|  |
| --- |
| **Demonstrating your ability to be a Compliance Manager: for Practice Management** |
| ***Handy hints:*** You can demonstrate your competence for each learning outcome by choosing either Options 1 or Option 2 or a combination of them as set out in Stage 3.If you are proposing to use Option 1 think about using policies, procedures and other business documents you have drafted to evidence your competency. The benefit of doing this is that where you are also submitting an authorised entity application you will need to draft these documents anyway to support that application. So, using them here will save time. It normally means that the covering logbook entry can be very brief as the main evidence is in the policy, procedure of business document itself.  |
| **Stage** | **The Learning Outcome being demonstrated** | **Page** |
|  | **Element 1 BEING PART OF A PROFESSION** |
|  | **EXTERNAL INFLUENCES** Demonstrate knowledge, understanding and application of the current legal market and legal entities which may be created to provide a legal service. | **Page 2** |
|  | **REGULATION** Demonstrate knowledge, understanding and application of the relevant conduct rules and other laws and regulation affecting the professional and legal practice | **Page 3** |
|  | **COMPLIANCE** Demonstrate knowledge, understanding and appropriate application of **effective procedures** for compliance. | **Page 4** |
|  | **Element 2 CILEx REGULATIONS** |
|  | **CILEx PRACTICE RULES (GENERAL)** Demonstrate knowledge, understanding and appropriate application of the scope of the CILEx practice rules | **Page 5** |
|  | **CILEx PRACTICE RULES (ADMINISTRATION)** Demonstrate knowledge, understanding and appropriate application of the administration requirements of a CILEx regulated entity in addition to any requirements to remain individually compliant. | **Page 6** |
|  | **CILEx PRACTICE RULES (COMMUNICATION)** Demonstrate the ability to communicate the requirements of the CILEx practice rules appropriately | **Page 8** |
|  | **FILE MANAGEMENT** Demonstrate knowledge, understanding and appropriate application of good file management. | **Page 9** |
|  | **EXTERNAL INFLUENCES** Demonstrate knowledge, understanding and impact of external influences on a business. | **Page 10** |
|  | **Element 3 MANAGEMENT OF A LEGAL ENTITY** |
|  | **INTERNAL INFLUENCES** Demonstrate knowledge, understanding and appropriate application of internal influences which can affect a business. | **Page 11** |
|  | **RISK MANAGEMENT** Demonstrate knowledge, understanding and appropriate application of risk management | **Page 12** |
|  | **CONTINGENCY PLANNING** Demonstrate knowledge, understanding and application of basic contingency planning. | **Page 13** |
|  | **PEOPLE MANAGEMENT** Demonstrate knowledge, understanding and application of good supervision; including appropriate management, motivation and delegation. | **Page 14** |
|  | **PROJECT MANAGEMENT** Demonstrate knowledge, understanding and application of planning, control, managing and evaluating a project successfully. | **Page 15** |
|  | **INFORMATION TECHNOLOGY (IT)** Demonstrate knowledge, understanding and application of IT in a legal environment. | **Page 16** |
|  | **Element 4 BUSINESS ACUMEN** |
|  | **STRATEGY** Demonstrate knowledge, understanding and appropriate application of strategy and the use of a business plan to underpin that strategy. | **Page 17** |
|  | **MARKETING** Demonstrate knowledge, understanding and application of a marketing strategy which supports the business plan. | **Page 18** |
|  | **PROFITABILITY** Demonstrate knowledge, understanding and application of appropriate tools to determine profitability. | **Page 19** |

|  |  |
| --- | --- |
| **Element 1** | **BEING PART OF A PROFESSION** |
| **Outcome**  | **EXTERNAL INFLUENCES** Demonstrate knowledge, understanding and application of the current legal market and legal entities which may be created to provide a legal service. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of the types of structure through which a legal entity may be formed • Knowledge and understanding of those able to regulate reserved legal activities • Understanding that the structure and regulation of legal entities and activities may change and be able to identify these changes • Knowledge and understanding of a business plan, taking into account recent and current changes to the legal services market • Knowledge, understanding and ability to comply with a complaints procedure in line with LeO guidelines. LEVEL 2a: • Ability to prepare a business plan, taking into account recent and current changes to the legal services market • Ability to create a complaints procedure in line with LeO guidelines. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | Using this option there are several ways you could demonstrate your skills, knowledge and understanding to show competence at both Levels 1 and 2a. Two examples are shown below:1. Complete a brief logbook entry form and use it introduce the following documents as evidence to demonstrate your competency:
* An explanatory note detailing the differences between the various types of legal structures that are available to law firms; limited company, partnership, ABS etc. You could also use this explanatory note to detail the various options that are open to firms regarding their regulation, outlining the bodies that can do this and explain the effect that the Legal Services Act 2007 has had.
* An explanatory note that details the various elements that you would find in a Business Plan for a law firm and explains the purpose of each, with examples on the typical type of content of the various sections.
* An explanatory note explaining what would need to be included in a Complaints Procedure to ensure that it was not only compliant with the requirements of the Legal Ombudsman but also satisfied the requirements in the CILEx Code of Conduct.
1. Alternatively, you could complete a brief logbook sheet and use this to introduce:
* A Business Plan that you have produced.

