

**Council for Licensed Conveyancers
Minutes of the Council meeting held on
Wednesday 27 March 2024
11.00 a.m. – 11.55 a.m.
by teleconference**

Council Present

Dame Janet Paraskeva (Chair)	Alan Cogbill
Sarah Debney	Jenny Quirke
Sheila Kumar Chief Executive	Victoria MacGregor
Colin Wilby	Sally Szarka

CLC in attendance

Audrey Cosens	Head of Executive Office
Jason Hinrichsen	Director of Finance and Operations
Stephen Ward	Director of Strategy and External Relations

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

Apologies

Apologies for absence were received from Sarah Ryan and Milton James.

1. Welcome, Introductions, Declarations of Interest

No interests were declared.

2. Audit and Risk Committee meeting held on 19 March 2024 – Draft Minutes

The draft minutes of the meeting of the Audit and Risk Committee held on 19 March 2024, which had reviewed the Annual Financial Statements (AFS), the External Auditor's report and the draft Letter of Representation, were included for information.

The Chair of the Audit and Risk Committee informed the Council that the Committee had noted that an appropriate contingency disclosure had been made within the Annual Financial Statements on the basis of material uncertainty as to the total value and eligibility of claims associated with investment property which remained uncertain at year end.

The Committee had also agreed the proposed write-off of specified cost awards made by the Adjudication Panel and not yet recovered that were detailed in the External Auditor's report on the basis that it was prudent to do so.

The Council **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 19 March 2024.

3. External Auditor's Report and Representation Letter

Mark Smith, Responsible Individual, introduced the external audit report of the CLC's financial statements for the year ended 31 December 2023. 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 that an unqualified audit opinion is being proposed.

The External Auditor's report had noted that the CLC has received applications for grants from the Compensation Fund that relate to investment property transactions, the total value and eligibility for which was uncertain at the year end and for which appropriate disclosure had been made within the Annual Financial Statements.

The Council reviewed the draft Letter of Representation, which had been considered by the Audit and Risk Committee at its meeting on 19 March 2024.

It was confirmed that the statement of full recoverability of trade debtors as at 31 December 2023 at paragraph 21 of the draft Letter of Representation was reflected on the Balance Sheet.

It was noted that following agreement to the write-off of specified costs awarded by the Adjudication Panel, the associated adjustments had been made within the Annual Financial Statements. The Council was advised that legal cost recoveries that are awarded by the Adjudication Panel are not recorded as income and are recorded in the same account where the associated expenditure was originally recorded.

It was explained that the Adjudication Panel levies regulatory fines which are collected by the CLC and paid to HM Treasury and therefore are not recorded as income or debtors on the Annual Financial Statements.

It was noted that Mark Smith would be stepping down as Responsible Individual for the 2024 audit after 12 years of working on the CLC External Audit in that capacity. John Perry had been appointed as new Responsible Individual by External Auditors Scrutton Bland for the year ending 2024 and had been introduced to the Audit and Risk Committee at its last meeting. The Council thanked Mark Smith for his services and wished him well for the future.

The Council:

- (1) **NOTED** the External Auditor's report
- (2) **AGREED** the Letter of Representation
- (3) **AUTHORISED** the Council Chair and Chief Executive to finalise and sign the Letter of Representation

Action March 24/01: Council Chair and Chief Executive to finalise and sign the Letter.

4. CLC Annual Financial Statements 2023

The Director of Finance and Operations introduced the CLC's Annual Financial Statements (AFS) for the year ended December 2023, which had been reviewed by the Audit and Risk Committee at its meeting on 19 March 2024 whose comments were detailed within the report.

It was noted that the profit and loss account statement on page 10 of the AFS included the receipt of two large aged balances that had transferred to the CLC Compensation Fund in 2023. The Council was informed that the size of the receipt was unusually large and that it was unlikely to recur. The receipt had been disclosed to the Legal Services Board in the 2023 Practice Fee application. The Council agreed to review the CLC's Reserving Policy at a future meeting.

It was agreed to make the following amendment to the draft AFS prior to finalisation:

- Page 24, final sentence to be amended to "*The current estimate of the amount payable....*"

The Council:

- (1) **APPROVED** the CLC's financial statements (*as amended above*) for the year ended 31 December 2023; 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/24/02: To finalise and publish the Annual Financial Statements

Action March 24/03: To review the Reserving Policy at a future meeting.

5. Any Other Business

There were no other items of business.