

## **MASTER'S ADDRESS TO ANNUAL CONFERENCE OF THE NOTARIES SOCIETY**

It is a pleasure and privilege – albeit delayed by the Covid pandemic – for me to address the Annual Conference of the Notaries Society for the first time. I became Master of the Faculty Office in June 2020, during Lockdown. All the formalities were undertaken remotely and – apart from a socially distanced meeting at opposite ends of a long table in the Registrar's garden in Oxfordshire - I did not meet the staff, or, indeed, any notaries face to face for many months. Despite this strange start, which could be regarded as inauspicious, I have been made to feel very welcome by the Society and by the staff of the Faculty Office, for which I am enormously grateful.

It has been a busy and challenging time to come into post. Neil Turpin kindly provided me with some examples of my predecessor, Charles George QC's, addresses to this Conference. I must pay tribute to Charles for all his work and the comprehensiveness of his vision to which those addresses bear witness. Those of you who worked with Charles would, I am sure, wish to join me in publicly acknowledging all that he achieved. In particular, it fell to him to lead the process of implementing the provisions of the Legal Services Act 2007, as its commencement pretty well coincided with the beginning of Charles' period of office. Looking again at his address in 2019, I have been heartened by the following matters.

Firstly, that on his arrival, Charles knew as little about notarial practice and regulation as I did in 2020; my knowledge of notaries was gleaned entirely from the world of comic opera, where a notary – usually a figure of fun – pops up towards the end to marry the young lovers under the nose of the old buffer who has designs on the girl.

A variant is the servant disguised as a notary, pretending to formalise false marriages and financial transactions – I shudder to think what the LSB and OPBAS would make of such practices.

Secondly – and much more significantly – I am pleased to be able to report positively in relation to all of the six particular challenges which he articulated. These challenges have not disappeared, but I think it fair to say that they have either receded or are being addressed by the profession and/or the Faculty Office.

### Challenge 1 – Numbers

Charles expressed concern about numbers in the profession for two main reasons: the provision of services to the public and the funding of proper regulation. I am pleased to be able to report that the dramatic decline in the size of the profession which occurred between 2010 and 2020 appears to have halted. There are currently 740 notaries with a practising certificate, and 35 candidates passed the exams this summer of whom 27 have, thus far, applied for admission. One of the most interesting and enjoyable tasks of the Master is considering and determining applications for admission. This exercise gives me at least an impression of the spread in terms of age, ethnic diversity and gender composition of those who are becoming notaries, as well as some idea of geographical coverage. It is clear that the profession is attracting new applicants in their 30s and 40s, with many years of service to offer to the public and the profession, as well as some older and younger outliers. Geographical coverage tends to follow the main commercial and economic centres of the country, which is unsurprising, as, like any service profession, provision will be driven by demand. We do not seek information about diversity factors as part of an application

for admission, but it is clear that there is a good mix in terms of both gender and ethnicity amongst applicants.<sup>1</sup> Whilst there is no room for complacency and it is impossible to tell whether these encouraging statistics represent a trend or just a blip, the news on this front is, nevertheless, good.

On the financial side, as you are aware, it was necessary to take action to address the deficit and to build up a sustainable reserve. Whilst the immediate trigger was one of the LSB's requirements arising out of their Review of the FO, I must say that it was something which I had already contemplated. The staff worked to construct a proportionate scale, relating contributions to earnings. With your co-operation, I am pleased to report that the position is that the deficit of £117,206 as at 31 March 2021 was converted to a surplus of £90,072 by 31 March 2022.

We shall need to continue these contributions for a further year so as to build up an adequate "*float*" to ensure that effective regulation can be funded for a period of at least 6 months, in the event of unforeseen circumstances, which we expect to be achieved by March 2024. Our Finance Officer, Sue Goss, must take the credit for doing the necessary calculations and I am immensely grateful to her for her almost uncannily accurate budgeting and highly organised and transparent management and reporting of the FO's finances. The financial aspects of the three year Business Plan, to which I turn later under the heading The Master's Priorities, owe much to Sue's dedication and skill.

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<sup>1</sup> Diversity data is collected on a triennial basis, the last collection being in 2020, the results of which are available on the website.

## Challenge 2 – Profile

The application statistics are also a hopeful sign in this regard. In our common law system, notaries will never be as well-known as other branches of the legal professions. Of course, this is not necessarily a bad thing - one would not seek notarial notoriety. Partly in response to the desire to make the profession better known and partly in response to the statutory objective for regulators under the 2007 Act to uphold and promote the Rule of Law, however, the Faculty office aims to stage a public lecture on the Rule of Law in the coming year. This is the brainchild of the Registrar and I am very grateful to him for his inspiration. Sir Keith Lindblom, the Senior President of Tribunals, has kindly agreed to speak. I very much hope that as many of you as possible will be able to attend this important event and further details will follow in due course. I shall return to the general topic of promotion of the profession under the heading of my Priorities.