(Remember the Business Plan itself should be demonstrate your knowledge of legal structures, which you can do in the Plan by describing the structure you have chosen for your firm and why you have chosen it. You can also explain in the opening section of the Business Plan why you have chosen to be regulated by CILEx Regulation rather than another regulator, thus demonstrating your awareness of such options). * A Client care letter you have produced.

(Its content will demonstrate your knowledge, so ensure it is compliant with the CILEx Code of Conduct and the Legal Ombudsman’s requirements)The use of policies, procedures and other business documentation when evidencing your competency to be a Compliance Manager has the added advantage that this same evidence can be used to support the Authorised Entity application. Whilst it is possible to use one logbook sheet to demonstrate knowledge in a particular Learning Outcome at more than one level, please make sure you indicate this on the Logbook Sheet. Equally you should use a fresh logbook sheet for each Learning Outcome.For information on the completion of a logbook page please refer to the separate guidance. |

|  |  |
| --- | --- |
| **Element 1** | **BEING PART OF A PROFESSION** |
| **Outcome**  | **REGULATION** Demonstrate knowledge, understanding and application of the relevant conduct rules and other laws and regulation affecting the professional and legal practice |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge, understanding and application of obligations to the court, the client, other lawyers and barristers, stakeholders, third parties and the general public • Knowledge, understanding and application of the regulations for which an individual is personally responsible • Knowledge, understanding and application of obligations to the client • Knowledge and understanding of how and when a retainer relationship should be terminated • Knowledge and understanding of professional indemnity insurance.LEVEL 2a: • Ability to complete a professional indemnity proposal form, gathering and identifying relevant information for proposal. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | Using this option there are several ways you could demonstrate your skills, knowledge and understanding to show competence at both Level 1. Two examples are shown below:1. Complete a brief logbook entry form and use it introduce the following documents as evidence to demonstrate your competency:
* An explanatory note detailing your knowledge of your obligations to the court, the client, other lawyers and barristers, stakeholders, third parties and the general public, preferably linking this to the principles in the CILEx Code of Conduct.
* An explanatory note that explains what a retainer is and how it can be controlled and ultimately terminated.
* An explanatory note describing the requirements for and purpose of professional indemnity insurance, preferably picking up on the CILEx requirements.
1. Alternatively, you could complete a brief logbook sheet and use this to introduce a range of policies and procedures that you have drafted that are designed to ensure you meet your obligations to the court, the client, other lawyers and barristers, stakeholders, third parties and the general public. This could include for example documents such as:
* A Data Protection Policy
* An Equality and Diversity Policy
* A Conflict of Interest Policy (But this could form part of a wider Case Management Policy)
* An Undertakings Policy (But this could form part of a wider Case Management Policy)
* A Case Management Policy (Covering Key dates)
* An example client care letter

Using this option there are several ways you could demonstrate your skills, knowledge and understanding to show competence at both Level 2. Two examples are shown below:1. Complete a brief logbook entry form and use it introduce the following documents as evidence to demonstrate your competency:
* An explanatory note that explains the detail that you would need to capture and include in a professional indemnity insurance application form, preferably explaining why it needed to be included. You should also be explaining what is ‘qualifying insurance’ as far as CILEx is concerned. The information you require id available on the CILEx Regulation website.
1. Alternatively, you could complete a brief logbook sheet and use this to introduce:
* A copy of an insurance application form that you have completed
* A copy of a professional indemnity insurance quote that you had received in response to your completion of the professional indemnity insurance application form.

