

CLASSIFICATION – PUBLIC

SRA REGULATORY RISK COMMITTEE

Minutes of the public meeting
8 April 2015 at 11.30am
Martin Lane, London, EC4

Present: Cindy Leslie (Chair)
Diane Moore
Paul Marsh
James King
Amanda Sherlock
David Willis
David Heath

In attendance: Michael Candy, Jenny Johnson, Andrew Garbutt, David
Middleton, Gordon Ramsey, Rachel Lewis and Nabila Zulfiqar.

1&2. Chair's welcome, apologies and minutes of the meeting held on 24 February 2015

- 1.1 Apologies were received from Shamit Saggar, Robert Loughlin and Carol Westrop.
- 1.2 The minutes of the public session of the Committee held on 24 February 2014 were agreed subject to noting that Paul Marsh and Julia Black were not present and James King was present.

Matters Arising

- 1.3 Paragraph 6.2 - The Committee thought that a review of information tracking progress up to the end of an SDT case would be useful, although it is aware that once a case is issued the timetable is largely under the control of the SDT.
- 1.4 The Committee noted a discussion is to be held at the next SDT User Group meeting in May as to what steps could be taken to reduce the time between the issue of SDT proceedings and the end of the SDT hearing.
- 1.4 The review of the Enforcement Strategy is continuing and will now be completed by July.

3. Declarations of interest

- 3.1 There were no declarations of interest.

4. Report from Legal and Enforcement

- 4.1 The Committee considered a report prepared by Jennifer Johnson providing an update on the operational performance by the Directorate.

- 4.2 There were 48 unissued cases to end February of which only 4 were more than 8 month old. It was explained that sometimes cases cannot be issued within in the KPIs due to investigations or discussions as to other ways of resolving the issues.
- 4.3 Currently about 50% of cases are dealt with by the in-house team, a smaller percentage than in 2014. To ease pressure of resource, staff have been recently recruited and induction and training sessions are ongoing.
- 4.4 The Committee noted the way that the training programme was devised and the QA processes conducted to ensure the quality of work carried out, including a monthly review of complex or high risk cases, as well as key document reviews conducted by the senior legal advisers. Seven files are currently reviewed monthly as part of the quality assurance process. The criteria for reviews have been more tailored to include a review of advice and case analysis.
- 4.6 The Committee was informed of the record fine of £305,000.00 issued against Mr Harvey by the SDT. The judgement of the SDT is awaited.
- 4.7 The Committee noted there are some complex cases being dealt with by the Directorate and wondered whether the timeliness KPIs may not fully reflect this and therefore may be over ambitious. The Director said he was content the KPIs were challenging and they will be kept under review.

5. Review of Schedule of Delegation in Client Protection and brief update of its work

- 5.1 The Committee considered a report prepared by Tony King on a proposed amendment to the Schedule of Delegation and a general update on Client Protection.
- 5.2 There have been changes to the eligibility rules for making a compensation fund claim. The SRA may summarily determine whether to accept an application. The proposal is for summary determination to be made at Claims Adviser/Technical Adviser level or above with any appeal to a Senior Technical Adviser or Technical Manager or above.
- 5.3 The Committee noted the proposed changes and the safeguard of a right of internal appeal. It **agreed to recommend** to the Board that the proposed amendments to the Schedule of Delegation be approved.
- 5.4 The Committee noted the update provided on the Client Protection Directorate.

6. Review of the Schedule of Delegation in relation to the Authorisation Directorate

- 6.1 The Committee considered a report prepared by Robert Loughlin providing a review of the Schedule of Delegation for the Authorisation Directorate.
- 6.2 A restructure of the Directorate has taken place and all of the role profiles have been reviewed. It is recommended the Delegation Schedule is updated to reflect this.

6.2 The Committee **agreed to recommend** to the Board that the proposed amendments to the Schedule of Delegation be approved.

7. AOB

7.1 The Committee asked for assurance that the exercise of delegated powers is working satisfactorily across the SRA and that there are no systemic issues needing to be addressed, in particular that junior staff are in practice escalating the exercise of powers delegated to them in appropriate circumstances. David Middleton said that he was not aware of any systemic issues relating to the delegation schedule, but that the Committee will be provided with a report on the review of the delegated powers in operation across the SRA at its October meeting.

Next meeting: 11.30am, 7 July 2015

Venue: SRA, The Cube, Wharfside Street, Birmingham B1 1RN.