## Challenge 3 – Proper Authentication

My predecessor expressed concerns about “*bulk authorisations*”. There is one ongoing investigation in this regard, so I shall not say more in this forum, but we are not aware of a widespread problem.

## Challenge 4 – Fundamental Regulatory Change

The Mayson Review was published in June 2020, just as I arrived and I look forward to hearing from Professor Mayson later today. Although his report was, in some respects, critical of registration by title, and the Chair of the LSB has stated on more than one occasion that she favours the concept of a single legal services regulator, she has also said that it is not a priority. Pragmatically, she is, instead, seeking greater

collaboration between regulators. Similarly, there has been no indication of legislative intention in the subsequent Queen's Speeches nor via the Ministry of Justice. The topic seems unlikely to be on the agenda of the new Cabinet for the next two years before the General Election. At the moment, it seems to me to be a dog which is slumbering, although still lurking. The Registrar, who is the current Chair of Legal Choices, seeks to explore collaborations where opportunities exist, both in that forum and other cross-regulator meetings. There is nothing to fear from greater collaboration in principle, provided that it produces genuine improvements in terms of efficiency and/or financial savings.

#### Challenge 5 – Anti Money Laundering

My predecessor predicted that the demands of supervision on the Faculty Office were likely to increase. I suspect he was right about this and the fraught international situation increases the areas and therefore numbers of transactions in which particular vigilance is required on the part of notaries. As I write, the FO is awaiting the next review of its activities as a Professional Body Supervisor by the Office for Professional Body Anti-Money Laundering Supervision, which will include interviews of the Registrar and myself. In the autumn of 2020, I appointed a risk, compliance and investigations officer, Mili Bhanji, whose contributions in relation to anti-money laundering supervision but also other areas such as discipline and dealing with complaints, have been invaluable. Our Annual Supervisory Report 2021 is on the website. In his Forward, the Registrar says:

*“The Financial Action Taskforce (FATF) has confirmed in its July 2021 report on Money Laundering from Environmental Crime that criminals are making enormous profits by using front companies to mix legal and illegal goods and payments early in the resource supply chains. They also rely on corruption, trade based fraud, and*

*offshore corporate structures to conceal the ultimate criminals benefitting from these crimes. Increasingly, businesses and professionals are becoming unintentionally caught up in money laundering. The result is that individuals are at risk of reputational damage, criminal prosecution and in some cases facing actions for recovery of assets. To provide services in a way that would facilitate laundering of criminal property is ethically and morally wrong. According to the UK Government's latest national risk assessment, professional services remain attractive to criminals as a means to create and operate corporate structures, invest and transfer funds to disguise their origin, and lend layers of legitimacy to their operations. The Faculty Office is resolute in its commitment to discharging its supervisory responsibility and forging a strong foundation between the public and private sector in the early detection of emerging threats and prevention of money laundering and terrorist financing. By continuing to monitor and support notaries in England and Wales through supervisory activities the Faculty Office as professional body supervisor is seeking to play its part in the fight against financial crime."*

I commend the Report to you, if you have not already read it. The document reminds us of the particular application of AML provisions to many of your practices, sets out the statistics and explains the FO's approach to inspections under the Inspections Regulations. These continued during the pandemic, with 14 inspections conducted on-line. Of course, inspection covers more than AML, but that is an important element, ensuring that you, the notaries, and the FO as Supervisor meet our respective statutory obligations.

I should like to record my personal thanks to our inspectors Tony Martin, Nigel Harding and Janet Goode for their commitment and skill, recently joined by new inspector Sanjay Gogia. Because remote inspection can present an efficient and environmentally responsible method, we have decided that it will remain an option, in the absolute discretion of the individual inspector. The FO, of course, knows what it is like to be reviewed and inspected – by OPBAS and the LSB. It is a process, perhaps like going to the dentist, which nobody looks forward to, but it offers the chance to

highlight any problems and work out a plan for correcting them. If you find yourself subject to an inspection, try and use it as an opportunity to discuss problems with another experienced notary, as the inspectors tell me some inspected notaries have done. For sole practitioners in particular, it can be daunting to keep up with all the new legislation and inspectors are there to assist.

The watchword in relation to AML practice and supervision is “*risk*”. The FO is required to take a risk-based approach to supervision and individual notaries need to be attuned to potential risks whilst, importantly, providing services to those who need to carry out genuine transactions. Statutory provisions<sup>2</sup> and reasons of prudence, require notaries to complete a risk assessment and in 2020, the FO undertook a detailed review of these assessments, by taking a sample of 70 notaries. We are grateful to those of you who were selected and hope that you found the process useful. The FO’s Report has been published on the website. Do take the time to read it, if you have not already done so; there is good learning here to be gleaned from your colleagues in the sample. Major points were: the need to distinguish a practice risk assessment from a general AML policy and for notaries working within solicitors’ practices to undertake their own notarial assessment; and to improve risk recognition specifically with regard to one-off clients and complex transactions.