Please remember however that you should not purchase Professional Indemnity Insurance until the firm has gained provisional authorisation. Whilst it is possible to use one logbook sheet to demonstrate knowledge in a particular Learning Outcome at more than one level, please make sure you indicate this on the Logbook Sheet. Equally you should use a fresh logbook sheet for each Learning Outcome.For further information on the completion of a logbook page please refer to the section on Management Skills on the website. |

|  |  |
| --- | --- |
| **Element 1** | **BEING PART OF A PROFESSION** |
| **Outcome**  | **COMPLIANCE** Demonstrate knowledge, understanding and appropriate application of **effective procedures** for compliance |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of the nomination procedure and suitability for the Money Laundering Reporting Officer (MLRO) • Knowledge and understanding of the Money Laundering regulations. LEVEL 2b: • Ability to identify and appoint a MLRO • Knowledge, understanding and application of procedures which a legal entity must follow in order to produce an office policy on money laundering • Knowledge, understanding and application of appropriate file testing which ensures files are only opened after necessary money laundering checks • Knowledge, understanding and application of the requirements of the Information Commissioner’s Office (ICO) and why legal entities must register with them • Knowledge, understanding and application of equality and diversity monitoring both in the workplace and through contracting of third parties. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** Knowledge and understanding of the nomination procedure and suitability for the Money Laundering Reporting Officer (MLRO) is normally done through a short logbook entry. Think seniority, knowledge financial transactions, suspicious activity and highly trusted with ability to operate with discretion.
* The best way to demonstrate Knowledge and understanding of the Money Laundering regulations is to draft an **Anti**-**Money Laundering Policy** and to make sure this links to the content in your **client care letter**.

**Level 2b:*** As this will be a small firm to start with, the applicant is likely to be the firm’s MLRO, which is acceptable. Therefore, if an **Anti**-**Money Laundering Policy** is drafted and this shows the applicant as the MLRO then the applicant will have demonstrated her ability to identify and appoint an MLRO.
* The inclusion of a well drafted **Anti**-**Money Laundering Policy** will demonstrate Knowledge, understanding and application of procedures which a legal entity must follow in order to produce an office policy on money laundering.
* Knowledge, understanding and application of appropriate file testing which ensures files are only opened after necessary money laundering checks, can be demonstrated by the detail in the **Anti-Money Laundering Policy**, **File Management Policy** and **Client Care letter**, which should all be consistent.
* Knowledge, understanding and application of the requirements of the Information Commissioner’s Office (ICO) and why legal entities must register with them. This can be demonstrated by obtaining **ICO certificate** showing that the firm is on the register supported by a short logbook entry.

Knowledge, understanding and application of equality and diversity monitoring both in the workplace and through contracting of third parties, can be demonstrated by the inclusion of a well drafted **Equality and Diversity Policy** in your Office Manual. |

|  |  |
| --- | --- |
| **Element 2** | **CILEx REGULATIONS** |
| **Outcome**  | **CILEx PRACTICE RULES (GENERAL)** Demonstrate knowledge, understanding and appropriate application of the scope of the CILEx practice rules |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of situations which would give rise to a breach of the practice rules. • Knowledge, understanding and application of the duty of confidentiality, including identification of when this starts and ends. LEVEL 2b: • Knowledge, understanding and application of the requirements to fulfil the role of practice manager. LEVEL 2c: • Knowledge, understanding and application of the requirements to fulfil the role of the financial manager. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** Knowledge and understanding of situations which would give rise to a breach of the practice rules, can be demonstrated through a set of well drafted policies in the **Office Manual**, that point out the breaches that the policies are each seeking to avoid.
* Knowledge, understanding and application of the duty of confidentiality, including identification of when this starts and ends, can be demonstrated through the inclusion of a well drafted **Data Protection Policy**, that explains the safeguards that the firm puts in place to protect data and maintain client confidentiality.

**Level 2b:*** Knowledge, understanding and application of the requirements to fulfil the role of practice manager, can best be demonstrated by a short explanation of the role in a **logbook entry**, which references back to the policy documents in the **Office Manual** that are used to maintain compliance.

**Level 2c:*** The Knowledge and understanding of the requirements of the role of a financial manager are normally demonstrated through a well drafted Financial Management Policy, which would cover matters such as:
* Handling of client money, banking arrangements
* Interest on client money.
* Drawings, loans to directors.
* Production of monthly accounts, reconciliation of the client account
* The application element of this learning outcome is normally demonstrated by the accounts documentation that the applicant supplies with their Entity Authorisation (Please see the last page of the application form). Here the applicant will include:
* examples reconciliations with supporting accounts information
* a worked example of a balance sheet, trial balance using example data if necessary.

