



**CLC**

## **Corporate Governance Framework**

## **Introduction**

1. The Council for Licensed Conveyancers' Corporate Governance Framework sets out the responsibilities of the Council, Committees and Chief Executive. In addition, it aims to set out the CLC's commitment to operate in accordance with good practice with regard to its governance arrangements.

## **Status of the CLC**

2. The Council for Licensed Conveyancers ("the CLC") was established under the provisions of the Administration of Justice Act 1985 as the Regulatory Body for the profession of Licensed Conveyancers. The CLC has no representative function and is wholly independent of any representative body. As set out at section 28 Legal Services Act 2007 the CLC must, so far as is reasonably practicable, act in a way:
  - (a) which is compatible with the regulatory objectives set out at section 1 of the Legal Services Act 2007, and
  - (b) which it considers most appropriate for the purpose of meeting those objectives.
3. Further, the CLC must have regard to:
  - (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and
  - (b) any other principle appearing to it to represent the best regulatory practice.

## **The purpose of the CLC**

4. To set entry standards and regulate the profession of Licensed Conveyancers effectively in order to:
  - secure adequate consumer protection and redress;
  - promote effective competition in the legal services market, and;
  - provide choice for consumers.

## **Functions of the CLC**

5. The CLC fulfils its responsibilities by undertaking a range of activities, as follows:
  - Set educational and training standards for entry to the profession;
  - Issue licences to practise to those qualified to provide conveyancing services, probate services and other services regulated by the CLC to clients;
  - Maintain a register of all Licensed Conveyancers;
  - Set standards to regulate the professional practice, conduct and discipline of Licensed Conveyancers;
  - Set standards to maintain adequate professional indemnity insurance and a compensation fund to protect the public;
  - Monitor the work and conduct of Licensed Conveyancers and to determine whether they are meeting the required standards.

- Provide guidance and advice to Licensed Conveyancers to maintain compliance with the standards and those regulations relevant to the CLC's duty of consumer protection;
- Investigate complaints against a Licensed Conveyancer and order redress for the client for poor service where appropriate;
- Investigate allegations of misconduct against a Licensed Conveyancer and where appropriate take disciplinary proceedings before the Adjudication Panel;
- Collaborate with key stakeholders in the conveyancing and probate services market to monitor and shape the impact of proposed regulations on the conduct of Licensed Conveyancers in order to maintain adequate consumer protection.

## **Roles, responsibilities and conduct**

### **The Lay Chair**

6. The Lay Chair is responsible for providing leadership on the following matters:
  - Formulating the CLC's strategy for discharging its statutory duties
  - Encouraging high standards of propriety and probity and promoting the efficient and effective use of employees and other resources throughout the CLC
  - Ensuring that decision making in the CLC takes into account relevant, reliable evidence and information
  - Representing the views of the CLC to the general public
  - Providing a regular assessment of performance of individual Members and the Chief Executive
  - Ensuring that the Council is kept updated on any change in composition of the Council
7. The Lay Chair is also responsible for ensuring that all Members are fully briefed on the terms of their appointment, duties, rights and responsibilities.

## **Responsibilities of the Council**

### **Regulatory**

8. To exercise all monitoring regulatory, rule making, investigative, disciplinary, intervention, prosecution, enforcement, civil litigation and cost recovery powers vested in the CLC under the Administration of Justice Act 1985, the Courts and Legal Services Act 1990 and the Legal Services Act 2007.
9. To oversee all matters relating to the setting of standards for entry into the profession and the education and training of Licensed Conveyancers, including monitoring of training institutions and those providing authorised courses.
10. To oversee all matters relating to the keeping of the register of Licensed Conveyancers, the licensing of Licensed Conveyancers and the issuing of certificates to Recognised Bodies.
11. To oversee all matters relating to the setting and maintenance of ethical conduct and quality standards for Licensed Conveyancers, Regulated Practices (entities

regulated by the CLC) and any person employed or remunerated in connection with a Regulated Practice. In particular, to

- Set standards and regulatory policy to regulate the professional practice, conduct and discipline of Licensed Conveyancers or other Authorised Persons and Regulated Practices;
  - Set standards and regulatory policy to maintain adequate professional indemnity insurance and a compensation fund to protect the public;
12. To oversee the issue of guidance on the interpretation and application of rules and regulations made by the Council and on matters of professional conduct and standards to maintain compliance with the standards and those regulations relevant to the CLC's duty of consumer protection.
  13. To oversee all applications for waivers of the CLC's Rules or other dispensations.
  14. To oversee all matters relating to professional indemnity for Licensed Conveyancers including the making, revocation or amendment of indemnity rules under the Administration of Justice Act 1985.
  15. To oversee all matters relating to monitoring, securing or enforcing compliance by Licensed Conveyancers and Recognised Bodies with requirements imposed by primary or secondary legislation including rules and regulations made by the Council or guidance issued by the Council.
  16. To oversee all proceedings before the Adjudication Panel and all litigation arising from such proceedings.
  17. To oversee all matters relating to the Compensation Fund including making the Compensation Fund Rules, authorising the payment or refusal of grants over £50,000 and the financial management of that Fund.
  18. To oversee all matters relating to monies held following intervention, including the authorisation of the transfer of funds held on trust to the Compensation Fund subject to rights of subrogation.
  19. To oversee all matters relating to the payment of regulatory fees including the making of the Fees Rules.
  20. To approve the publication of any CLC consultation paper involving major issues of regulatory policy and any paper subsequently issued by the CLC in connection with that consultation if the subsequent paper involves any change to a policy previously approved by the Council.
  21. To approve the CLC's response to any significant consultation conducted by the Government or by another key stakeholder.
  22. To periodically review and if reasonably practicable, improve its arrangements for maintaining the independence of its regulatory functions.

23. To ensure that any individual, whether remunerated or not, with a role in the exercise of regulatory functions in the Council for Licensed Conveyancers is aware of and complies with the Internal Governance Rules made by the Legal Services Board currently in force and arrangements in place to maintain the independence of its regulatory functions.
24. To permit any Member of Council or employee of the CLC who considers that the independence or effectiveness of the regulatory functions is being or will be prejudiced to communicate directly with the Legal Services Board, Consumer Panel, OLC and other approved regulators after having first followed the process appropriate for the member or employee.
25. In the event that it is unable to resolve any point arising under or in connections with the Internal Governance Rules made by the Legal Services Board currently in force if it deems it appropriate to refer that point to the Legal Services Board for clarification and to accept any response provided by the Legal Services Board as determinative unless expressly indicated otherwise.
26. Where it considers that an action which would otherwise constitute a breach of the Internal Governance Rules made by the Legal Services Board currently in force is required by primary legislation, the matter will be referred to the Legal Services Board before any action is taken. It is accepted that the response of the Legal Services Board will be determinative.

### **Strategy**

27. To establish the overall strategic direction of the CLC.
28. To determine the strategic priorities for the CLC in alignment with its statutory functions.
29. To determine the strategic objectives and key performance targets relating to such priorities.
30. To approve the CLC's strategic plan proposed by the Chief Executive.
31. To monitor at regular intervals information about the CLC's performance in order to ensure that its functions are carried out efficiently and effectively.
32. To ensure that a distinction is maintained in practice between the strategic planning responsibilities of the Council and day to day management, which is the responsibility of the Chief Executive.
33. To ensure that the CLC has due regard to the views of stakeholders in the performance of its functions.

### **Financial Management**

34. To approve the CLC's annual business plan.

35. To approve the CLC's annual budget.
36. To prepare and approve the CLC's annual report and annual accounts.
37. To develop and approve any significant change in accounting policies and practices.
38. To ensure that the CLC has sufficient resources for its regulatory functions to be efficiently and effectively discharged, and that it uses such resources efficiently and achieves value for money.
39. To vary the payment of any grants where the full grant may jeopardise the viability and sustainability of the Compensation Fund.
40. To approve the appointment or removal of external auditors.