The FO is aware of at least one situation where an existing insurer of a notarial entity declined to offer PII cover on renewal for work connected to Russia or Russian nationals living outside Russia, seeking to backdate its withdrawal to the date of the invasion of Ukraine. Such an approach – boycotting innocent members of the public

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<sup>2</sup> Money Laundering and Terrorist Financing Regulation 2017, Reg.18.

along with the law-breaking minority – is contrary to the Regulatory Objectives under the 2007 Act.<sup>3</sup> Happily, that difficulty has now been resolved but the unstable international situation places particular duties of care on notaries, in accordance with the risk-based approach. It is this kind of complexity which led me to change the continuing professional education requirements<sup>4</sup> to enable the inclusion of AML learning, as well as other important areas as and when they arise.

The Annual Report concludes by setting out the Supervisory Strategy and looking ahead as follows:

***“Supervisory strategy and looking ahead***

*To shape a culture of ongoing compliance we plan to:*

- *Continue our focus on high risk services and adapt our approach in response to emerging trends and threats such as virtual assets and cybercrime.*
- *Increase engagement with our supervised population by seeking feedback from notaries that have been inspected. The purpose of this approach is to identify what information is considered helpful and areas where there may be room for improvement.*
- *Share common issues facing notaries using case studies and AML/SAR scenarios.*
- *Refine the data we collect annually from notaries to support a more varied and agile approach to risk profiling of our supervised population.*
- *Continue to seek wider enforcement powers through our rules so we can take a more balanced approach when dealing with non-compliance (i.e. where appropriate, avoid disproportionate and lengthy enforcement action and ensure prompt remedial action).*
- *Perform targeted desk-based reviews to examine client due diligence records in respect of TSCP and Conveyancing service providers.”*

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<sup>3</sup> Legal Services Act, 2.1. See also “New Sanctions imposed by the UK on Russia”, uploaded to the FO website on 23.02.2022.

<sup>4</sup> See Notaries (Continuing Professional Education) Regulations 2021; Notaries (Post Admission Supervision and Training) Rules 2019, Reg.11A



### Challenge 6 – Relations with Individual Notaries

Charles George noted what appeared in 2019 to be a possible trend of lack of co-operation and somewhat hostile communications. He clearly had some specific instances in mind. I am happy to report that no such trend has developed. The number of matters which need to be dealt with under the Complaints and Disciplinary procedures is small.

To assist in providing transparency for both notaries and the public, the FO issued Notaries Enforcement Guidance in March 2021. It is available on the website and explains the factors which the Registrar takes into account when considering the exercise of discretion under the Practice and Conduct and Discipline Rules, particularly in relation to enforcement action. I very much hope that the need for enforcement action will continue to be rare, and the guidance is not intended to signal a policy shift, rather, it should be seen as part of a general movement towards greater transparency begun under Charles George's leadership, required by the LSB and facilitated by the excellent reformatted website, which was launched soon after my appointment in 2020.

### MASTER'S PRIORITIES

I know that it is traditional for the Master to present the Priorities annually to the profession. A number of factors have conspired, since my taking office, to disrupt the previous timings. As well as Covid and the impossibility of the Society holding this

Conference until this year, there was the little matter of the LSB *“Well Led”* Review. Although the work was done more than a year ago, the LSB, for internal staffing reasons, took several months to issue it in final form. I wanted to receive their report before issuing my Priorities for consideration.

Accordingly, the Priorities were posted on the website on 11<sup>th</sup> July 2022 under the title: *“Business Plan (Master’s Priorities) and Practising Certificate Fee 2022/23 Consultation”*. Formal Consultation on the fees closed on 12<sup>th</sup> August, but officers and I shall be happy to listen to observations and answer questions on the Priorities at the Conference. I am grateful to the Society for including them in the summer edition of *The Notary*.

Before speaking to the Priorities, I shall say a little about the LSB Review and the work undertaken by the FO in response. The LSB’s Performance Assessment resulted in a majority of *“green lights”* on Regulatory Approach, Authorisation, Supervision and Enforcement, with *“amber lights”* under 4 of the *“Well Led”* and 2 of the *“Regulatory Approach”* criteria. Amber is used by the LSB to mean *“Not met – action being taken”*. In other words, whilst there was identified to be work still to do, the LSB recognised that it was being done.