Cash flow projections, including an example that shows projections monitored against actuals |

|  |  |
| --- | --- |
| **Element 2** | **CILEx REGULATIONS** |
| **Outcome**  | **CILEx PRACTICE RULES (ADMINISTRATION)** Demonstrate knowledge, understanding and appropriate application of the administration requirements of a CILEx regulated entity in addition to any requirements to remain individually compliant. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge, understanding and ability to provide appropriate advice regarding fees to be charged and the merits of the case following a cost benefit analysis • Knowledge, understanding and ability to provide realistic cost estimates in the form of a ‘costing’ of all costs and disbursements at the start of the case and to provide regular updates throughout the life of the file • Knowledge and understanding of identification, documentation and dealing appropriately with potential conflicts of interests both at the outset and throughout a retainer relationship • Knowledge and understanding of situations which may give rise to an undertaking and the implications of giving an undertaking • Knowledge and understanding of situations which would result in a breach of the equality and diversity code. LEVEL 2a: • Knowledge, understanding and demonstration of good internal governance • Knowledge, understanding and application of systems, procedures and reporting to monitor compliance • Application of monitoring equality and diversity, both in the workplace and in the selection of external resources. LEVEL 2b: • Knowledge, understanding and implementation of procedures to review and test systems put in place to meet the outcomes of the CILEx practice rules (including management of undertakings, cost information, file reviews, client care, referral arrangements and conflicts of interest• Ability to identify when a fee earner has undertaken work in the absence of sufficient resources and outside their competence • Ability to draft policies which promote equality and diversity • Ability to draft appropriate safeguards for the issuing of undertakings and the consequences of not fulfilling the created obligation • Knowledge and understanding of the difference between an introduction and a referral • Knowledge, understanding and ability to draft an outsourcing policy |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** The Knowledge, understanding and ability to provide appropriate advice regarding fees to be charged and the merits of the case following a cost benefit analysis, can best be evidenced by the inclusion of a well drafted a model client care letter, fees update letter, included as part of the Entity authorisation application. Whilst it would not be able to test how realistic these cost estimates are, as this is a new firm, this aspect would be checked during an inspection visit to the firm once it had started trading.
* Dealing with conflicts of interests is normally demonstrated through the inclusion of a section on conflict of interest checks in the **File Management Policy**. Where the firm uses a software-based case management system, the Policy will refer to the software and relevant screenshots can be submitted with the application.
* The applicant’s ability to deal with ‘undertakings’ is normally demonstrated through the inclusion of a section on this topic in the **File Management Policy**. The Policy would explain not only the firm’s policy on undertakings but would also explain how anybody looking at the file would be able to identify that an undertaking applied to it.
* The best way for the applicant to demonstrate their knowledge and understanding of situations that give rise to a breach of equality and diversity legislation would be through the inclusion of an **Equality and Diversity Policy** document in the Entity Authorisation application evidence.

**Level 2a:*** Good internal governance is in part demonstrated by a well drafted Office Manual that identifies the processes that need to be followed and specifies the forms that need to be used. Compliance with the Policies and Procedures in the **Office Manual**, and therefore the application of good governance is then demonstrated by the records made by the firm including the detail it records on its **Compliance Register**. As this is a new firm a model Compliance register would need to be included along with examples of the record sheets that will be used to record monitoring checks for each of the policies.
* To demonstrate monitoring of equality and diversity, the Equality and Diversity Policy will need to include a section that demonstrates how monitoring will be undertaken, by whom and the frequency of that monitoring.

**Level 2b:*** It is not possible to fully test the implementation of procedures where the firm is not yet operational, so this will be done on the first visit to the firm. However, at this stage the firm will need to demonstrate that it has sufficiently detailed policies in place and mechanisms for monitoring and recording compliance checks. Particularly important here will be the **File Management Policy**.
* Where your firm is unlikely to employ other fee earners / staff in the near future, I would not expect to see the inclusion of a staffing policy. The staffing policy would normally cover subjects such as staff competence, CPD and training. In the absence of such a policy this element of the learning outcome can be demonstrated by a short **logbook entry** that explains how staff competency is assessed and work allocation is undertaken, along with detail on the applicant’s experience in this area.
* The ability to draft policies which promote equality and diversity can be demonstrated by the inclusion of a copy of the firm’s **Equality and Diversity Policy**, but please make sure it links to other policies such as Staffing Policy.
* The applicant’s ability to draft appropriate safeguards for the issuing of undertakings and the consequences of not fulfilling the created obligation is best demonstrated by an appropriate section in the firm’s **File Management Policy**.
* Demonstrating Knowledge and understanding of the difference between an introduction and a referral is best achieved through the inclusion of a short **logbook entry** explaining each of the two terms.
* Knowledge, understanding and ability to draft an outsourcing policy, is best achieved through the inclusion of an Outsourcing Policy document. However, where the applicant’s firm is not proposing to engage in any outsourcing such a policy will not be necessary, but this point would need to be made in the firm’s **Business Plan**.
 |