### **Appointments**

41. To approve the appointment of the Chief Executive and the terms and conditions of service.
42. To approve the broad policy in relation to the CLC's senior management team remuneration.
43. To maintain general oversight of the discharge by the Executive of the CLC's day to day business.

### **Committees**

44. To approve the terms of reference and membership of CLC Committees, standing or ad hoc and any changes to those matters.
45. To approve any delegation in accordance with the CLC's governance framework and any amendment and rescission of any such delegation.

### **Risk Management**

46. To ensure that the CLC has robust risk management processes in operation in the organisation.
47. To approve and oversee any major legal dispute in which the CLC is involved or potentially involved, including approving the commencement by the CLC of significant litigation, the defending of significant litigation and any decision on whether to appeal any significant judgement that has been given against the CLC.

### **Corporate Governance**

48. To monitor compliance with appropriate corporate governance codes, including the Legal Services Board's current Internal Governance Rules as necessary.

49. To approve arrangements in respect of CLC's policy on conflicts of interest in its governance arrangements.
50. To approve the corporate governance framework and ensure that high standards of governance are consistently maintained in the organisation.
51. To approve any changes to the CLC's Corporate Governance Framework including the Standing Orders as outlined in Annex C.
52. To undertake a regular formal review of the Council's own performance and that of its Committees.
53. To appoint the relevant Staff to perform the roles specified in Appointment Regulations.
54. To ensure that a transparent system of prudent and effective control exists.
55. To ensure that the CLC operates in accordance with its corporate values.
56. To ensure that all Council and Committee members abide by the current Code of Conduct for Members as outlined in Annex A and the seven principles of public life as outlined in Schedule B at the end of Annex A.

#### **Responsibilities of the Chief Executive**

57. The Chief Executive is responsible for safeguarding the funds of the CLC, for probity and regularity in the handling of those funds and the day to day operations and management of the organisation.
58. The Chief Executive will ensure that the financial affairs of the organisation are managed in accordance with the financial regulations as outlined in Annex D.
59. The Chief Executive will ensure that appropriate arrangements are in place to respond promptly and candidly to all requests for information by the Legal Services Board which it requires for the purposes of assessing and assuring compliance with the Information Governance Rules currently in place.
60. The Chief Executive will ensure that appropriate arrangements are in place to respond promptly and candidly to all requests for information by the Legal Services Board which it requires for the purposes of assessing and assuring compliance with the Internal Governance Rules currently in place.
61. The Chief Executive will ensure that any issue in relation to compliance with the Internal Governance Rules currently in force which can not be, or has not been, remedied within a reasonable period is reported to the Legal Services Board, whether the information is requested or not".

## **Delegation of Powers**

62. The CLC may delegate the discharge of its functions to the Lay Chair, Chief Executive, any executive director, any other individual and Committee, other than those functions which are granted specifically to the Council, or delegated by rules made by the CLC (such as the delegation of the functions of the Discipline and Appeals Committee and the Investigating Committee to the Adjudication Panel).
63. Any person to whom a function has been delegated (including a Committee) under paragraph 54 may delegate that function to one or more individuals or to a sub-committee.
64. Any new delegation of a function must provide for:
  - Decisions to be made at an appropriate level
  - The decision maker to have the necessary experience and skills to be able perform the functions in an effective manner
  - A clear line of accountability to the Council
  - Any person with authority to exercise a function to be entitled instead to refer it to a person or Committee which is more senior in the line of management, for example if it raises matters of public interest or if it raises a novel issue of policy or controversy
  - The exercise of a delegated power should be in accordance with the CLC's decision making guidelines
65. The Chief Executive is responsible for ensuring that the nature and scope of the delegation of functions is recorded and reviewed regularly.
66. All powers of the CLC which have not specifically been reserved to the Council, the Adjudication Panel, or delegated to a Committee shall be exercised on behalf of the CLC by the Chief Executive.
67. All powers delegated by the Council can be reassumed should the need arise and the Council reserves the right to deal with any matters previously delegated. The Council may revoke or vary any delegation.

## **Responsibilities of Committees**

68. In addition to the Investigating Committee and the Discipline and Appeals Committee which have been established by statute (and whose functions have been delegated to the Adjudication Panel by rules made by the Council) the Council may establish other Committees for the purpose of carrying out the statutory powers and functions of the Council and shall determine which of those statutory powers and functions shall be exercised by any such Committee.
69. The Council shall appoint the members of the Committees; and the composition of any such Committees may include Associate Members (who are not members of the Council).
70. The Council shall appoint the Chair for every Committee.



71. The Council shall keep under review the structure and scope of activities of each Committee.
72. The Council shall set out the terms of reference for each Committee as outlined in Annex B.



## **Annex A**

### **Code of Conduct for Council and Committee members**

**Code of Conduct for Members of  
The Council for Licensed Conveyancers**

***Citation, Commencement and Interpretation***

1. This Code may be cited as the Code of Conduct for Members of the Council for Licensed Conveyancers (2020), which came into force on 23 July 2020 on which date the Code of Conduct for Members of the Council for Licensed Conveyancers made on 20 February 2014 ceased to have effect.
  
2. In this Code:-
  - (a) unless the contrary intention appears, words importing the masculine gender include the feminine, words in the singular include the plural and words in the plural include the singular;
  
  - (b) “the 1985 Act” means the Administration of Justice Act 1985;  
“the 2007 Act” means the Legal Services Act 2007;  
“Associate Chair” or “Associate Deputy Chair” means an individual who has been appointed Chair or Deputy Chair of a Committee, but is not a Council Member;  
“Associate Member” means a member of a Committee who is not a Council Member;  
“the Council” means the Council of the CLC ;  
“the CLC” means the Council for Licensed Conveyancers established under section 12 of the 1985 Act;  
“Council Member” means a member of the Council;  
“Licensed Conveyancer” has the same meaning as in the 1985 Act;  
“Committee” means a committee of the Council;  
“Member” means a Council Member or an Associate Member;

a “Personal Interest” arises in a matter if a Member anticipates that a decision upon that matter might reasonably be regarded as affecting the well-being or financial position of –

- (i) themselves, a member of their family or a person with whom he has a business or social connection;
- (ii) a body which employs the persons identified in paragraph (i) above, or for which those persons have any significant degree of ownership, control or management

unless

it is a matter which a Member shares with other members of the public or as a Licensed Conveyancer or

it relates to a body to which he has been appointed or nominated by the Council as a representative;

a “Prejudicial Interest” arises if a Member has a Personal Interest which a member of the public with knowledge of the relevant facts would regard as so significant and particular that it could prejudice the Member’s judgement of the public interest;

“Staff” means all officers and employees appointed by the CLC in accordance with its powers under Schedule 3 of the 1985 Act.

### **Scope**

3. This Code applies to all Members at all times and represents the standards against which the conduct of Members and the Council will be judged by the public, the profession and by fellow Members.

## **Standards**

4. Members must by virtue of their appointment as Council Members and Associate Members, so far as is reasonably practicable, ensure that the CLC acts in a way—
  - (a) which is compatible with the regulatory objectives set out at section 1 of the 2007 Act (at Schedule A), and
  - (b) which they as Members consider most appropriate for the purpose of meeting those objectives.
  
5. Members must ensure that the CLC has regard to—
  - (a) the professional principles (at Schedule A) under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and
  - (b) any other principle appearing to them to represent the best regulatory practice.
  
6. Members must act in accordance with the following principles: -
  - (a) Members have a duty to abide by the principles of public life, (Nolan principles set out in Schedule B).
  - (b) Disclosure of Personal Interests
    - (i) Members have a duty to declare any Personal Interests relating to their membership of the Council or any of its Committees and to take steps to avoid any conflict of interest and should not place themselves in situations where their integrity may be questioned.
    - (ii) In particular, Members must declare any Personal Interest in a matter at any meeting during which the matter is discussed either at the commencement of that discussion or when it becomes apparent.

- (iii) A Member with a Prejudicial Interest in any matter must withdraw from a meeting whenever it becomes apparent that the matter is being considered, unless the meeting directs otherwise in which event he may not vote.
- (iv) Members must be aware of and comply with the Internal Governance Rules made by the Legal Services Board currently in force and arrangements in place to maintain the independence of its regulatory functions.

