

**SOLICITORS REGULATION AUTHORITY**  
**Minutes of the SRA Board meeting**  
**held on 14 March 2023 at 09.00 via Microsoft Teams**

*Subject to final approval by the SRA Board at its meeting on 25 April 2023*

Present: Anna Bradley (Chair)  
Ann Harrison  
Paul Loft  
Rob McWilliam  
Lisa Mayhew  
Vikas Shah  
Liz Smart  
Selina Ullah  
Nicola Williams

In attendance: Paul Philip, Robert Loughlin, Juliet Oliver, Liz Rosser, Ben Fisher,  
Dominic Tambling

**1 WELCOME AND APOLOGIES**

1.1 The Chair welcomed Board members to the meeting, particularly Rob McWilliam as it was his first formal meeting. Apologies had been received from Claire Bassett.

**2 MINUTES OF THE PREVIOUS MEETING ON 27 FEBRUARY 2023**

2.1 The minutes of the meeting held on 27 February 2023 were approved as a true and accurate record. The Board agreed the minutes, which also served as ratification of the decisions made at the 27 February meeting at which there had not been a lay majority.

**3 MATTERS ARISING AND DECLARATIONS OF INTEREST**

3.1 There were no matters arising that would not be covered elsewhere on the agenda. All actions due had been completed or were in hand.

3.2 Interests were as previously declared and available to view on the SRA website. Members would declare any additional particular interest in an individual item if necessary.

**4 CHAIR'S UPDATE**

4.1 The Chair reported that the working group considering implementation of the Board effectiveness review had met for the first time earlier in the month. The expectation was that recommendations for change and proposals for discussion would be brought to the Board by June. The Chair also welcomed the new Board forward planner and invited Board members to submit suggestions as to how it might be further improved.

## **5 COMMITTEE UPDATES**

- 5.1 The Board was asked to consider a report on discussions at the meeting of the Audit and Risk Committee (ARC) on 2 March 2023. The ARC Chair reported that at this meeting the Committee had looked at the draft financial statements for SRA Ltd and the Compensation Fund and requested a small number of changes.
- 5.2 The new internal auditors, RSM, had attended their first ARC meeting and there had been discussions on approach to risk, risk appetite and how risk was reported. There would be further discussions on these at the ARC meeting in May and proposals would then be brought to the Board in June 2023 for consideration.
- 5.3 RSM would also be running some sessions on best practice on key topics and Board members who were not members of ARC would be very welcome to join these.
- 5.4 The Committee has also agreed to recommend to the Board the reappointment of BDO as external auditors for the 2023 audit (see items 9 and 10 below). This was though subject to the Board Chair and Chair of ARC having a further conversation with the Executive on the question of consolidation of the accounts.
- 5.5 The Board noted the report.

*NB: the paper relating to this item will not be published as it relates to issues that are commercially sensitive*

## **6 CHIEF EXECUTIVE'S REPORT**

- 6.1 The Board was asked to consider an update on our priorities and key developments that it needed to be aware of. The report provided information on important external developments and our engagement activity with key stakeholders.
- 6.2 The CEO updated the Board on our work on Anti-Money Laundering including the findings from our Office for Professional Body Anti-Money Laundering Supervision (OPBAS) inspection in autumn 2022. OPBAS had assessed our risk-based approach, information sharing and enforcement and the findings were positive.
- 6.3 The Board discussed our programme of work in relation to financial sanctions and noted that as we expanded activity to cover firms which did not regularly work with individuals who were sanctioned there was a possibility that the team would uncover problems simply because the firms were not accustomed to making the necessary checks. We would also be looking at firms that were licensed by the government to work with sanctioned individuals to see if they complied with their licence conditions.
- 6.4 The Board noted that it was not easy to measure the impact of our work on financial sanctions beyond raising awareness, though we were following up an

earlier thematic review aimed at understanding risk and firms' controls to ascertain what changes had resulted in terms of policies being put in place.