|  |  |
| --- | --- |
| **Element 2** | **CILEx REGULATIONS** |
| **Outcome**  | **CILEx PRACTICE RULES (COMMUNICATION)** Demonstrate the ability to communicate the requirements of the CILEx practice rules appropriately |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Ability to establish good relationships with client and third parties, including the ability to adapt the style, medium or method of communication for a diverse range of clients to identify the client’s objective(s) • Ability to communicate to the client how legal services will be provided including expected time frame, what the client must do and duties and obligations applicant will carry out • Ability to draft a letter which identifies the client’s objectives and advises them of the right to complain • Ability to communicate to ensure the client is kept up to date with progress of a matter and advise who is dealing with the matter, including the status of that person. LEVEL 2b: • Ability to communicate values to all staff which promote client outcomes, transparency of costs • Ability to manage client expectations and evaluate overall client satisfaction. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** Where a firm is already operating ‘good client and third-party relationships’ are normally demonstrated by examples of feedback both in the form of letters or survey returns. For a new firm, where this evidence is not available the applicant will need to produce a **logbook entry** explaining their experience in adapting the style, medium and method of communication for a diverse range of clients.
* Ability to communicate to the client how legal services will be provided including expected time frame, what the client must do, and duties and obligations applicant will carry out, is best demonstrated through a well drafted model **client care letter**.
* Ability to draft a letter which identifies the client’s objectives and advises them of the right to complain. This again is best demonstrated through the inclusion of a well drafted model **client care letter**, supported by a **Complaints Handling Procedure**.
* Ability to communicate to ensure the client is kept up to date with progress of a matter and advise who is dealing with the matter, including the status of that person. This again is best demonstrated by the inclusion of a well drafted **client care letter** and **update letter**.

**Level 2b:*** The firm’s values along with its aims and objectives should appear in its Business Plan. The values translated into objectives and performance measures that can be aligned to individual staff. Where the firm is a single practitioner enterprise it is sufficient for this detail to be recorded solely in the **Business Plan**.

We would expect all firm’s no matter what their size to conduct client satisfaction monitoring. This could be as simple as a phone call to the client at the close of the matter asking them to rate the firm’s performance and ask what areas could be improved. This should be highlighted in the file closure section of the firm’s **File Management Policy**. |

|  |  |
| --- | --- |
| **Element 2** | **CILEx REGULATIONS** |
| **Outcome**  | **FILE MANAGEMENT** Demonstrate knowledge, understanding and appropriate application of good file management. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of examples of key dates and the methods which could be used in recording such dates in a diarised system and on the client’s file. • Ability to identify and record key dates. LEVEL 2a: • Knowledge and understanding of the elements of a good case management system, including the potential benefits. • Ability to implement and operate a case management system, including for use as a supervision and compliance monitoring tool. • Ability to design and implement a file closure procedure. LEVEL 2b: • Ability to create and perform a file review process covering both legal and administrative obligations. • Ability to participate significantly in the successful application of an accreditation standard |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** We would expect to see the subject of key dates to be mentioned in the file opening section of the File Management Policy. Where a manual file management system is being used I would expect to see a copy of the file cover sheet with space provided for the inclusion of key dates. Where the firm is using a software-based file management system I would expect to see screenshots demonstrating how the system records and highlights key dates.

**Level 2a:*** Knowledge and understanding of the elements of a good case management system, including the potential benefits. This can best be demonstrated through the inclusion of a **logbook entry**, explaining the case management systems that the applicant has worked with. It should detail their benefits.
* Implementation of a case management system can in part be demonstrated by the inclusion of a well drafted **File Management Policy** and supporting documents (file opening sheet etc. for manual systems or screenshots for software-based systems). However, implementation will be tested on the first visit to the firm.
* Ability to implement and operate a case management system, including for use as a supervision and compliance monitoring tool. To demonstrate this, the **File Management Policy** would include a section on file reviews, defining their frequency, by who they are to be undertaken and how the check will be recorded. These checks should link to the firm’s **Compliance Register**.
* The firm’s File Management Policy should include a section on file closure and the checks and actions that need to be taken.