We responded by means of an Action Plan against which we have been able to monitor the FO’s performance and share progress with the LSB. This can, at times, be a rather frustrating process – thinking that officers are satisfied but then finding that some concerns are maintained. In our dealings with the LSB, the Society can be assured that we emphasise the need for proportionality having regard to the relatively small size of the regulated community, the commensurately slim size of the FO’s administrative staff and the relatively low levels of risk compared to, say, the solicitors’

profession. These observations are heard and, apparently, accepted but it is hard not to feel that a 'one size fits all' approach is sometimes evident. However, on a more positive note, the LSB report thanked the FO for their co-operation and much has been achieved; here I must pay tribute to Mark Craig, Chair of the Advisory Board and an independent consultant in governance. Mark's work on the Action Plan and its implementation has been invaluable, though, sadly, interrupted by his serious illness since early in the summer. I wish to thank him profoundly on behalf of all of us and send him every good wish for his recuperation. The Action Plan is appended to this address in its current form, transparently demonstrating the work already undertaken and that which remains. Whilst nothing in it is likely to come as news to the Society, it is extremely helpful to have all this information gathered in one place and certainly aids transparency for all. Minutes, agendas and papers of both Master's and Advisory Board Meetings, as well as Key Performance Indicator data on admissions, inspections and disciplinary cases all now appear on the website.

An important part of our response to the LSB's Report was to set aside a day for considered reflection. We were wonderfully hosted at Bishopthorpe Palace, the residence of the Archbishop of York. In the splendour of that ancient building and the beauty of its grounds, we were expertly led by Mark Craig in thinking strategically about the FO and its work. Staff had the chance to share their ideas and to think about the work of the Office, free of immediate demands of agendas and outside pressures. One particular realisation was that the Priorities, at least in financial terms, needed to be articulated with an eye to a longer period than just one year. They are therefore based on a three year Business Plan, though will be reviewed annually.

I now turn to the Priorities themselves. There are 11 of them, grouped under the relevant Regulatory Objectives set out in s.1 of the 2007 Act.

**Protecting and promoting the interests of the consumer**

- 1) We will aim to complete the next phase of the Faculty Office's Entity Regulation project. We will continue to work with the Ministry of Justice and other stakeholders for the Order under section 69 of the Legal Services Act 2007 to enable the Faculty Office to have the legislative underpinning and begin its implementation. Brexit and Covid has delayed this project but this is an important priority for us and necessary for consumer protection. We will look to work with other regulators as entity regulation for the notarial profession is rolled out.
- 2) Insurance minimum terms, run off cover and the level of cover all need consideration and relevant changes made to our rules following a suitable consultation and after taking into account the findings of the LSB's research into the state of the professional indemnity market.

**Protecting and promoting the public interest and promoting and maintaining adherence to the professional principles.**

- 3) The Faculty Office discipline system is due for a review and there will be a Call for Evidence. We will start with a listening and consultation exercise with the expectation that some changes could be made to it. Given most notaries are non-contentious practitioners there is a potential shortage of suitably qualified "nominated notaries" (who act as investigators/prosecutors) for the range of disciplinary cases brought.
- 4) We will continue to review our regulatory arrangements with particular emphasis on the three sets of accounts rules: the Notaries Accounts Rules 1989 (as amended), the Notaries' Accounts (Deposit Interest) Rules 1989 and the Notaries Trust Accounts Rules 1989, as they are in need of modernising and consolidation.
- 5) The Faculty Office will continue to re-inforce the sanctions regime as outlined in its sanctions action plan and keep this work stream under review.
- 6) At the Faculty Office we will continue to build up the Faculty Office's reserves to the equivalent of six month's expenditure. Some additional funding will be allocated towards governance improvements at the Faculty Office particularly around the clerking of meetings.

### **Encouraging an independent, strong, diverse and effective legal profession**

- 7) Diversity – we will work with the profession and, in particular, with projects like the Notaries Society bursary scheme to widen the access to the notarial profession. We are committed to reviewing how to widen and diversify pathways into the profession and developing a proposal as to how this might be achieved and its impact on our regulatory arrangements.
- 8) Post-qualification requirements: we will consider the post-qualification environment for notaries who wish to practice in conveyancing and in wills, probate and administration to ensure that the right level of supervision is in place.
- 9) Wellbeing: we will consider how to better promote wellbeing amongst notaries, seeking to mitigate poor mental health and decision making, for example through the regime of continuing professional education.

### **Supporting the constitutional principle of the rule of law**

- 10) The Faculty Office is committed to education initiatives on this regulatory objective and we are looking to hold a high-profile seminar to explore the importance of notaries in upholding the rule of law.

### **Increasing public understanding of the citizen's legal rights and duties and improving access to justice. Legal Education.**

- 11) We remain committed to the Legal Choices project and developing it further.

By way of preview, I must begin by saying that the FO and I need the continued co-operation of the profession to make all of these Priorities into realities, to a greater or lesser extent.

