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A handwritten signature in blue ink that reads 'Dear Michael'.

**IGR**

You will already be aware that my Board discussed your compliance with our internal governance rules at its recent meeting. At the time of the Board meeting no dual self certificate had been delivered and discussions involving both of the Institutes, IPREG and the LSB were ongoing. I am pleased that we have now received a dual self certificate and my executive team will be considering and discussing it with you as necessary. A more detailed assessment will be provided by my executive in due course.

Our assessment of your compliance is dependent upon you proceeding with the recruitment of an additional lay member for the two regulatory Boards that underpin IPREG. That will bring you into compliance with our internal governance rules.

There are equally substantial matters that underpin independent regulation. The right of IPREG to assess the risks that arise from its regulated community, to set a strategy to manage and supervise those risks and to set a budget that allows it to deliver that strategy is non-negotiable. We are pleased that the budget for 2011 has now been established but we are keen that you quickly put in place a process for budget setting that allows the regulated community and its representative bodies a voice through consultation, whilst ensuring that independence is not threatened or undermined.

You will be aware that the dual self certification of compliance with our internal governance rules is an annual process. Compliance with our rules ensures that a structure is in place that is capable of delivering independent regulation, but independent regulation must happen in practice so the 2011 annual return will bring greater focus to regulatory practice.

I understand that this process has been challenging, but I am confident that with these issues set aside on the basis of your independence, we have a solid basis for regulators to jointly deliver the modernised legal regulation that the Legal Services Act intends.

I am copying this to Alasdair Poore at CIPA and to Maggie Ramage at ITMA.

**David Edmonds**  
Chairman

  