(c) Register of Members' interests

Members are required to register interests that are, or may be perceived as being, relevant or material to the business of the CLC by providing relevant details in writing to the Chief Executive in any of the following circumstances:

- Remunerated employment, office or profession of relatives other than with CLC;
- Other, regular significant sources of remuneration from an organisation or investment which might be considered relevant to the business of CLC;
- Directorships, whether remunerated or not, of any organisation;
- Membership of, or position of general control or management, of any:
  - Company, charity or body directed to charitable purposes
  - Body whose principal purposes included the influencing of public opinion or policy
  - Trade union or professional association
  - Other relevant public bodies

This list is not exhaustive and Members should use their judgment with regard to matters not listed above.

Members are responsible for keeping their entry in the Register up to date.

- (d) Members must make decisions (including the making of appointments) on merit taking into account the views of others, but reach their own conclusions on the issues before them and act in accordance with those conclusions;
- (e) Members are accountable for their actions and the manner in which they carry out their responsibilities;
- (f) Members must be as open as possible about their actions and those of the Council or of any Committee of which they are a member and be prepared to give reasons for those actions;
- (g) Members must do whatever they are able to ensure that the CLC uses its resources prudently and in accordance with the law.

### ***General Obligations***

- 7. A Member –
  - (a) must promote equality by not discriminating against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability, and
  - (b) must not do anything which compromises or which is likely to compromise the impartiality of an employee of the Council or another Member.
- 8. Maintain confidentiality of proceedings of the Council and agenda and other papers relating to them in line with the CLC's publication policy. Confidential papers and proceedings may not be disclosed to non-Members (other than Staff) without the authority of the Lay Chair of the Council or the Chief Executive. Such authority may be implied where, but only to the extent that, the particular disclosure is necessary for the execution of a resolution of the Council. Members must have particular regard to these duties in relation to communications with those outside the CLC or the Staff.
- 9. If they are concerned that the independence or the effectiveness of the CLC's regulatory functions is being or will be prejudiced, a Member must raise that concern with the Lay Chair or at a meeting of Council. If the concern is not resolved, the

Member may communicate that concern directly with the Legal Services Board, Legal Services Consumer Panel, Office for Legal Complaints or other approved regulators.

10. A Member must not conduct themselves in a manner which could reasonably be regarded as bringing the Council or the CLC into disrepute.
11. A Member must not use their position improperly to confer on or secure for any person an advantage or disadvantage.
12. Each Member must comply strictly with any procedure for claiming expenses and allowances in connection with their duties as a Member.

### ***Relations between Members and Staff***

13. Members must accept that: -
  - (a) both Members and the Staff serve the CLC in the performance of its statutory obligation but their responsibilities are distinct;
  - (b) Members are responsible to the public and serve only so long as their term of office lasts;
  - (c) The Staff is accountable to the Council through the Chief Executive. The Staff offers advice to the Council and to its Committees and carries out the CLC's work under the direction and control of the Chief Executive.
14. Mutual respect between Members and the Staff is essential to enable the Council to carry out its duty under section 28 of the 2007 Act.
15. Members must in all communications with each other, the Staff and the public observe the highest professional standards of courtesy and propriety.
16. Members must at all times observe the law of employment, this Code and standing orders insofar as they set out the procedures for the appointment, discipline and dismissal of members of the Staff.



17. Any complaint by a Member against a member of the Staff must be referred through the Chair of the Council to the Chief Executive, who will invoke the procedure for the determination of the complaint consistent with the rights of the Member and of the member of the Staff under their contracts of employment and the law of employment.
18. Any complaint by a member of Staff against a Member must be referred to the Chair of the Council (or, if the complaint is against the Chair of the Council, to the Chair of the Audit and Risk Committee), who will invoke the procedure for the determination of the complaint consistent with the rights of the Member and of the member of Staff under their contracts of employment and the law of employment.
19. Any complaint by a Member against another Member must be referred to the Chair of the Council (or, if the complaint is against the Chair of the Council or made by the Chair of the Council, to the Chair of the Audit and Risk Committee), who will invoke the procedure for the determination of the complaint consistent with the rights of the Members under their contracts of employment and the law of employment.

### ***Rights and Obligations of Council Members***

20. Members are entitled to communicate freely with each other and with members of the Staff except in cases of dispute or complaint where the procedures set out in paragraphs 16, 17 and 18 apply.
21. Any communication between Members and members of the Staff will be treated as a communication with all other Members unless indicated to be “not for circulation”.

### ***Register of Gifts and Hospitality***

22. Members are required to comply with the CLC’s guidance on accepting entertainment, gifts and hospitality. Members must exercise the utmost care in accepting hospitality or gifts where there could be a real or perceived conflict with their official duties at the CLC.

23. Members must decline a gift, reward or hospitality, which might or might appear to place them under any obligation to the giver; compromise their impartiality; or otherwise be improper; where the offer is more frequent or regular than would be regarded as normal or reasonable, taking into account the nature and value of the item.
24. The following broad guidelines may assist Members to assess the suitability of accepting an invitation:
- Event-based hospitality that presents networking opportunities with CLC stakeholders, and which might therefore inform or promote the work of CLC is generally acceptable;
  - Work-related hospitality from a single stakeholder is acceptable where it can clearly be seen to be of value to the CLC's work;
  - Hospitality that benefits the recipient personally should be avoided if it is difficult to justify as being of benefit to the CLC, or if there is a risk of possible bias or adverse publicity.
25. A Member must notify the Chief Executive of the existence and nature of any gifts or hospitality he has received (whether accepted or not) in their capacity as a Member where the value exceeds £20.00 for any one gift.
26. The Chief Executive will maintain a register recording matters disclosed by Members in accordance with paragraph 24 of this Code which may be inspected by Members.

***Public speaking and media contact***

27. The Chair of the Council and Chief Executive (or those nominated to act for them) will act as the spokesperson for the organisation. If Members attend events where issues related to CLC policy are discussed, Members must make it clear that any opinions they are offering are given in a personal capacity and do not necessarily reflect the view of the organisation.
28. Members must forward any requests received in their capacity as a Member of the Council to speak at external events or to the media to the Communications Manager,

who will make the necessary arrangements with the Chief Executive, or obtain approval from the Chair of the Council as appropriate.

29. There are no restrictions on Members having access to the media in their non CLC capacity, or in pursuit of a professional interest.



## Schedule A

**“The regulatory objectives”** is a reference to the objectives of—

- (a) protecting and promoting the public interest;
- (b) supporting the constitutional principle of the rule of law;
- (c) improving access to justice;
- (d) protecting and promoting the interests of consumers;
- (e) promoting competition in the provision of conveyancing services, probate services and other services regulated by the CLC;
- (f) encouraging an independent, strong, diverse and effective legal profession;
- (g) increasing public understanding of the citizen’s legal rights and duties;
- (h) promoting and maintaining adherence to the professional principles.

The **“professional principles”** are—

- (a) that authorised persons should act with independence and integrity,
- (b) that authorised persons should maintain proper standards of work,
- (c) that authorised persons should act in the best interests of their clients,
- (d) that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice, and
- (e) that the affairs of clients should be kept confidential.

## **Schedule B**

### **The Seven Principles of Public Life (Nolan Principles)**

#### **Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

#### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

#### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

#### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

#### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

#### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

#### **Leadership**

Holders of public office should promote and support these principles by leadership and example.



## **Annex B**

### **Terms of Reference**

## **Council Terms of Reference**

1. The conduct of business of the Council is governed by the Code of Conduct for Members of the Council for Licensed Conveyancers.

### **Membership**

2. The Council will make appointments of Members to the Council, including the Council Chair, for a term of up to four years.
3. The Council will consist of a non-executive Lay Chair, 8 non-executive members and the Chief Executive.
4. The Lay members of the Council shall exceed the number of Licensed Conveyancer (or other Authorised person) Members as defined within the Regulations for the Appointment and Service of Council Members 2020.
5. Membership of the Council will be reviewed at the end of each Member's term of office with the possibility of re-appointment once only, for a further term of office of up to four years.