**Level 2b:*** Where the firm is operational an example record of a file review would be included as evidence with the application. Where the firm is not yet operational this element can be covered by a well drafted file review section in the firm’s File Management Policy, supported by a logbook entry explaining the applicant’s experience in performing file reviews.
* Not all applicants will have participated in the obtaining of an accreditation standard like Lexcel and this will not affect the success of the application. However, where you have worked in an accredited firm or have helped to achieve that accreditation it should be mentioned in a short logbook entry, normally linked to a copy of the applicant’s CV detailing their role and time at that employer.
 |

|  |  |
| --- | --- |
| **Element 2** | **CILEx REGULATIONS** |
| **Outcome**  | **EXTERNAL INFLUENCES** Demonstrate knowledge, understanding and impact of external influences on a business. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of recent and/ or current external issues facing business/legal entities • Knowledge and understanding of the impact of inflation, how this impacts on business and actions which can be taken to counterbalance this. LEVEL 2a: • Ability to assess the impact of the current economic environment. LEVEL 2b: • Knowledge, understanding and ability to identify pending legislation or professional changes which could affect the business. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1 and 2a:*** These elements can be demonstrated by a well drafted Business Plan that in its front end considers the external issues facing the firm, including the economic situation. It should also include detail on how these issues are being addressed.

**Level 2b:*** The applicant needs to explain how they keep up to date with legislative and professional changes. This can be done through a short **logbook entry**. Does the firm for example subscribe to LexisNexis? What legal websites does it use?
 |

|  |  |
| --- | --- |
| **Element 3** | **MANAGEMENT OF A LEGAL ENTITY** |
| **Outcome**  | **INTERNAL INFLUENCES** Demonstrate knowledge, understanding and appropriate application of internal influences which can affect a business. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of the internal influences which a business is likely to face and effective ways of controlling them. LEVEL 2a: • Ability to develop a culture of accountability, compliance and openness for the business • Ability to manage a team. • Knowledge and understanding of the different types of risk affecting a business • Ability to identify examples of risks and to identify how these risks can be managed. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** Knowledge and understanding of the internal influences which a business is likely to face and effective ways of controlling them. This can be evidenced through a logbook entry mentioning subjects such as cash flow, staffing (sickness), health and safety etc. The **logbook entry** should reference back to the relevant policy documents, such as a Credit Control Policy to help maintain cash flow.

**Level 2a:*** Ability to develop a culture of accountability, compliance and openness for the business, can in part be demonstrated by a clear set of **policy documents** supported by a system of monitoring (include your **monitoring forms**)
* The inclusion of a logbook entry is normally the best way to evidence experience of managing a team. This should be linked back to the applicant’s CV.
* Knowledge and understanding of the different types of risk affecting a business is best demonstrated by the inclusion of a copy of the firm’s **Risk Register**. It will also explain how these risks are being addressed. Even at the very start of a firm, there should be a Risk Register.
 |

|  |  |
| --- | --- |
| **Element 3** | **MANAGEMENT OF A LEGAL ENTITY** |
| **Outcome**  | **RISK MANAGEMENT** Demonstrate knowledge, understanding and appropriate application of risk management |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 2a: • Ability to respond to risks • Knowledge and understanding of collection, review, evaluation and management of risk • Ability to produce a risk management policy • Knowledge, understanding and implementation of appropriate supervision • Knowledge and understanding of the principles supporting delegation. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 2a:*** The majority of this learning outcome can be demonstrated through the inclusion of a **Risk Management Policy**, defining how risks are identified and monitored. This document will link to the **Risk Register** a copy of which should also be included.

Knowledge, understanding and implementation of appropriate supervision and where it is appropriate to delegate work, is normally evidenced through the inclusion of an appropriate sections in the firm’s Staffing Policy. Where the firm does not have staff and therefore does not need such a policy it can be evidenced through a short logbook entry explaining the applicant’s understanding of ‘appropriate supervision’ and delegation. |

|  |  |
| --- | --- |
| **Element 3** | **MANAGEMENT OF A LEGAL ENTITY** |
| **Outcome**  | **CONTINGENCY PLANNING** Demonstrate knowledge, understanding and application of basic contingency planning. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 2b: • Knowledge and understanding of the key contents of an effective contingency plan, and the need for regular review • Ability to draft a contingency plan • Ability to test a contingency plan. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 2b:*** Knowledge and understanding of the key contents of an effective contingency plan (sometimes referred to as a Business Continuity Plan), and the need for regular review, is best demonstrated by the inclusion of a well drafted **Contingency Plan**. It will need to cover situations such as:
* Loss of premises
* IT failures
* Long term loss of key fee earner.
* Loss of a major client

