

Council for Licensed Conveyancers
Minutes of the Council meeting held on
Thursday 23 March 2023
5.00 p.m. – 5.20 p.m.
by teleconference

Council Present

Dame Janet Paraskeva (Chair)	Alan Cogbill
Sarah Debney	Milton James
Sheila Kumar	Victoria MacGregor
Jenny Quirke	Colin Wilby

CLC in attendance

Ms. A. Cosens	Head of Executive Office
Mr. J. Hinrichsen	Director of Finance and Operations

Mr. M. Smith, Scrutton Bland (External Auditor)

Apologies

Apologies for absence were received from Sarah Ryan and Sally Szarka.

1. Welcome, Introductions, Declarations of Interest

No interests were declared.

2. Audit and Risk Committee meeting held on 14 March 2023 – Draft Minutes

The draft minutes of the meeting of the Audit and Risk Committee held on 14 March 2023, which had reviewed the Annual Financial Statements, the External Auditor's report and the draft Letter of Representation, were included for information.

The Council **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 14 March 2023.

3. External Auditor's Report Presented to Audit and Risk Committee, 14 March 2023

Mark Smith, Responsible Individual, introduced the external audit of the CLC's financial statements for the year ended 31 December 2022, and which represented an unqualified opinion. The Audit and Risk Committee had reviewed and commented on the External Auditor's report and its comments had been incorporated.

The Council was informed that the External Auditor is of the opinion that the system of internal control in place at the CLC is appropriate for the size of the organisation and an unqualified opinion is being proposed.

With regard to Key Outstanding Matters listed at Section 7 of the External Auditor's report, the Council was informed that HMRC had confirmed the balances that it is holding on the CLC's behalf as payment on account. Formal confirmation from Santander of bank balances had not yet been received, however the External Auditor had obtained confirmation and assurance via other means.

The Council's attention was drawn to the External Auditor's procedural recommendations relating to the processing of journals at Section 4.3 of the report, and the Management's response that it considers that it has sufficient compensating controls in place to mitigate the risk of inappropriate journals being posted was noted.

Mark Smith advised the Council that following the next, 2023 External Audit he would be stepping down as Responsible Individual, following which an alternative would be assigned.

The Council **NOTED** the External Auditor's report.

4. Representation Letter

The Council reviewed the draft Letter of Representation, which had been considered by the Audit and Risk Committee, who had recommended its approval.

In addition to the usual representations, the Council's attention was drawn to new representations at Section 12 of the letter regarding Compensation Fund Claims, Section 22 of the letter to confirm the estimated accrued income balance for OLC recharges, the provision of a breakdown of provision for Compensation Fund Grants at Appendix 1 and provision for Unadjusted Errors at Appendix 2.

The Council:

- (1) **AGREED** the Letter of Representation; and
- (2) **AUTHORISED** the Council Chair and Chief Executive to finalise and sign the Letter.

Action March 23/01: Council Chair and Chief Executive to finalise and sign the letter.

5. CLC Annual Financial Statements 2022

The Director of Finance and Operations introduced the CLC's Annual Financial Statements for the year ended December 2022, which had been reviewed by the Audit and Risk Committee at its meeting on 14 March 2023 whose comments had been incorporated.

The Director of Finance and Operations had circulated additional clarification of the accounting policies at page 16 of the Annual Financial Statements, and it was confirmed that the CLC has a Reserving Policy which is reviewed annually and which provides special reserves in addition to the minimum reserves.

With regard to the explanatory note regarding provision for Compensation Fund claims at page 24, it was confirmed that the provisions had been re-assessed in 2022 and it was agreed to amend the second paragraph to:

"As a result of two past interventions the CLC has made provision for probable

claims against the Compensation Fund. The estimated claims arising from the interventions are £1,351,952 and £3,364,374 respectively. On the basis that the Compensation Fund insurance policy will settle these claims a provision was made in 2017 for the excesses, amounts in excess of the maximum claim payable and interest that is likely to be payable by the CLC. The estimate of the amount payable by the CLC remains at £1,864,374 (2021: £1,864,374)".

The Council:

- (1) **APPROVED** the CLC's financial statements (*as amended above*) for the year ended 31 December 2022; and
- (2) **AUTHORISED** the Chair and Chief Executive to make any changes required to finalise and sign the annual financial statements and arrange for their publication.

Action March/22/02: To finalise and publish the Annual Financial Statements

6. Any Other Business

There were no other items of business.