requirements for listed companies to include the following within their Annual Reports with effect from January 2026:
 - An annual review of the effectiveness of organisations' risk management and internal control framework, including a description of how the board has monitored and reviewed the effectiveness of the risk management and internal control framework
 - A declaration of effectiveness of the material controls as at the balance sheet date; and
 - A description of any material controls which have not operated effectively as at the balance sheet date, including any action taken, or proposed to improve the controls and any action taken to address previously reported issues.

The CLC is not bound by the UK Corporate Governance Code, but we are guided by it and the above provisions are already reported within the CLC's Annual Financial Statements.

- 1.6 No changes to the Council's Terms of Reference are proposed by the Executive.

2. Recommendations

The Council is invited to review its Terms of Reference (**Appendix A**)

3. Risk management

- 3.1 The Council's responsibilities include the review of the CLC's risk management arrangements, which are reflected within its Terms of Reference.

4. Regulatory Objectives

The Terms of Reference and Responsibilities of the Council form part of the CLC Corporate Governance Framework which supports the CLC's Regulatory Objectives below.

1. protect and promote the public interest
2. support the constitutional principle of the rule of law
3. improve access to justice
4. protect and promote the interests of consumers
5. promote competition in the provision of legal services
6. encourage an independent, strong, diverse and effective legal profession
7. increase public understanding of the citizen's legal rights and duties
8. promote and maintain adherence to the professional principles

5. Financial impact

- 5.1 There are no financial implications specific to this report.

6. Communications requirements

- 6.1 The Council's Terms of Reference are included within the published Corporate Governance Framework.