A well drafted **Contingency Plan** will also describe how its processes will be tested, by whom and how frequently. |

|  |  |
| --- | --- |
| **Element 3** | **MANAGEMENT OF A LEGAL ENTITY** |
| **Outcome**  | **PEOPLE MANAGEMENT** Demonstrate knowledge, understanding and application of good supervision; including appropriate management, motivation and delegation. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of the negative effects of poor management • Ability to manage and motivate others. LEVEL 2a: • Ability to identify the link between low motivation and low production • Knowledge, understanding and application of procedures to manage and motivate • Ability to use specific, measurable, achievable, relative, time bound objectives to delegate • Ability to encourage a culture of continuous improvement. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1:*** Knowledge and understanding of the negative effects of poor management and the applicant’s ability to motivate others is best demonstrated by a short **logbook entry**, preferably linking to the applicant’s CV.

**Level 2a:*** Ability to identify the link between low motivation and low production is best evidenced through a short **logbook entry**.
* Knowledge, understanding and application of procedures to manage and motivate is normally demonstrated through the inclusion of a well drafted Staffing Policy, which covers staff appraisals and performance measurement. Where the firm does not have staff and therefore does not need a Staffing Policy, a short **logbook** entry would be sufficient.

Ability to use specific, measurable, achievable, relative, time bound objectives to delegate, is normally demonstrated by the inclusion of redacted staff appraisal form which includes performance measures. Where the firm does not employ staff a **logbook entry** would be sufficient. It would need to provide examples of the types of performance measures that could be used. This would also cover the continuous improvement element. |

|  |  |
| --- | --- |
| **Element 3** | **MANAGEMENT OF A LEGAL ENTITY** |
| **Outcome**  | **PROJECT MANAGEMENT** Demonstrate knowledge, understanding and application of planning, control, managing and evaluating a project successfully. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 2a: • Knowledge and understanding of the need for a project plan and the elements which should be included in the plan. • Ability to apply these elements to allow for successful project management. • Ability to evaluate the success of the project. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 2a:*** This learning outcome could be demonstrated by the inclusion of a project plan for an aspect of the applicant’s work that they have already produced. Previous applicants have used a one-year marketing plan, looking at the scope of what they want to achieve, the resources to do it and the monitoring and review of the project. Equally it could be a logbook entry describing the elements that would go into such a plan, with a focus on evaluation and the use of performance measures.
 |

|  |  |
| --- | --- |
| **Element 3** | **MANAGEMENT OF A LEGAL ENTITY** |
| **Outcome**  | **INFORMATION TECHNOLOGY (IT)** Demonstrate knowledge, understanding and application of IT in a legal environment. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge, understanding and application of bespoke third party software to complete prescribed electronic applications/ submissions. LEVEL 2a: • Knowledge and understanding of the use of IT in monitoring compliance and understand its advantages, including as a time saving device. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1 and 2a:*** Here a logbook entry could be used to explain the applicant’s experience using software-based case management systems whilst working in legal practice. Where the applicant has not worked in a firm that uses software-based case management systems they could look at some of the packages on the internet and draft a logbook entry naming some of the packages they have looked at.
 |

|  |  |
| --- | --- |
| **Element 4** | **BUSINESS ACUMEN** |
| **Outcome**  | **STRATEGY** Demonstrate knowledge, understanding and appropriate application of strategy and the use of a business plan to underpin that strategy. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of a strategy • Ability to perform an analysis which identifies the strengths, weaknesses, opportunities and threats (SWOT analysis) of/to the business. • Knowledge and understanding of how a competitive advantage arises and how a firm can differentiate themselves from competitors. LEVEL 2b: • Implementation and creation of strategy• Knowledge, understanding and application of likely trends evident following changes to internal and external influences and use these to identify a firm’s current market position. • Knowledge, understanding and application of the critical success factors (CSF) of a business and use these to identify the factors which are likely to be critical to the success of the business. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1 and 2b:*** The strategic plan should set out the longer-term vision, aims and objectives of the business which are then delivered through a shorter timeframe business plan. In addressing this learning outcome some applicants have chosen to incorporate a strategy section into the front end of their **Business Plan** rather than having a separate **Strategic Plan**. This is acceptable.
* The strategic plan or strategy element of the business plan if the applicant has combined them, the applicant will need to include:
* SWOT analysis
* Detail on what gives the firm’s competitive advantage
* Market information with trend analysis
* The **Strategic Plan** / Strategy element of the Business Plan if combined will need to identify the critical success factors for the business. There are many possible critical success factors, but they could include:
* The need to gain new clients
* The need to retain existing clients
* The need to keep overheads low.
 |