### **Reporting**

6. The Council will report on its work to the CLC's stakeholders through an Annual Report which will be published each year.
7. As soon as is practicable minutes of each meeting will be circulated to members for noting.

### **Responsibilities**

8. The responsibilities for the Council are set out in section 1 of the CLC's Corporate Governance Framework.

### **Review of Effectiveness**

9. The Council will review its own effectiveness and terms of reference annually and implement any recommendations for change.
10. The Lay Chair of the Council will review annually the performance of Members. The Council's Appointments Committee will have regard to individual appraisals and a regular audit of skills needed when considering the reappointment or extension of terms of office for Council members in compliance with the CLC's Regulations for the Appointment and Service of Council Members 2020 (or as amended from time to time).
11. The Council's Appointments Committee will oversee an annual appraisal process for the Lay Chair of the Council that will be conducted by an independent adviser.

## **Authority**

12. The Council is authorised to review or investigate any activity within its statutory powers.
13. The Council may require the Staff to carry out such additional activity as it deems appropriate within its terms of activity.
14. The Council may at its discretion appoint additional Council members within the limits set by the Administration of Justice Act 1985 schedule 3 on the understanding that all other provisions of the Regulations for the Appointment and Service of Council members 2020 are met.
15. The Council may delegate some of its powers as appropriate to members of Staff on the recommendation of the Chief Executive in accordance with a scheme of delegation.

## **Meetings**

16. The Council shall meet at least twice a year. The Lay Chair of the Council may convene additional meetings when considered necessary.
17. A minimum of four Members of the Council including the Lay Chair must be present for the meeting to be quorate provided at least one Licensed Conveyancer (or other Authorised person) member is present and there is a lay majority.



## **APPOINTMENTS COMMITTEE**

### **TERMS OF REFERENCE**

1. The Conduct of business of the Council and Council Committees is governed by the Code of Conduct for Members of the Council of Licensed Conveyancers
2. The Council has established an Appointments Committee to support its responsibilities for the recruitment of non-executive members under the Regulations for the Appointment and Service of Council members.
3. The Appointments Committee is responsible for the appointment of non-executive members of the Council, the Adjudication Panel, the Chief Executive (and where requested other senior staff) and, where applicable to determine extensions to their term of office, subject to the provisions of tenure of office and membership contained within the Regulations for the Appointment and Service of Council members 2020.

#### **Authority**

4. The Committee is authorised by the Council to review or investigate any activity within its terms of reference.
5. The Committee is authorised by the Council to require of the staff such additional activity as it deems appropriate within its terms of reference.
6. The Committee may delegate some its powers as appropriate to members of staff on the recommendation of the Chief Executive in accordance with the scheme of delegation approved by Council.
7. The Committee is authorised to obtain independent legal or professional advice as approved in the budgets in support of its decision making.

#### **Membership**

8. The Appointments Committee shall comprise of a Chair, which will be the Lay Chair of the Council, and two Council members, namely:
  - Lay Chair of the Council
  - Professional member
  - Lay member of Council

#### In Attendance only – non-voting

- Chief Executive
9. Members of the Appointments Committee or attendees are not be permitted to participate on a Committee which has been convened to consider extension to their own tenure of office.

10. Where a member of the Appointments Committee cannot attend a meeting, the Committee may co-opt alternative member(s) provided that the composition of the Committee retains a lay majority. The Committee may co-opt such other person(s) as it deems necessary for the proper execution of its duties.
11. All appointments made under paragraph 9 or 10 shall be made in consultation with the Lay Chair of the Council and the Chief Executive, who will report the recommended appointment to the Council for approval.

### **Meetings**

12. The Committee shall meet at such times as required.
13. The meeting will be quorate provided that the Chair and a professional member are present and there is a lay majority.

### **Responsibilities**

14. To review, agree and recommend to the Council the appointment of Council members including the following:
  - Oversight and participation in the shortlisting, interview and selection process for Council members in compliance with the CLC's Regulations for the Appointment and Service of Council Members 2020 (or as amended from time to time).
  - The terms of office for Council members in compliance with the Regulations for the Appointment and Service of Council Members 2020 (or as amended from time to time).
  - Oversight of the balance of skills represented across the constituency of the CLC's governance structures
  - Oversight of the appraisal process for Council members
  - Agreement and oversight of the process for the annual performance review of the Chair of the Council to be conducted by an independent adviser
  - The reappointment or extension of terms of office for Council members in compliance with the CLC's Regulations for the appointment and Service of Council Members 2020 (or as amended from time to time), taking into account individual appraisals, which are confidential.
  - To review the Terms of Reference no less than once every three years.
15. To review, agree and recommend the appointment of the Chief Executive.
16. If requested by the Chief Executive, to review, agree, recommend the appointment of other senior staff.

**Reporting**

17. The Committee Lay Chair, or in their absence, another lay member of the Appointments Committee will submit the Committee's recommendations to the subsequent meeting of the Council for ratification.
18. Minutes of each meeting will be circulated to members as soon as practicable.
19. Minutes of meetings of the Appointments Committee will be confidential.

**Review of Effectiveness**

20. The Committee will review its own effectiveness. The review results will be reported to the Council, including any recommendations for change.

## **Audit and Risk Committee Terms of Reference**

### **Introduction**

1. The Council has established an Audit and Risk Committee to support its responsibilities in the areas of principal risk, control and governance and associated assurance as follows:
  - Review the comprehensiveness of assurances in meeting the Council and Chief Executive's assurance needs;
  - Review the reliability and integrity of these assurances;
  - Provide an opinion on how well the Council and Chief Executive are supported in decision making and in discharging their accountability obligations (particularly in respect of financial reporting and risk management)
2. The conduct of business of the Audit and Risk Committee is governed by the Council's Standing Orders for Committees.

### **Membership**

3. The Council will make appointments to the Committee, including the Committee Chair, for a term of office of up to four years.
4. The Lay Chair of the Council may not be a member of the Audit and Risk Committee.
5. The Chief Executive may not be a member of the Audit and Risk Committee
6. The Committee will consist of a lay Chair and up to three other Council Members.
7. The Committee may co-opt such other person as it deems necessary for the proper execution of its duties. All such appointments shall be made in consultation with the Chief Executive who will report the recommended appointment to the Council for approval.
8. Membership of the Committee should include a member with recent accounting or auditing experience
9. Membership of the Committee will be reviewed at the end of each Member's term of office with the possibility of re-appointment once only, for a further term of office of up to four years.

### **Reporting**

10. The Audit and Risk Committee will report back to the Council after each meeting.
11. The Audit and Risk Committee will provide the Council with an annual report, timed to support the finalisation of the accounts and the Statement on Internal Control, summarising its conclusions from the work that it has carried out during the year, with particular reference to the organisation's principal risk, governance

and internal control framework and the independence and objectivity of the external auditors.

12. The Committee Chair, or in their absence, another member of the Committee will advise the Lay Chair of the Council of the key issues arising from the Committee's work and the Committee's recommendations as appropriate in advance of the next Council meeting following a Committee meeting.