- 6.5 The CEO also updated the Board on our work on work in relation to strategic litigation against public participation (SLAPPs). This included providing oral evidence to the House of Lords Communications and Digital Committee as part of a one-off session on lawfare and free speech, with a particular focus on SLAPPs.
- 6.6 In response to questions from Board members it was confirmed that so far we had not seen evidence that there is a widespread problem in the profession in relation to SLAPPs. It was, however, an issue we took seriously, there were more than 40 open investigations linked to SLAPPs, and we would take action where we find evidence of wrongdoing. Board members noted that these issues are not as straightforward as sometimes portrayed and that we needed to be mindful of potential knock-on effects to legitimate litigation.
- 6.7 The Board received an update on our recent consultation on the Police Station Representative Accreditation Scheme (PSRAS) which was a compulsory qualification for solicitors and non-solicitors who provide legal advice at the police station on a legal aided basis.
- 6.8 The Board noted there was broad support for our proposals which we would now implement and made the SRA Regulatory Arrangements (Police Station Representative Accreditation Scheme) (Amendment) Regulations [2023]. We would publish our consultation response and the updated assessment standards and guidelines in Spring 2023.
- 6.9 The CEO reported that we were working with the Institute for Apprenticeships and Technical Education (IfATE) and the solicitor apprentices Trailblazer Group to update the Solicitor Apprenticeship Standard. There is no change to the competences required of solicitor apprentices, or the assessment plan (apprentices are required to pass SQE); the changes are presentational to bring the standard in line with IfATE's new format. The CEO confirmed we will consult imminently on the changes to bring it into the new format.
- 6.10 The CEO reported that on 6 February 2023, the Board Chair and Nicola Williams had hosted an event to formally mark the opening of our new Cardiff office. The opening of the office had been positively received.
- 6.11 Board members congratulated the Executive on the organisation being placed 25th in Stonewall's Top 100 Employers Index following work to promote LGBTQ+ inclusion in the profession and within our workplace. The Board asked the Executive to reflect on whether continued involvement with the scheme would be worthwhile and to look at similar schemes relating to other protected characteristics that we might engage with.
- 6.12 The Board noted the Chief Executive's report.

## **7 SRA FIRST QUARTER PERFORMANCE REPORT**

- 7.1 The Board was asked to consider the performance report for the first quarter of 2022/23.
- 7.2 Board members discussed the Business Plan update and questioned why there were no exceptions and whether this was as a result of not being ambitious enough in setting milestones. The Board challenged the Executive to ensure that our objectives are measurable and deliver outcomes and impact and not just outputs. This should apply to the development of the Business Plan for 2023/24 over the next few months and should focus on what are the key outcomes/impacts that we want to deliver to drive activity and deliver our objectives. This approach would also help Board members to focus on the right things when reviewing performance reports.
- 7.3 Board members noted that the financial performance update showed that the forecast was for a surplus for the financial year, primarily due to higher than forecast bank interest. There had also been some underspend on pay though key roles had now been filled, and energy costs had been lower than expected. As the board was aware, some of this surplus would be used to increase resources in the Investigation and Enforcement Team as part of work to reduce the time taken to deal with complaints.
- 7.4 In discussion Board members asked for information on expenditure on projects to be presented in tabular form in future reports. The Board also asked for the Executive to consider how more information might be provided on the Compensation Fund, including a table of investments and performance for the Fund and for a deep dive on the Compensation Fund to be included in the Board forward planner. The Board noted that our investment managers, Cazenove, would present an update to the Board in June.
- 7.5 Board members also noted that proposals for changing the way in which we charged the Compensation Fund for the work we did would come to the Board in April and that this was part of a broader review of charging to ensure consistency of approach.
- 7.6 The Board considered the first quarter balanced scorecard and the proposed changes to the scorecard following a review. The proposals were for changing our KPI for handling stage one corporate complaints from 10 days to 15 days (we had piloted a 15-day turnaround over the last 6 months and found that the extra time enabled us to deliver an improved overall level of service which results in fewer complaints moving forward to our stage two corporate complaint process) and implementing two new KPIs that build on the existing end to end KPIs.
- 7.7 In discussion Board members suggested a number of possible changes to the balanced scorecard for the Executive to consider and report back on. Subject to the points above, the Board noted the content of the quarterly performance reports and the overall assessment of performance and noted the review of the performance pack.

