

**SRA BOARD**

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**SOLICITORS REGULATION AUTHORITY  
Minutes of the SRA Board meeting  
held on 23 January 2019 at 10.00  
at The Cube, 199 Wharfside Street, Birmingham, B1 1RN**

*Subject to final approval by the SRA Board at its meeting on 6 March 2019*

Present: Anna Bradley (Chair)  
Sharon Darcy  
David Heath  
Peter Higson  
Paul Loft  
Geoff Nicholas  
Dame Denise Platt  
Chris Randall  
Elaine Williams (by telephone for items 5 to 11)  
Tony Williams (for items 1 to 9)  
David Willis

In attendance: Paul Philip, Mark Draisey, Robert Loughlin, Jane Malcolm, Juliet Oliver, Sara Gwilliam (for item 7), Dominic Tambling

**1 APOLOGIES**

1.1 The Chair welcomed Board members to her first meeting as Chair of the Board, including new Board member Peter Higson, whose first meeting it also was. Apologies had been received from Barry Matthews and Selina Ullah.

**2 MINUTES OF THE MEETING HELD ON 5 DECEMBER 2018**

2.1 The minutes of the meeting held on 5 December 2018 were approved as a true and accurate record.

**3 MATTERS ARISING AND DECLARATIONS OF INTEREST**

3.1 There were no matters arising that would not be covered elsewhere on the agenda and all actions due had been completed.

3.2 The Chair congratulated Dame Denise Platt on her appointment as a member of the Parliamentary and Political Services Honours Committee. Other interests were as previously declared and available to view on the SRA website. Members would declare any additional particular interest in an individual item if necessary.

**4 CHAIR'S UPDATE**

4.1 The Chair reported that before taking up post on 1 January 2019 she had met all of the Board members and most of the Executive team.

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4.2 The Chair had also had a number of one to one meetings with key leaders in the sector including the President of the Law Society, Chairs of the Legal Services Board (LSB) and Legal Services Consumer Panel. She had also attended an LSB meeting of the legal regulators' Chairs and Chief Executives the previous week.

## 5 CHIEF EXECUTIVE'S REPORT

5.1 The Chief Executive Officer introduced his report and covered a number of issues for noting. These included: progress on the Modernising IT Programme; provision of information for law firms on the potential implications of a 'no deal' EU exit; and an update on our new transparency rules and digital badge.

5.2 The Board also considered and approved annual reports to the Business and Oversight Board and Group Audit Committee for 2017/18, subject to final sign off by the Chair after some amendments had been made.

## 6 REPORTING CONCERNS

6.1 The Board was asked to consider responses to our consultation, issued in August 2018, on a range of options for new obligations for those we regulate to report concerns to us. The consultation addressed when reports should be made rather than what to report, which had been consulted on separately as we developed our new enforcement strategy.

6.2 It was noted that the consultation had resulted in amendments to the proposed drafting. These, included wording intended to prevent any inappropriate treatment of those reporting concerns to the SRA.

6.3 The Board approved the post consultation position paper for publication, subject to final review. It noted that the new enforcement strategy will be published alongside the post consultation paper, and that case studies would be used to support solicitors considering their reporting obligations. The Board also made the SRA Regulatory Arrangements (Reporting Concerns) (Amendment) Rules 2019

## 7 OUR APPROACH TO PREVENTING MONEY LAUNDERING

7.1 The Board was asked to consider an update on our supervision of anti-money laundering (AML) and recent developments on the prevention of economic crime, including a review of our work by the Financial Action Taskforce (FATF). The Board also received a short presentation from the Money Laundering Reporting Officer (MLRO) and considered the MLRO Annual Report for 2018.

7.2 The Board noted the findings of the FATF review and that we were awaiting the Government's response to the FATF report. The Board also noted the importance of striking the right balance between providing information to firms to prevent money laundering and taking action when problems arose. Further work was also required on the impact of requirements relating to AML on smaller firms, both in terms of any increases in fees and in the level of bureaucracy.

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7.3 The Board noted the findings of the Financial Action Taskforce review and our current approach to AML supervision and agreed our 2019 approach to AML supervision. The Board also received the Money Laundering Reporting Officer's Annual Report for 2018.

## **8 LEGAL SERVICES BOARD ASSESSMENT OF OUR REGULATORY PERFORMANCE**

- 8.1 The Board considered the Legal Services Board's (LSB) assessment of our regulatory performance and our proposed action plan to address its findings.
- 8.2 The Board noted that the LSB had concluded that we had met 23 out of 26 of the required outcomes against its five function based standards. Of the three that it had concluded we had not met, the first related to the provision of a digital register about those we regulate. Work on this was progressing and the LSB would review again in May.
- 8.3 The second outcome judged not to have been met related to the development of a new approach to assuring the continued competence of solicitor advocates, following the decision not to implement the Quality Assurance Scheme for Advocates. Further discussions with the LSB on this were planned. Finally, the LSB had concluded that we had not met the required outcome in relation to transparency on a number of matters including decision making and monitoring of risks to the regulatory community. The LSB was undertaking a cross regulator review of this outcome and we had said that we would work with it to ensure that we provide accessible meaningful information for both the public and profession.
- 8.4 The Board noted the outcome of the LSB's regulatory performance assessment and agreed the action plan for addressing the three outstanding outcomes.

## **9 SRA RESPONSE TO THE LEGAL SERVICES BOARD DRAFT BUSINESS PLAN 2019/20 CONSULTATION**

- 9.1 The Board was asked to consider the proposed content of our response to the LSB's consultation on its draft Business Plan for 2019/20.
- 9.2 Board members discussed the proposed approach, including the LSB's proposed objective on the continued assurance of professional competence, the LSB's role in public legal education and in the use of technology. The Board also noted that the LSB should include AML, FATF and the work of the Office for Professional Bodies Anti-money Laundering Supervision in its analysis of the external environment in which it operate.
- 9.3 The Board agreed the key components of our response to the LSB's consultation, subject to the additions discussed, and that the final response should be agreed by the Chair.

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### **10 SRA ANNUAL REVIEW 2017/18**

- 10.1 The Board was asked to consider an update on progress towards the publication of our Annual Review for 2017/18. Discussion covered the key messages, the use of case studies and various drafting points.
- 10.2 The Board approved the draft content of the Annual Review and agreed that the final version should be signed off by the Chair. The Board also agreed proposals that this third year of publication of our annual review was a timely point for a review of corporate publications, for discussion at a future meeting.

### **11 ANY OTHER BUSINESS**

- 11.1 The Board received an update from committee chairs in relation to committee meetings that had taken place since the last Board meeting.
- 11.2 The Chair thanked Board members There was no other business. The next meeting of the Board would be on Wednesday 6 March 2019 at the St David's Hotel, Cardiff.