## **Responsibilities**

13. The Audit and Risk Committee will advise the Council on, and where appropriate make recommendations for changes to:
  - CLC's processes for principal risk, control and governance and the Statement on Internal Control;
  - Assessing the effectiveness of principal risk & control processes
  - CLC's accounting policies, accounts and financial annual report. This should include accounting policies and practice, compliance with laws and accounting standards and major matters of judgment. It will also cover the process for review of the accounts prior to submission for audit, levels of errors identified, and management's letter of representation to the external auditors;
  - The CLC's Procurement Policy
  - The planned activity and results of both internal and external audit;
  - The adequacy of management's response to the issues identified by audit activity including external audit's management letter;
  - Assurances relating to the corporate governance requirements for the CLC;
  - Receive reports from Management on the effectiveness of the systems they have established
  - The adequacy of anti-corruption policies, including annual review and maintenance of whistle-blowing, anti-fraud policy, anti bribery policy (see also paragraphs 31-33) and anti-money laundering policy and processes;
  - Where appropriate, proposals for tendering for either internal or external audit services and for purchase of non-audit services from contractors who provide audit services;
  - The appointment or dismissal of any external organisation appointed to provide internal audit services;
  - The appointment, resignation or dismissal of any external organisation appointed to provide external audit services;
  - The effectiveness of the internal audit function including the internal audit strategy and plan and the nature and scope of the internal audit programme and the planning, undertaking and management of the internal audit process;
  - The effectiveness of the external audit function including the external audit plan and the nature and scope of their audit programme and the planning and its independence and objectivity,
  - Developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking

into account the relevant regulations and ethical guidance in this regard, and reporting to the Council on any improvement or action required;

- The fees and annual costs of internal and external audit;
- The operation of the CLC's Code of Conduct;
- Any other matters referred to it by the Council.

### **Review of Effectiveness**

14. The Audit and Risk Committee will review its own effectiveness every two years and report the results of that review to the Council. The Audit and Risk terms of reference will be reviewed as required and any recommendations for amendments made to Council.
15. The Chair of the Committee will annually review the performance of members and this will be included as part of the annual appraisal of the relevant Council members completed by the Lay Chair of the Council. These individual annual reviews will be used as the basis for assessment of members at the point of re-appointment. The Lay Chair of the Council will review annually the performance of the Chair of the Committee.

### **Authority**

16. The Committee is authorised by the Council to review or investigate any activity within its terms of reference.
17. The Committee is authorised by the Council to require members of Staff to undertake such additional activity as it deems appropriate within its terms of activity.
18. The Committee may delegate some of its powers as appropriate to members of Staff on the recommendation of the Chief Executive in accordance with a scheme of delegation approved by Council
19. The Committee is authorised to obtain independent legal or professional advice as approved in the budgets to support its decision making.

### **Access**

20. The representatives of internal and external audit will have free and confidential access to the Chair of the Audit and Risk Committee between meetings, and the Audit and Risk Committee if required at each meeting.
21. The Chief Executive will have free and confidential access to the Audit and Risk Committee and to its Chair.

### **Meetings**

22. The Audit and Risk Committee will meet at least twice a year. The Chair of the Audit and Risk Committee may convene additional meetings when considered necessary.

23. Meetings will be scheduled to coincide with key dates in the audit and financial reporting cycle and, as far as possible, in close proximity and prior to Council meetings
24. A minimum of three members of the Committee will be present for the meeting to be quorate provided there is a lay majority.
25. Audit and Risk Committee meetings will normally be attended by the Chief Executive, a representative of internal audit and, if appropriate, a representative of external audit.
26. The Audit and Risk Committee may instruct other members of Staff to attend to assist it with its discussions on any particular matter.
27. The Audit and Risk Committee may ask any or all of those who are not members to withdraw to facilitate open and frank discussion of particular matters.
28. The Council, Chief Executive, internal audit or external audit may ask the Audit and Risk Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice.

### **Information Requirements**

29. The Audit and Risk Committee will be provided with the following at each meeting:
  - A report summarising any significant changes to the CLC's principal risk register;
  - A progress report from internal audit summarising work performed (and a comparison with work planned), key issues emerging from internal audit work, management's response to audit recommendations, changes to the periodic plan, any resourcing issues affecting the delivery of internal audit objectives;
  - Internal and External Audit will have an opportunity at each meeting to raise any issues with the Committee without any member of Staff being present.
30. In addition, as and when appropriate, the Committee will receive:
  - External audit's audit strategy
  - The internal audit strategy
  - Proposals for the terms of reference of internal audits
  - Full reports and follow up reports from internal audit investigations
  - The internal audit's annual opinion and report; quality assurance reports on the internal audit function
  - A progress report from the External Audit representative
  - The CLC draft accounts
  - The CLC's draft Statement on Internal Control
  - A report on any changes to accounting policies
  - External audit's management letter
  - A report on any proposals to tender for audit functions
  - A report on co-operation between internal and external audit

- Details of single tender contracts
- Any other material that the Committee reasonably requires in order to fulfil its responsibilities.

### **The Anti-Bribery Act**

31. The CLC prides itself on maintaining the highest standards of ethical behavior and as such strictly prohibits the offer, giving or acceptance of bribes by Council and Committee members, Directors, employees and all other parties working on its behalf.
32. The CLC aims at all times to limit its exposure to the risk of bribery and corruption by:
  - Setting out a clear Anti-bribery Policy in its staff handbook;
  - Training all employees so that they can recognise and avoid the use of bribery by themselves and others;
  - Encouraging employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
  - Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
  - Taking firm action against any individual(s) involved in bribery.
33. The Council is wholly committed to ensuring the CLC conducts business in an ethical manner and without bribery. As such, the CLC's Anti-bribery Policy and its zero tolerance provisions apply to all Council and Committee members, Directors and employees of the CLC, and to all other parties, agents or bodies acting on the CLC's behalf.



## **Remuneration Committee Terms of Reference**

### **Introduction**

1. The Council has established a Remuneration Committee to support its responsibilities.
2. The Committee is responsible for reviewing the Council's remuneration policy and ensuring the remuneration policy for staff, Council and Committee members meets all legal obligations and the needs of the organisation.
3. The conduct of business of the Remuneration Committee is governed by the Council's Standing Orders for Committees and will be conducted by reference to the UK Corporate Governance Code for Remuneration Committees in order to comply with best practice.
4. The Committee shall ensure the Council implements and maintains remuneration policies, procedures and practices that promote sound and effective management and take full account of risks.

### **Authority**

5. The Committee is authorised by the Council to review or investigate any activity within its terms of reference.
6. The Committee is authorised by the Council to require of the Staff such additional activity as it deems appropriate within its terms of reference.
7. The Committee may delegate some of its powers as appropriate to members of Staff on the recommendation of the Chief Executive in accordance with a scheme of delegation approved by Council.
8. The Committee is authorised to obtain independent legal or professional advice as approved in the budgets to support its decision making.
9. The Committee may undertake such activities as may from time to time be delegated to it by Council.

### **Membership**

10. The Council will make appointments to the Committee, including the Committee Chair for a term of office of up to four years.
11. The Committee will comprise of a Chair and three Council members and will include one professional member and a lay member.

12. The Committee may co-opt such other person(s) as it deems necessary for the proper execution of its duties. All such appointments shall be made in consultation with the Chair of the Council who will report the recommended appointment to the Council for approval.

### **Meetings**

13. The Committee shall meet at least twice a year. The Chair of the Committee may convene additional meetings as necessary.
14. A minimum of three members of the Committee, including a lay member and a professional member will be present either in person or via telephone conference call for the meeting to be quorate provided that there is a lay majority.

### **Remuneration Principles**

15. The Committee should consider the packages needed to attract, retain and motivate all staff but should avoid paying more than is necessary.
16. The Committee should take account of the remuneration packages offered by organisations that compete for the same staff, which should not be an overriding factor.
17. The Committee should be sensitive to the Council's financial position when determining salary increases and bonuses.

### **Responsibilities**

18. To review, agree and recommend to the Council on the appropriate remuneration policy for staff, Council and Committee members including the following:
  - The overall remuneration framework – salaries, bonus and packages - for staff including separate arrangements for the Chief Executive and the Executive Directors where appropriate;
  - The annual pay reviews for staff including separate arrangements for the Chief Executive and the Executive Directors where appropriate;
  - The arrangements for termination of employment where this is outside of standard contractual terms.
  - Where proposed, the application of non standard terms contractual or otherwise for the Chief Executive and the Executive Directors;
  - The arrangements for termination of employment and other contractual terms for the Chief Executive and the Executive Directors;
  - The remuneration and expenses policy for Council and Committee members;

19. To review the Terms of Reference of the Committee on an annual basis.
20. To review the policy statement on remuneration and all other policies contained in the staff handbook on a rolling twelve month basis.
21. To review the content of the Staff Handbook on a two yearly basis and no longer than 5 years if possible.