*NB: annex 1 of this paper will not be published because it contains information which is commercially sensitive*

## **8 SRA STRATEGIC RISK UPDATE**

- 8.1 The Board was asked to consider a progress report covering the quarter 1 (November 2022 - January 2023) period of the SRA Strategic Risk Register and risk management development.
- 8.2 ARC had reviewed the Register at its meeting on 2 March 2023 and it had not changed significantly from that which the Board had reviewed in December 2022. Some of the controls and activities in the SRR had been updated and the risk relating to Equality, Diversity and Inclusion had been amended to better resemble the other risks on the register. As noted in item 5, more substantial changes in relation to the management of risk would be presented to the Board's meeting in early June. This would include management of risk appetite and risk tolerance which the Board discussed and agreed needed to be reviewed and updated.
- 8.3 The Board:
- a) agreed the Strategic Risk Register
  - b) noted the work taking place on the further development of risk management.

*NB: the annex to this paper will not be published as it includes discussion of risk that might be exacerbated by publication.*

## **9 SOLICITORS REGULATION AUTHORITY LIMITED 2022 FINANCIAL STATEMENTS**

- 9.1 The Board was asked to consider the Solicitors Regulation Authority Limited Financial Statements and Letter of Representation for the year ending 31 October 2022.
- 9.2 The Board noted that this was the first set of financial statements covering a complete year for Solicitors Regulation Authority Limited following our move to distinct legal entity status. The accounts had been considered in detail at two meetings of the Audit and Risk Committee (ARC) and audited and an unqualified audit report would be published. The auditors had made a couple of further requests for information since this paper had been issued but had been provided with the information they had asked for and there was no reason to think that they would ask for any corrections to the statements.
- 9.3 The accounts showed a surplus of £1.167m. The Board noted that the level of unrestricted reserves was a little below the target level established by the reserves policy and this would be considered along with the proposed budget for 2022/23 at the Board's meeting in late April.
- 9.4 The Board:
- a) approved the financial statements for 2022 prepared on a going concern basis

- b) agreed the Letter of Representation can be signed on behalf of the Board
- c) agreed to reappoint BDO as auditors of the Solicitors Regulation Authority Limited for the 2023 financial year, subject to the Board Chair and Chair of ARC having a further conversation with the Executive on the question of consolidation of the accounts.

*NB: annexes 2 to 4 of this paper will not be published because they are commercially sensitive and/or include legal or other professional advice on sensitive or confidential matters.*

## **10 COMPENSATION FUND 2022 FINANCIAL STATEMENTS**

- 10.1 The Board was asked to consider the Compensation Fund Financial Statements and Letter of Representation for the year ending 31 October 2022.
- 10.2 The Board noted that these accounts were prepared on a cash basis and showed a surplus for the year following a planned deficit the previous year to reduce the balance to agreed levels. Board members agreed that the statements should include more information about the reserves target.
- 10.3 The Board:
  - a) approved the financial statements for 2022 prepared on a going concern basis
  - b) agreed the Letter of Representation can be signed on behalf of the Board
  - d) agreed to reappoint BDO as auditors of the SRA Compensation Fund for the 2023 financial year, subject to their appointment as auditors to SRA Ltd as in 9.4 (c) above.

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## **11 REVIEW OF MEETING AND ANY OTHER BUSINESS**

- 11.1 The Chair thanked the Board and Executive for their contributions.
- 11.2 In reviewing the meeting Board members commended the standard of the material provided for consideration but suggested that the Executive might consider how to help Board members focus on the key issues and outputs in what was a comprehensive performance report.
- 11.3 The Board also noted the assurance provided in relation to the financial statements through the work which had been done in advance of this meeting by the Audit and Risk Committee and thanked Liz Rosser and her team for their excellent work in preparing the accounts and in working constructively with the auditors.

11.4 The next meeting would be held on 25 April 2023 in Leeds.