Priorities 1 and 2, whilst badged as protecting and promoting the interests of the consumer, are also intended to assist notaries. Entity Regulation should provide greater flexibility, subject to proper assurances in the public interest. The Deputy Registrar, Ian Blaney, has led on this work, liaising with the MoJ on drafting and keeping this project “*warm*” despite the delays and I wish to record my thanks to him

for this work, as well as all his unfailing attention to detail while maintaining clarity of overall vision on many matters. Turning to insurance, I was struck by the blunt title of a talk given to the Queensland Society of Notaries, who celebrated their 100<sup>th</sup> anniversary over the summer, in which I participated remotely. They had a presentation on professional indemnity insurance entitled "*Don't lose the house*", which really says it all. As a result of our taking time to think strategically, to which I referred, we are convinced of the need to review current insurance arrangements, for everyone's benefit, and expect to consult on changes to rules during the course of the next three years.

Priorities 3 to 5 concern the critical regulatory objectives of promoting the public interest and adherence to professional principles. I am due to meet the Commissary and Deputy Commissary this autumn to hear their views as to the working of the disciplinary system. It is, of course, in the interests of the profession as a whole to ensure that the system is efficient and fair. This work is an area where, again, we shall seek your collaboration via consultation. In particular, we wish to explore whether all discipline has to be exercised through a tribunal system or whether certain lower-level bad practices might be better addressed through administrative sanctions. Further, we want to look at whether the system of having "nominated notaries" to investigate and prosecute cases can be improved. Additionally, we shall be exploring what follow-up action might be enforceable to deal with the possibility that notaries who are struck off are still holding onto client files, monies and trusteeships.

There is a range of priorities under the objective of encouraging an independent, strong, diverse and effective legal profession. Let me share with you a little of what I said to your Queensland colleagues, in the remote presence of their Chief Justice:

*"in this era of geo-political polarisation,..... the values that bind us together as democracies seeking to live by the rule of law are of the greatest significance, not only for us, but for the wider world. Notaries, pre-eminently amongst the legal professions, play a fundamental part in the conduct of what we might term private international relations – that commerce between citizens and corporate entities all over the world which not only supports and maintains economies but also builds connections between people of different racial groups, cultures, languages, faiths and ways of life. Expressing this role in terms of legal theory, it has been observed that the English notary provides the link between the institutions of the common law and those of the civil law<sup>5</sup> and the same is undoubtedly true of the notaries of Australia."*

The LSB, along with many other legal bodies and institutions, recognises the constitutional importance of lawyers being representative of the communities they serve. I have said that your profession appears to be becoming more balanced in terms of gender and ethnicity, but there is much to do in terms of communicating widely the importance and attractions of notarial work and widening access to the profession. I congratulate your Council on the creation of a Bursary to assist financially struggling notary Students.<sup>6</sup> I hope that this money can make a real difference to three recipients each year. The FO actively seeks to encourage diversity in its staff and Board appointments. Our most recent Advisory Board member, who has a profound hearing disability, has already made an invaluable contribution by helping us to think about regulation and service provision from the perspective of those for whom such matters can be daunting at best and exclusive at worst. We are very grateful to him and to all our Board members for their service to the FO and the profession via the diverse skills and perspectives which they bring. Our Boards will be much involved in the realisation of Priorities 6, 7 and 8. All this development work, as well as meeting the LSB's transparency requirements, brings more tasks for our already burdened staff

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<sup>5</sup> N.P. Ready (ed.), *Brooke's Notary*, 15<sup>th</sup> edn (Sweet & Maxwell/ Thomson Reuters, 2021) p.1 [1-01]

<sup>6</sup> *The Notary*, Summer 2022, President's Report.

and we recognise the need for more administrative support, despite the outstanding work done by Neil Turpin, the Registry Clerk, in particular. Some recent changes in personnel at the FO offer the opportunity to achieve this within budget.

The final two objectives, we hope, can be furthered by the Rule of Law lecture as well as collaboration with Legal Choices.

### CONCLUSION

There have been many expressions of thanks during this address, but there are two final important ones to add. Firstly, I want to thank the Registrar, Howard Dellar, for all that he does, with acuity, imagination and sensitivity. Finally, I must express my thanks to all of you for your welcome and support. Regulation, done well, must be a collaborative exercise and I sense great understanding of that principle and support for my work as Master, leading the Faculty Office.

Thank you.

MORAG ELLIS KC  
Master of Faculties





## **Action plan – monitoring update September 2022**

**This monitoring update paper is for Faculty Office staff and committees – it is not intended to be used outside the organisation.**

**Further updates will follow this format, with colour changes on the right-hand columns showing progress since the last review.**