All considerations and decisions of the Committee are made with consideration to legal and diversity issues.

### **Reporting**

22. The Committee Chair, or in their absence, another member of the Committee will advise the Council of the Committee's recommendations at the next Council meeting following a Committee meeting.
23. As soon as is practicable, minutes of each meeting will be circulated to members for noting. They will otherwise remain confidential.
24. The Committee will report on its activities, without breaching confidentiality, in the CLC's Annual report.

### **Review of Effectiveness**

25. The Committee will review its own effectiveness. The review results will be reported to the Council, including any recommendations for change.





## **Annex C**

### **Standing Orders**

## **Council for Licensed Conveyancers Standing Orders**

Made on 31 October 2019 by the Council pursuant to section 12 and schedule 3 of the Administration of Justice Act 1985.

### **Contents**

1. Citation and Commencement
2. Dates of Council Meetings
3. Extraordinary Meetings
4. Chair
5. Quorum
6. Virtual Meetings
7. Order of Proceedings
8. Rescission of Resolutions
9. Amendments
10. Right of Reply
11. Closure of Debate
12. Voting
13. Minutes
14. Confidentiality
15. Code of Conduct

#### **1. Citation and Commencement**

These Standing Orders may be cited as the Council for Licensed Conveyancers' Standing Orders 2019 and came into force on 31 October 2019 after which date the Council for Licensed Conveyancers' Standing Orders 2014 ceased to have effect.

#### **2. Dates of Council Meetings**

There shall be at least two ordinary Council Meetings each year on dates to be determined by the Lay Chair. The Lay Chair shall have power to alter any date on which a meeting is to be held.

#### **3. Extraordinary Meetings**

An extraordinary Council Meeting may be called on at least 72 hours' notice (24 hours' notice for a Virtual Meeting) by the Lay Chair, or any four members of the Council or the Chief Executive.

#### **4. Lay Chair**

4.1 The Lay Chair shall be taken at Council Meetings by the Lay Chair or if the Chair is absent or declines to take the Chair then the Members present shall choose a lay member to take the Chair.

4.2 The Lay Chair shall conduct the meeting and may determine whether paragraph 6 should apply. Adjournment of the meeting may take place at the discretion of the Chair and if the Council so resolves.

4.3 No Council Member shall be entitled by virtue of office to exercise any function of the Council unless authorised by the Council.

**5. Quorum**

A meeting of the Council shall not begin (or if begun shall stand adjourned) if less than four Council Members are present (to include a minimum of one Licensed Conveyancer and one Lay Member) or where there is no lay majority.

**6 Virtual Meetings**

The Council may hold any extraordinary Council Meeting in whole or in part by video link, telephone or other means of instantaneous two way electronic communication. Taking part in this way will be counted as being present at the meeting. These meetings will be treated as taking place where most of the participants are (or where the Lay Chair is if there is no majority in any one place).

**7. Order of Proceedings**

7.1 The agenda for Council meetings shall be set by the Lay Chair in consultation with the Chief Executive.

7.2 The order of business shall be set out in the circulated agenda.

7.3 No motion, other than a motion from the Lay Chair, shall be discussed unless proposed and seconded.

7.4 Members shall speak only when called by the Lay Chair.

7.5 Members' speeches shall be concise and to the point. In any event no member shall speak for more than five minutes except with the consent of the Lay Chair.

**8. Rescission of Resolutions**

No resolution of the Council shall be rescinded in whole or in part within 12 months of it having been made unless written notice has been given to the Members no later than 72 hours prior to the meeting at which the motion to rescind is to be put and a motion to so rescind is carried.

**9. Amendments**

9.1 An amendment which shall be relevant to the motion shall not be discussed unless it has been proposed and seconded. Only one amendment may be discussed and voted upon at a time.

9.2 If an amendment is lost, other amendments may be moved to the original motion. If an amendment is carried, the motion so amended shall become the substantive motion to which any further amendment may be moved.

**10. Right of Reply**

10.1 The proposer of a motion shall have a right of reply at the end of the debate immediately before the vote on the motion is taken.

10.2 If an amendment is proposed and seconded, the proposer of the original motion shall have the right to speak first after the proposer of the amendment. He shall also have the right to reply at the close of the debate on the amendment.

10.3 The proposer of an amendment shall have no right of reply to the debate on their amendment.

**11. Closure of Debate**

11.1 A member who wishes to close the debate may attempt to do so by proposing either:

- (a) that the question be put; or
- (b) that the meeting proceed to the next business.

11.2 The proposer of the resolution under discussion shall have the right to reply before the motion is put.

**12. Voting**

12.1 All questions shall be decided by a majority of the Members present and voting.

12.2 All Members of the Council shall have a single vote. The Chair shall have no vote unless there is no majority, in which event the Chair will have a casting vote.

12.3 In the event that the number of abstentions exceeds the number of votes in favour, the motion shall fail.

**13. Minutes**

13.1 Any resolution passed shall be recorded in the Minutes.

13.2 A member of Staff will be responsible for taking Minutes of all meetings save as determined by the Council.

13.3 Any decision on a regulatory function taken at a meeting where there is either no lay majority or no lay chair (or both) must be ratified within a reasonable time either at the next meeting when there is both a lay majority and a lay chair or, if this is not practicable, at a virtual meeting.

**14. Confidentiality**

All proceedings of the Council and all agenda and other papers relating to them are confidential to the Members and may not be disclosed to non- Members without the authority of the Chair of the Council or Chief Executive. Such authority may be implied where, but only to the extent that, the particular disclosure is necessary for the execution of a resolution of the Council. Members must have particular regard to these duties in relation to communications with those who are not Council Members or members of Staff.

**15. Code of Conduct**

Members must conduct themselves at meetings in accordance with the Code of Conduct for Members of the Council for Licensed Conveyancers.



## **Council for Licensed Conveyancers Committee Standing Orders**

Made on 31 October 2019 by the Council for Licensed Conveyancers pursuant to section 12 and schedule 3 of the Administration of Justice Act 1985.

### **Contents**

1. Citation and Commencement
2. Applicability
3. Dates of Committee Meetings
4. Committee Chair and Committee Members
5. Quorum
6. Virtual Meetings
7. Order of Proceedings
8. Voting
9. Minutes
10. Confidentiality
11. Code of Conduct

#### **1. Citation and Commencement**

These Standing Orders may be cited as the Council for Licensed Conveyancers' Committee Standing Orders 2019 and came into force on 31 October 2019 on which date the Council for Licensed Conveyancers' Committee Standing Orders 2014 ceased to have effect.

#### **2. Applicability**

With the exception of the Adjudication Panel these Orders apply to each Committee of the Council as constituted from time to time.

The Adjudication Panel shall determine its own procedure in accordance with these Standing Orders, guidance published from time to time by the CLC and the overriding requirement of fairness.

#### **3. Committee Meetings**

Each Committee shall meet on such dates as shall be determined by the Chair of the Committee in consultation with members of Staff. The Chair of each Committee shall have power to alter any date on which a meeting of the Committee of which they are Chair is to be held and determine whether paragraph 6 should apply.

#### **4. Committee Chair and Committee Members**

4.1 The Chair and members of each Committee shall be appointed by the Council.

4.2 The membership of each Committee may include persons who are not members of the Council, i.e. a specialist, these people will be co-opted on to the committee in agreement with the Council.

4.3 The Chair shall be taken at all Committee meetings by the Chair of that Committee but if the Chair is absent or declines to take the Chair then the members present shall choose one of their number to take the Chair.

4.4 The Chair shall conduct the meeting. At their discretion the Chair may adjourn the meeting and shall do so if the Committee so resolves.

**5. Quorum**

No meeting of any Committee shall begin (or if it has begun it shall stand adjourned) unless it is quorate and there is a lay majority of members present.

**6 Virtual Meetings**

A Committee may conduct any meeting in whole or in part by video link, telephone or other means of instantaneous two way electronic communication. Taking part in this way will be counted as being present at the meeting. These meetings will be treated as taking place where most of the members are or where the Chair is.

