



FACULTY OFFICE

Quarterly Master's Council Meeting - Minutes

Held on 7th February 2022 at 15:30 via Zoom and Office

Present: Morag Ellis QC, Master of the Faculties (Master)
Howard Dellar, Registrar, Faculty Office (HJD)
Ian Blaney, Deputy Registrar, Faculty Office (IB)
Neil Turpin, Chief Clerk, Faculty Office (NT)
Mili Bhanji, Risk, Compliance and Investigations Officer and Deputy Chief Clerk (MB)

In attendance: Sue Goss, Accountant for the Faculty Office
Mark Craig, Chair of the Advisory Board, Faculty Office (MC)

Declarations of interest

None

Review minutes of previous meeting and matters arising

Minutes for the Masters Quarterly meeting dated 01 November 2021 were approved. All matters arising were on the agenda.

PART I – England & Wales Notarial Matters

1. Faculty Office

Financial report and update

SG provided an update from 01 April to 04 February 2022 with key figures with as follows:

- Income and expenditure against budget on track although overspend on IT (7k)
- Practising certificate renewals (721 plus 55 for Channel Islands)
- Admissions (UK 40 plus 11 overseas)
- Overspend on IT for 2021/22 is likely to be £12k.
- Number of marriage licence applications at 5/2 was 610 paid for and 82 waived

NT explained that the surge of licence applications was unlikely to continue. HJD confirmed that the IT overspend was largely due to NotaryPRO enhancements to provide more detailed due diligence and the publication of the Governance Manual. This led to a discussion about the Faculty Office's website and systems being capable of ongoing improvement. Given that there are likely to be changes to marriage legislation requiring additional IT spend, the Master requested that a contingency fee under a different header be included in next year's budget based on the highest IT spend over the previous three years. It was suggested that the budget for "IT improvements" should be separated out from "IT

maintenance” so that the investment in improvements was separated from more routine maintenance. It would also be prudent for the Faculty Office to check that we are still getting value on our IT spend and set out instructions for ongoing projects to include a requirement that the design of the website would allow us to be self-sufficient and reactive. HJD reported that IT costs to date were considerably competitive compared with a number of other similarly sized regulators.

Appointment of auditor

The idea to appoint an auditor as a useful process to aid self-reflection and self-discipline to assist with development arose from a reflective away day during November 2021. After a detailed discussion on this point the directors of the company formally resolved to appoint Haysmacintyre for this purpose. Haysmacintyre already examines the accounts and is well placed to provide a full audit. Haysmacintyre had quoted _____ for this work. A full audit had not been included in the budget

Business Plan

The Master suggested that the underlying principles of our priorities need to be linked to our statutory remit. It was agreed this would be captured as a business plan for the next 2-3 years and we would need to put it out for consultation. A separate focus session for this agenda item scheduled for 28 February 2022.

Risk Register

IB reported that the Audit Committee wish to fully review the register once a year in April, which is to include an estimated target date for remedial action.

IB confirmed that there are no changes to risk. In terms of progress the following updates were noted:

- Away day November 2021 (A02)
- Master’s priorities – focus day scheduled for 28 February (A02)
- Scheme of delegation (A04)
- Keeping within budget – no overall overspend due to savings elsewhere (C09)
- Relationship building - LSB action plan being worked on (D02)
- Law Commission delay (D04)
- New agreement with LBMW to include insolvency arrangements (E06)
- Qualifications Bill is being monitored (E09)

This led to a discussion on two factor authentication for notary access to NotaryPro and it was agreed that the enhanced security would be outweighed by the costs and difficulties that would flow from this feature at this stage. Faculty Office access is essentially two-factor.

KPIs update

Agreed that KPI period for disciplinary cases and inspection reports to be moved to period ending March (tax year). Planned paper for new KPIs to be circulated at another meeting.

s.69 Order update

IB presented a paper of work to date on entity regulation. Agreed that IB to continue to chase the Ministry of Justice for an update.

Operations: Complaints (if any) against Faculty Office

Having received a complaint the LSB wrote to the Faculty Office with regards to its complaints procedure which included reference to the LSB. The Master recognised the LSB's limited statutory functions and potential confidentiality constraints but nevertheless remains keen for the FO to have a suitably anonymised discussion with the LSB via the relationship manager so that the Faculty Office can have insight into the broad nature of the issues.

Consultations

NT confirmed that there are two open LSB consultations (LSB business plan and ongoing competence). NT to respond or collaborate with other regulators to put in a joint response (LSB priorities must take a risk based approach).

Boards

- Recruitment to the Advisory Board, Qualifications Board and Audit committees. HJD confirmed that an advertisement to go out this week.
- Qualifications Board (QB) – IB confirmed that a good number of candidates getting their certificates for exemption. The Faculty Office to write to various education providers to find replacement courses for disciplines previously offered by Cilex (ongoing as final exams being phased out slowly).
- Advisory Board (AB) – NT reported that the Advisory Board had strongly encouraged the Faculty Office to set minimum terms for PII. This would be a significant amount of work. Next meeting to include an item on digital signatures.
- Audit Committee – HJD confirmed that there was general support for the draft agreement between LBMW and the Faculty Office re management charge with one tweak that we are to review the agreement perhaps every year and this is to be an organic and developmental process. There would be a separate focus meeting with the Master to consider the agreement.

2. LSB matters and priorities

LSB Action plan

Reviewed and considered. NT confirmed the following was on the Faculty Office website:

- Governance Manual (an interactive web version was being constructed by IT for launch in due course)
- Consumer survey launched on 31 January 2022 (we have received 70 responses to date)

Equality, Diversity and Inclusion

MB confirmed that:

- Interviews for summer interns were nearly complete and one candidate had been selected via the 10000 black interns programme
- EDI Legal Regulators forum highlights: LSB working on a papers and proposals for counter-inclusive practices, EDI performance assessment and high level principles of EDI data evaluation

- Faculty Office staff attending the Cilex EDI roundtable in March

3. AML matters

MB presented an internal paper on the costs and issues relating to subscription to the FCAs' shared intelligence system (SIS). The Faculty Office would prefer to continue using SIS and it would take out a year's subscription, but it was important to carry out an annual review to consider the costs and value. This led to a discussion about whether OPBAS were taking a risk-based approach given that the cost to all subscribers remained the same, regardless of the size of the regulated population for each sector.

4. Legal Choices & RPIG

No updates

5. MTCOG

Nothing to report.

6. Any other business

PART II – Overseas Notarial Matters

These items are not for publication

PART III – Ecclesiastical Matters

These items are not for publication

7. Date of next meeting

7th March 3.30pm