**The current master version is held by Neil Turpin.**

**Comments on the changes described, or where progress as not been made, are set out at the end of this document.**

### **Status key:**

**Purple** – not yet started

**Red** – under way but off track

**Amber** – under way

**Green** – under way and fully on track

**Black** – completed

Action plan 2021/22						
Specific outcome	Key WL standard / Key report reference  <i>(all 'specific outcomes' cross over into other standards and report areas too)</i>	Action	Impact – how the action will address issues within the LSB review	Timescale for delivery	Status at 19.4.22	Status at 1.9.22
New governance manual	<p>This initiative is overarching across all proposed actions and impacts all WL standards</p> <p><b>Key WL standard – WL3</b></p> <p><b>Key report reference - 1.14a</b></p>	<p><b>In active development</b></p> <p><b>The governance manual structure is now agreed with the Master</b></p> <p>The manual content, built around the agreed framework, will be developed by the FO team</p> <p>The manual drafts will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Advisory Board</li> <li>• Qualifications Board</li> <li>• Master's Audit Committee</li> <li>• Master's Council</li> </ul>	<p>Establish a consistent, transparent and coherent way for how, when and by whom key governance elements will be delivered and overseen</p> <p>Ensure that good governance processes are embedded across the FO</p> <p>Ensure application of all good governance elements to a consistently high standard across the FO</p>	January 2022	<b>COMPLETED</b>	<b>COMPLETED</b>

		<p>for recommendation to the Master in January 2022</p> <p>The manual will embed clear, positive responses to the policy and procedural recommendations in the report</p>			
Management of risk	<b>WL3</b> <b>1.12</b>	<p><b>Further ongoing development of the comprehensive risk matrix recently introduced</b></p> <p>The matrix is key to managing risk in all areas of the FO's operation, and will be reviewed and developed at each meeting of the Master's Audit Committee</p> <p>The risk matrix will be reviewed at every meeting of:</p> <ul style="list-style-type: none"> <li>• Master's Audit Committee</li> </ul>	<p>Providing ongoing confidence to the regulated community that issues of risk are kept regularly under close review</p> <p>Ensuring that horizon scanning is part of ongoing risk assessments</p>	Ongoing	<b>COMPLETED COMPLETED</b>
Increased transparency	<b>WL3</b> <b>1.14b</b>	<p><b>Development of policy document on transparency</b></p> <p>This policy will enable stakeholders and interested parties to follow clearly how the FO's key activities are undertaken and monitored</p> <p>The policy will be embedded within the new FO governance</p>	<p>The ongoing publication of a defined range of FO evidence, drawn from across the WL3 examples of evidence (with additional evidence as appropriate)</p> <p>It will clearly identify, for all specified WL3 outcomes*, how they will be made accessible to all</p>	January 2022	<b>COMPLETED COMPLETED</b>

		<p>manual to be published in January 2022</p> <p>The policy draft will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Advisory Board</li> <li>• Master's Audit Committee</li> </ul>	<p>stakeholders and interested parties</p> <p>*the outcomes covered will include (in appropriate detail):</p> <ul style="list-style-type: none"> <li>• Decision-making (in particular, on how the Master is assisted in decision-making)</li> <li>• Regulatory approach</li> <li>• Risks and mitigation strategies</li> <li>• Performance against established KPIs</li> <li>• Costs</li> </ul>		
Scheme of delegation	<b>WL2</b> <b>1.14c</b>	<p><b>Development of policy document identifying the scheme of delegation</b></p> <p>This policy will define how decisions at all key levels are made and will specify decisions delegated by the Master and to whom / to which committee</p> <p>The policy will be embedded within the new FO governance manual to be published in January 2022</p>	<p>Make clear to stakeholders and interested parties how decisions at all key levels are made and by whom</p> <p>Ensure consistency in the recording of advice formally offered to the Master, and how that is made available, in line with the transparency policy</p>	January 2022	<b>COMPLETED COMPLETED</b>

		<p>The policy draft will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Advisory Board</li> <li>• Master's Audit Committee</li> <li>• Master's Council</li> </ul>	<p>Ensure consistency in delegated decision-making</p>			
Staff role descriptions	<p><b>WL2</b></p> <p><b>1.14c</b></p>	<p><b>Introduction of role descriptions for FO staff</b></p> <p>A programme of work will be undertaken to develop and introduce role descriptions for all FO staff members</p> <p><i><b>This work will necessarily involve appropriate formal consultation with staff, and additional time has been allowed for that process</b></i></p> <p>The plan to deliver this outcome will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Master's Council</li> </ul>	<p>Enable staff to clearly understand their own role in formal decision making</p> <p>Bring consistency and clarity to the way key decisions are made</p> <p>One central aspect will be to define each staff member's role in decision making, and in which matters delegated by the Master they can expect to take part</p>	February 2022		<b>COMPLETED</b>
Issues of privacy in Qualifications Board minutes	<p><b>WL3</b></p> <p><b>1.14d</b></p>	<p><b>Procedure for redacting Qualifications Board minutes</b></p> <p>An appropriate procedure will be introduced and embedded within the new FO governance manual to be published in January 2022</p> <p>The policy draft will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Qualifications Board</li> </ul>	<p>Maintaining transparency in all published FO minutes as far as is possible, given the need to maintain applicants' privacy in the context of the Qualifications Board</p>	January 2022		