**7. Order of Proceedings**

7.1 The agenda for Committee meetings shall be determined by the Chair of each Committee in consultation with the member of Staff who shall prepare it.

7.2 The order of business shall be set out in the circulated agenda.

7.3 No motion, other than a motion from the Chair, shall be discussed unless proposed and seconded.

7.4 Members shall speak only when called by the Chair.

7.5 Members' speeches shall be concise and to the point. In any event no member shall speak for more than five minutes except with the consent of the Chair.

**8. Voting**

8.1 All questions shall be decided by a majority of the members of the Committee present and voting.

8.2 As a general principle, all members of the Committee shall have a single vote, except in the case of the Chair. The Chair shall have no ordinary vote but can exercise a casting vote where there is no majority. Except in the following circumstances, specific to the Remuneration Committee. In circumstances where the Chair and one Council Member form the Remuneration Committee quorum, the Chair has an ordinary but not casting vote. If there is no majority, the vote is to be deferred until the full committee can meet.

8.3 In the event that the number of abstentions exceeds the number of votes in favour, the motion shall fail.

**9. Minutes**

9.1 Any resolution passed shall be recorded in the Minutes.

9.2 The Staff will be responsible for taking Minutes of all meetings save as determined by the Committee.

9.3 Any decision on a regulatory function taken at a meeting where there is no lay majority must be ratified within a reasonable time either at the next meeting when there is a lay majority, or if this is not practicable, at a virtual meeting.

**10. Confidentiality**

All proceedings of each Committee and all agenda and other papers relating to them are confidential to the members of that Committee and to the members of the Council and may not be disclosed to non-members without the authority of the Chair of the Council or the Chief Executive. Such authority may be implied where, but only to the extent that, the particular disclosure is necessary for the execution of a resolution of the Council. Members must have particular regard to these duties in relation to communications with those who are not Council Members or members of Staff.

**11. Code of Conduct**

All Members (whether or not they are also Council Members) must conduct themselves at Committee meetings in accordance with the Code of Conduct for Members of the Council for Licensed Conveyancers.



## **Annex D**

### **Financial Regulations**



## **FINANCIAL REGULATIONS**

### **CONTENTS**

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**Values and Behaviour**

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## **Part 1. Introduction**

### **Introduction**

1. Financial regulations provide the framework for managing the CLC's financial affairs and set out the high level policies of the CLC. The regulations govern the manner in which the CLC's financial activity is conducted and its financial interests are safeguarded.
2. The financial regulations apply to all CLC Council members, members of Staff and anyone acting on its behalf.
3. The Chief Executive is responsible for maintaining a continuous review of the financial regulations and presenting any additions or changes necessary to the Council for approval.
4. The financial regulations are supported by a detailed financial procedures manual which sets out in the day to day operation of financial activities.
5. The financial regulations are supported by a Register of Delegated Powers.

### **Accounting Policies**

6. The Chief Executive is responsible for ensuring adherence to the CLC's Accounting Policies
7. Any changes to the Accounting Policies must be approved by Council

### **Scheme of Delegations**

8. The Council is responsible for approving the scheme of delegations to Committees and to members of Staff.
9. The Chief Executive is responsible for delegating to appropriate staff the authority to commit expenditure to make payments towards claims and grants from the Compensation Fund and ex gratia payments from the Operations Account.
10. The Council may delegate to the appropriate Committee the responsibility to consider the submissions of the Chief Executive prior to consideration and approval by the Council.

## **Part 2. Financial Planning and Treasury Management**

### **Budgets**

11. The annual approved budgets for the Operations Account and Compensation Fund will include estimates of income, revenue expenditure, capital expenditure, cashflow forecasts, other one-off costs and reserves.

### **Reserves and Treasury Management**

12. The Council is responsible for approving the corporate plans and budgets proposed by the Chief Executive.
13. The Chief Executive must annually advise the Council on the prudent level of reserves for the CLC, taking into account prevailing levels of risk and uncertainty.
14. The Council is responsible for approving a treasury management policy statement setting out the strategy and policies for cash management, long term investments and borrowings.
15. All executive decisions concerning borrowing, investment or financing shall be made by the Chief Executive. All borrowing and investments shall be in the name of the organisation and shall conform to any relevant regulatory requirements. The Chief Executive and members of Staff are required to act in accordance with the organisation's treasury management policy as approved by the Council.
16. Any changes to the Treasury Management Policy shall be reported to Council and Audit and Risk Committee.
17. The Chief Executive will report to the Council regularly in each financial year on the activities of the treasury management operation.



### **Part 3. Income**

#### **Income**

18. The Chief Executive is responsible for ensuring that appropriate procedures are in operation to enable the organisation to receive all the income to which it is entitled. All receipt forms, invoices, or other official documents in use must have the approval of the Chief Executive.
19. Revisions to fees and charges must be determined by the relevant Director in consultation with the Chief Executive and approved by the Council.
20. The Chief Executive is responsible for the prompt collection, security and banking of all income received.
21. Only the Chief Executive can authorise a refund of fees/charges in exceptional circumstances. It is the CLC's policy that there should be no refunds as a matter of course.
22. It is the responsibility of all staff to ensure that revenue to the CLC is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to Finance so that collection can be initiated.

#### **Debtors**

23. The Chief Executive is to ensure that:
  - debtors invoices are raised promptly in respect of income due to the organisation
  - swift and effective action is taken to collect overdue debts in accordance with the organisation's formal procedures (detailed in the financial procedures)
  - outstanding debts are monitored and reports are prepared for managers.
24. The Chief Executive is responsible for approving credit arrangements and indicating a period in which different types of invoice must be paid.
25. Requests to write-off debts must be referred in writing to the Chief Executive.

#### **Gifts and Donations to the CLC**

26. The Chief Executive is responsible for maintaining records in respect of gifts, benefactions and donations made to or declined by members of Staff, Council members and anyone acting on behalf of the CLC in accordance with the organisation's policy on such matters. The Chief Executive is also responsible for initiating claims for recovery of tax where appropriate.

#### **Gifts to employees**

27. Individuals acting in an official capacity must not give the impression (to any member of the public, or to any organisation with whom they deal, or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

28. Members of staff must not accept gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work which would cause them to reach a position whereby they might be, or might reasonably be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality.
29. The Chief Executive will report to Council all approved gifts and hospitality received where the value is in excess of £250.

## Part 4. Expenditure

### Authority to incur expenditure

30. The Chief Executive is responsible for the day-to-day management of the finances of the CLC. The Chief Executive has flexibility to manage the finances of the CLC to address the ongoing operational responsibilities.
31. The Chief Executive is the primary budget holder for the CLC and has the authority to incur expenditure within the CLC's budgets and to delegate authority to other budget holders to incur expenditure (see Register of Delegated Powers). The Chief Executive can move funds within the operations account subject to no virement between capital and revenue budgets. Virement is a reallocation of funds from one budget heading to another for existing activities already approved as part of the annual budget.
32. In the interests of the profession and subject to Council approval, the Chief Executive can move funds from the Compensation Fund to the Operations Account on a temporary basis. In the interests of the profession and subject to Council approval, the Chief Executive can move funds from the Compensation Fund to the Operations Account on a temporary basis. Council may approve any such loans individually, based on: value, period, any conditions and subject to prescribed position updates.
33. In the event that a loan is required urgently and where it would be impractical to wait until the next Council meeting, it is agreed that a combination of telephone and email would be used to conclude any request.
34. The Chief Executive has the authority to incur expenditure in accordance with the budgets approved by the Council, which is based on the corporate plan and/or business plan. No further approval from the Council and any other Committee is required unless the following circumstances arise:
  - Any significant changes to the budgets approved by the Council;
  - Any expenditure incurred which is or might be considered novel, contentious or repercussive;
  - Exceeding the capital expenditure limit for any project including IT;
  - Write off losses or make special payment.
35. Care must be taken to ensure that discounts receivable are obtained.
36. The head of department is responsible for purchases within their department. Purchasing authority may be delegated to named individuals within the department.
37. Directors are not authorised to commit the organisation to expenditure without first ensuring that there are sufficient funds in the budget to meet the purchase cost.
38. Expenditure on a single item in excess of £5,000 by a director shall require the approval of the Chief Executive.
39. All payments must be authorised by two signatories.
40. All expenditure through the use of a company credit card must comply with the financial control limits for the card. It is the responsibility of the Chief Executive to agree the chosen credit limits and to ensure that the limits are adhered to.