|  |  |
| --- | --- |
| **Element 4** | **BUSINESS ACUMEN** |
| **Outcome**  | **MARKETING** Demonstrate knowledge, understanding and application of a marketing strategy which supports the business plan. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of a strategy • Ability to perform an analysis which identifies the strengths, weaknesses, opportunities and threats (SWOT analysis) of/to the business. • Knowledge and understanding of how a competitive advantage arises and how a firm can differentiate themselves from competitors. LEVEL 2b: • Implementation and creation of strategy• Knowledge, understanding and application of likely trends evident following changes to internal and external influences and use these to identify a firm’s current market position. • Knowledge, understanding and application of the critical success factors (CSF) of a business and use these to identify the factors which are likely to be critical to the success of the business. |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1 and 2b:*** Competency for the ‘Marketing’ Learning Outcome is best demonstrated through the inclusion of a well drafted **Marketing Plan**, ideally with schedule of the marketing activity for the first year. The Marketing Plan should include:
* The marketing mix (extended or short version)
* A section on web presence and social media

Detail on the financial breakdown of the marketing plan for the first year of operation. |

|  |  |
| --- | --- |
| **Element 4** | **BUSINESS ACUMEN** |
| **Outcome**  | **PROFITABILITY** Demonstrate knowledge, understanding and application of appropriate tools to determine profitability. |
| **The type of knowledge, skills and understanding you need to evidence for this Learning Outcome** | LEVEL 1: • Knowledge and understanding of working within budgets. • Knowledge and understanding of a cash flow forecast. LEVEL 2a: • Ability to budget and analyse the variances which arise through a given period. • Ability to create a cash flow forecast and update it for a given period. • Knowledge, understanding and identification of key performance indicators (KPIs), including how these can be met and used to measure a firm’s success in comparison with the business strategy. LEVEL 2c: • Knowledge and understanding of /and ability to differentiate between fixed and variable costs and direct and indirect costs • Knowledge and understanding of the use of appropriate ratios and formulae to ascertain an organisation’s overall profitability and department profitability • Ability to calculate 2 ratios to assist in ascertaining overall profitability • Ability to use appropriate formulae to ascertain a department’s profitability.• Knowledge and understanding of what is meant by direct, indirect, fixed and variable costs • Knowledge and understanding of what is meant by inefficiencies and how processes can be measured for value • Ability to identify inefficiencies which would lead to a loss of profit: |
| **Evidencing your skills, knowledge and understanding** | **Option 1: Completion of courses** | Completion of courses. You must support this with a copy of the course syllabus and completion certificate and make it clear which outcomes the course covers. In addition, the inclusion of a detailed curriculum vitae, detailing the compliance work that you have undertaken in your previous work can also be extremely helpful in evidencing your experience. |
| **Option 2: Completion of logbook entries supported by evidence.** | **Level 1 and 2 a:*** Knowledge and understanding of working within budgets, is best evidenced through a short logbook entry, providing examples of your experience.
* Knowledge and experience of cash flow is best demonstrated through the inclusion of a cash flow projection. Because the Business Plan will need to be supported by a cash flow projection it is worth using the one you produce for that purpose. It will need to include:
* Information for the first twelve months of operation:
* Detailed breakdown of income streams
* Detailed breakdown of costs.

Don’t forget to include costs such as insurance, compensation fund contributions and practice rights fees, making sure that appear in the appropriate month. To demonstrate that you are also able to monitor variance you can incorporate planned, actual and variance columns into your cash flow projection. **Level 2c:*** Knowledge and understanding of /and ability to differentiate between fixed and variable costs and direct and indirect costs is best evidenced through the inclusion of a short logbook entry explaining each of these terms.
* The inclusion of two example profitability ratio calculations as logbook entries explaining what they show, will evidence understanding of profitability ratios.
* A short logbook entry on inefficiencies and how these can be identified should be sufficient to cover this element of the learning outcome.
 |