Publishing policy	<b>WL3</b> <b>1.14d</b>	<p><b>Development of policy document on publishing FO documentation</b></p> <p>An appropriate publishing policy regarding minutes and other papers will be introduced</p> <p>The policy draft will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Advisory Board</li> </ul>	<p>Improved transparency across all FO documentation, including financial matters of interest to the regulated community</p> <p>Clear guidance for stakeholders and interested parties as to what they can expect to access</p>	January 2022	<b>COMPLETED</b>	<b>COMPLETED</b>
Appointments to the Advisory and Qualifications Boards	<b>WL2</b> <b>1.15</b>	<p><b>Development of policy document on appointment of members to the Advisory and Qualifications Boards</b></p> <p>An appropriate policy governing the appointment of members to the Advisory and Qualifications Boards will be introduced</p> <p>It will contain measures to ensure there is no undue influence on the FO from the notarial societies</p> <p>The policy draft will be reviewed by:</p> <ul style="list-style-type: none"> <li>• Advisory Board</li> <li>• Qualifications Board</li> </ul>	<p>Opportunity for undue influence on the FO by either of the notarial societies is significantly reduced</p> <p>Clarification as to the role of the notarial societies within FO structures</p>	January 2022	<b>COMPLETED</b>	<b>COMPLETED</b>
FO contract with LBMW / Value for money / Open tendering process	<b>WL3</b> <b>1.16</b>	<p><b>Contract with LBMW</b></p> <p>The Master will commission and develop a contract to</p>	The relationship between the FO and LBMW will be brought on to a transparent basis	October 2022		<b>COMPLETED</b>

		<p>govern the relationship between the FO and LBMW</p> <p><b>Value for money review</b></p> <p>The Master (working with the Master's Audit Committee) will commission and develop a process to review the value for money offered by the current link with LBMW. It is anticipated that reviews will take place on a four year cycle</p> <p>The first VFM review will take place in the first quarter of 2023</p> <p><b>Open tendering process</b></p> <p>A decision will be made by the Master after each VFM review as to whether to put in place an open tendering process</p>	<p>The regulated community will be able to have confidence that the FO's relationship with LBMW for the services it provides offers good value for money, and that it is kept under regular review</p> <p>Stakeholders and interested parties can be assured that the FO's resources are being well spent and kept under review, including through open tendering, at the Master's discretion</p>			
Staff with joint FO/LBMW responsibilities	<b>WL2</b> <b>1.16</b>	<p><b>Development of policy document on staff with both FO and LBMW work responsibilities</b></p> <p>A policy giving clarity as to how staff with joint responsibilities manage competing priorities will be introduced</p>	<p>Avoidance of any perception of conflict of interest regarding staff with dual roles</p> <p>Clarity as to the LBMW management fee incurred by the FO for services provided</p>	January 2022	<b>COMPLETED</b>	<b>COMPLETED</b>

		The policy draft will be reviewed by: <ul style="list-style-type: none"> <li>Master's Council</li> </ul>				
Deficit and reserves	<b>WL3</b> <b>1.16</b>	<b>Eliminating the FO 'notarial deficit' and achieving target level of reserves</b>  A plan for (a) delivering the rapid elimination of the deficit and (b) growing the FO reserve will be developed and introduced  The plan will be reviewed and monitored by: <ul style="list-style-type: none"> <li>Master's Audit Committee</li> </ul>	Clarity and transparency as to the level of deficit, how and when it will be eliminated and where the FO's reserves stand  Clarity on these issues in the context of future FO PCF applications and annual accounts  Clarity for the regulated community as to the FO financial position, and also on the regulated community's role in resourcing the FO as regulator for their activities	Nov 2021	<b>COMPLETED</b>	<b>COMPLETED</b>
Membership of the Master's Audit Committee	<b>WL2</b> <b>1.18</b>	<b>Expanding the membership of the Master's Audit Committee</b>  The rapid startup of the Master's Audit Committee in 2020 meant limited time for recruitment.  The MAC has space for additional members, and initial startup members will potentially stand down once further capacity is developed	Ensure diversity and appropriate skills mix  Provide an open and transparent recruitment process, offering opportunity to engage formally with the FO to interested parties  Develop increasing rigour in the assessment of areas of FO operation by the MAC	March 2022  <i>(in time for meeting 1 of the MAC in 2022)</i>		<b>COMPLETED</b>