## **Payments**

41. The Chief Executive is responsible for making payment to suppliers of goods and services to the organisation.
42. Detailed guidance for payments is contained in the Financial Procedures manual.

## **Petty cash**

43. Petty cash will be controlled through an imprest system. Detailed guidance will be issued by the Chief Executive and is contained in the organisation's financial procedures.

## **Salaries**

44. The Chief Executive is responsible for all payments of remuneration for and on behalf of all members of Staff including payments for overtime or services rendered. All time sheets and other pay documents will be in a form prescribed or approved by the Chief Executive.
45. All members of Staff will be appointed to the salary scales approved by the Chief Executive and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Chief Executive. The member of Staff responsible for personnel issues will be responsible for keeping the Chief Executive informed of all matters relating to personnel for payroll purposes.
46. The Chief Executive shall be responsible for keeping all records relating to payroll including those of a statutory nature.
47. Payments under employment contracts must be made through the CLC's payroll and not by other means.
48. All payments must be made in accordance with the organisation's detailed remuneration financial procedures and comply with HMRC regulations.

## **Gifts and Donations from the CLC**

49. The property and funds of the CLC may not be given away, or used to make donations or grants, without the approval of the Chief Executive.

## **Travel, subsistence and other allowances**

50. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Chief Executive.
51. Claims by members of Staff must be certified by their director (or Chief Executive in the case of other directors). The certification by the director shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the organisation.

## **Part 5. Assets and liabilities**

### **Assets, including stocks**

52. The purchase, lease or rent of land or buildings or vehicles can only be undertaken as part of an approved capital programme.
53. The Chief Executive is responsible for maintaining the organisation's register of land, buildings, equipment, furniture and vehicles.
54. The Chief Executive is responsible for recording any items which are considered to be portable and attractive items in an appropriate register.
55. The Chief Executive will ensure that there is at least an annual check of items on all registers.
56. The Directors are responsible for establishing adequate arrangements for the custody and control of stock within their departments. The Directors are responsible for maintaining proper security at all times for all buildings, stock, equipment, furniture, cash, etc. under their control.
57. Directors are responsible for ensuring that regular inspections and stock checks are carried out where appropriate.
58. Those Directors whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Chief Executive and that instructions to an appropriate member of Staff within their departments are issued in accordance with advice contained in the organisation's detailed financial procedures manual.
59. Disposal of equipment and furniture must be in accordance with procedures agreed by the Chief Executive and contained in the organisation's detailed financial procedures.
60. Disposal of land and buildings must be approved by the Council.

### **Personal Use of Assets**

61. Assets belonging to, or leased or loaned to, the CLC, may not be removed for personal use without the written approval of the Chief Executive.

### **Taxation**

62. The Chief Executive is responsible for advising heads of departments on all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to the organisation. Therefore the Chief Executive will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.
63. The Chief Executive is responsible for maintaining the organisation's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **Part 6. Banking and cash**

### **Appointment of bankers**

64. The Chief Executive is responsible for the appointment of the CLC's bankers with the approval of the Council. The appointment shall be for a specified period after which consideration shall be given by the Chief Executive to ensure the banking services received are appropriate for the business requirements of the CLC.

### **Banking arrangements**

65. The Chief Executive is responsible for ensuring that the CLC's banking arrangements are carried out efficiently, economically and effectively.
66. The Chief Executive must approve the bank mandate for each account and subsequent changes to the mandate. All such bank accounts shall be in the name of the CLC.
67. The Chief Executive is responsible for liaising with the CLC's bankers in relation to the organisation's bank accounts and the issue of cheques. The Chief Executive shall make proper arrangements for the safe custody of all cheques.
68. Only the Chief Executive may open or close a bank account for dealing with the organisation's funds. All bank accounts shall be in the name of the organisation, or one of its subsidiary companies.
69. All cheques drawn on behalf of the organisation must be signed in the form approved by the Chief Executive. Details of authorised persons and limits for all types of payment including BACS and CHAPS shall be provided for in the organisation's detailed financial procedures.
70. The Chief Executive is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review and that large or unusual items are investigated as appropriate.
71. No deductions may be made from any cash collected on behalf of the organisation prior to paying into the bank.
72. Personal or other cheques must not be cashed out of money received on behalf of the organisation.

## **Part 7. Risk Management and Assurance**

### **Risk Management**

73. The Council is responsible for ensuring that a risk management system is in place and regularly reviewed in order to identify the risks facing the organisation and the types of protection required to cover these risks. The strategy should cover important potential liabilities and be sufficient to meet any potential risk to assets. This will be considered and approved by the Council on an annual basis. The Audit and Risk Committee will be responsible for reviewing the effectiveness of the system.
74. The CLC's finances are audited by appointed internal and external auditors, each of whom has an unrestricted right of access to all vouchers, documents, books of account and computer data; and any other information which they consider relevant to their enquiries. All staff must meet the requirements arising from the audit programme approved by the Council and Audit and Risk Committee.
75. Both the internal auditor and external auditor function is reviewed and their services put to tender every three years.
76. The primary role of external audit is to report on the CLC's Financial Statements, and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.
77. The main responsibility of internal audit is to provide Council and the Chief Executive with assurances on the adequacy of the internal control system and measures to secure efficiency, effectiveness and value for money.
78. The Chief Executive is responsible for drawing up a timetable for final accounts purposes and will advise staff and external auditors accordingly.
79. The Financial Statements should be reviewed by Audit and Risk Committee. On the recommendation of the Audit and Risk Committee they will be submitted to Council for approval.

### **Insurance**

80. The Chief Executive is responsible for effecting insurance cover to ensure that the CLC complies with its statutory obligations and business requirements. The Chief Executive is responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Chief Executive will also deal with the organisation's insurers and advisers about specific insurance problems.
81. Directors must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the organisation may be exposed. Directors must give prompt notification to the Chief Executive of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.
82. Directors must advise the Chief Executive, immediately, of any event which may give rise to an insurance claim. The Chief Executive will notify the organisation's insurers and, if appropriate, prepare a claim in conjunction with the head of department for transmission to the insurers.

83. All members of Staff using their own vehicles on behalf of the organisation shall maintain appropriate insurance cover for business use.
84. All providers must have adequate insurance to undertake services on behalf of the CLC.

### **Security**

85. The Chief Executive is responsible for ensuring that a list of key holders and code holders is maintained.
86. The loss of safe keys or compromise of the burglar alarm code must be reported to the Chief Executive immediately.
87. Only the Chief Executive can authorise a change of safe keys or burglar alarm code.
88. The Chief Executive shall be responsible for maintaining proper security and privacy of information. Access to areas where data is stored will be restricted to authorised persons recorded on a register maintained by the Chief Executive. Appropriate levels of security will be provided, such as passwords for networked PC's together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act.
89. The Chief Executive is responsible for the safekeeping of official and legal documents relating to the organisation. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Chief Executive. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

### **Budgetary Control**

90. The Chief Executive is responsible for ensuring that there is an effective budget monitoring process in place and for providing appropriate financial information to enable budgets to be monitored effectively.



## **Part 8. Values and Behaviour**

### **Values and Behaviour**

91. CLC employees and others with responsibility for the administration or management of CLC funds must not use their authority or office for personal gain, and must always seek to uphold the CLC's values and behaviours, and enhance the reputation of the CLC.

### **Outside Appointments**

92. All CLC employees must obtain approval from the Chief Executive, for the holding of any outside appointment, and for conducting remunerated outside work.