		<p>The FO will undertake a skills audit and seek to recruit suitable new members of the MAC, in line with the policy document outlined in specific outcome 'Staff, board and committee recruitment' below</p> <p>The expansion of MAC membership will be kept under review by:</p> <ul style="list-style-type: none"> <li>• Master's Council</li> </ul>				
Expand lay membership of the Advisory Board	<p><b>WL2</b></p> <p><b>1.18</b></p>	<p><b>Identify and recruit new lay members to the Advisory Board</b></p> <p>The FO will seek to recruit two new members to the Advisory Board, reflecting the need for greater diversity on the Board.</p> <p>The plan will be kept under review by: Master's Council</p>	<p>Expansion of lay membership of the Advisory Board</p> <p>Increased diversity amongst membership of the Advisory Board</p>	September 2021	<b>COMPLETED</b>	<b>COMPLETED</b>
Staff, board and committee recruitment	<p><b>WL2</b></p> <p><b>1.19</b></p>	<p><b>Development of policy document covering recruitment of staff, board and committee members</b></p> <p>A policy defining processes for recruiting people into roles within the FO, both executive and non-executive</p> <p>Within that policy, issues of diversity will be reflected</p>	<p>Ensure confidence amongst the regulated community, stakeholders and interested parties that recruitment for all roles is fair, open and designed to ensure appropriate diversity</p> <p>Avoidance of related conflicts of interest</p>	January 2022	<b>COMPLETED</b>	<b>COMPLETED</b>

		The policy draft will be reviewed by: Master's Council			<b>INITIAL CONSUMER SURVEY COMPLETED</b>
Increased engagement with consumers of notarial services	<b>WL6 1.20 / 1.25</b>	<p><b>Expanded strategy for engagement with consumers</b></p> <p>The FO will assess how best to engage directly with consumers, and will work with other regulators to define opportunities for doing so</p> <p>The first expansion will be to undertake an initial process involving the LSB's recommended Consumer/Public Panel</p> <p>The plan will be kept under review by:</p> <ul style="list-style-type: none"> <li>Advisory Board</li> </ul>	<p>Provision of increasing opportunities for consumers of notarial services to engage directly with the FO</p> <p>Opportunity for the FO to listen to and learn from feedback from consumers</p> <p>Opportunity for the FO to listen to, learn from and share insights with other regulators</p>	<p>January 2022</p> <p><i>(for first process with Consumer Panel)</i></p>	
<b>1.21</b> Consultation processes	<b>WL6 1.21</b>	<p><b>Development of policy document covering consultations, publication of their outcomes and impact made by the consultation</b></p> <p>A policy defining processes for consultations undertaken by the FO, including a commitment to making known the impact which consultations had and how decisions were made</p>	<p>Increased transparency, with stakeholder views being clearly taken into account</p> <p>Encouragement to regulated community and others that consultations are effective and worthwhile</p> <p>Confidence for stakeholders and interested parties that FO</p>	<p>January 2022</p>	

		<p>This policy will cover issues of professional CPD and changes to Notarial Practice Rules, as well as other subjects</p> <p>The policy draft will be reviewed by:</p> <ul style="list-style-type: none"> <li>Advisory Board</li> </ul>	<p>policy is grounded in the opinions of those it serves</p>		<b>COMPLETED  (AND WORK WILL CONTINUE)</b>
<p>Increased horizon scanning and research</p>	<p><b>WL4</b>  <b>1.25a</b></p>	<p><b>Development of a programme of proactive horizon scanning and related research</b></p> <p>The FO will actively explore avenues for improved opportunities, in conjunction with the two notarial societies, notaries and other regulators</p> <p>This process will be reviewed by:</p> <ul style="list-style-type: none"> <li>Master's Council</li> </ul>	<p>Improved ability to anticipate developments in the field</p> <p>Engagement opportunities with the FO for the regulated community, stakeholders and interested parties</p> <p>Enhanced opportunity for the FO to listen to others</p>	<p>March 2022</p>	

**Status key:**

**Purple** – not yet started

**Red** – under way but off track

**Amber** – under way

**Green** – under way and fully on track

**Black** – completed

## Comments on the changes described above, or where progress as not been made

- Staff role descriptions: WL2 (1.14c) – Status change red to black:

This was scheduled for completion in February 2022. The role descriptions have been circulated and approved following discussions with affected staff. The status of this action has been changed from “underway but off track” to “completed”.

- Issues of privacy in Qualifications Board minutes: WL3 (1.14d) – Status changed from red to amber:

A policy to increase transparency of decision making whilst maintaining applicants’ privacy was due to be embedded in the governance manual in January 2022. The policy has now been prepared and approved by the Qualifications Board. It has yet to be implemented and action is being taken to remedy this.

Action required by: Chief Clerk/Deputy Registrar/Clerk to the Board

- Membership of the Master’s Audit Committee: WL2 (1.18) – Status change red to black:

This was scheduled for completion in March 2022 and required the FO to undertake a skills audit and seek to recruit suitable new members of the MAC. The skills audit has been completed and an advertisement was published in Third Sector as well as on the Faculty Office website. The advertisement resulted in a number of good candidates and, following interviews, appointments have been made both to the MAC and the MAB. Accordingly, the status of this action has been changed from “underway but off track” to “completed”.