



The Law Society

CQS Core Practice Management Standards

1. Risk management

- 1.1 Practices will have a risk management policy, which must include:
- a: strategic risk
 - b: operational risk
 - c: regulatory risk
 - d: the person responsible for the policy
 - e: a procedure for an annual review of the policy, to verify it is in effective operation across the practice.

- 1.2 Practices will have a policy to ensure compliance with anti-money laundering legislation.

The policy must include:

- a: the appointment of a Nominated Officer usually referred to as a Money Laundering Reporting Officer (MLRO)
 - b: a process for making disclosures within the practice and by the MLRO to the authorities
 - c: identification checking of:
 - own client
 - conveyancer acting for the other party
 - d: training of personnel
 - e: the proper maintenance of records
- 1.3 Practices must have procedures in relation to the avoidance of involvement in mortgage fraud including:
- a: the person responsible for the procedures
 - b: a documented review of the procedures at least annually, to verify they are in effective operation across the practice.

- 1.4 Practices will have a policy setting out the procedures in place to prevent bribery in accordance with the Bribery Act 2010. This will include
- a: the person responsible for the procedures
 - b: a documented review of the procedures at least annually, to verify they are in effective operation across the practice.

- 1.5 Practices will have a business continuity plan, which must include:
- a: an evaluation of potential threats and the likelihood of their impact
 - b: ways to reduce, avoid and transfer the risk
 - c: processes for testing and checking the plan
 - d: the person responsible for the plan
 - e: a procedure to test the plan annually, to verify that it would be effective in the event of a business interruption.

2. Financial management

- 2.1 Practices will document responsibility for overall financial management.
- 2.2 Practices will be able to provide documentary evidence of their financial management processes, including:
- a: annual budget (including, where appropriate, any capital expenditure proposed)
 - b: variance analysis conducted at least quarterly of income and expenditure against budgets
 - c: annual profit and loss or income and expenditure accounts (certificated or audited accounts)
 - d: annual balance sheet
 - e: annual cash or funds flow forecast
 - f: quarterly variance analysis at least of cash flow

3. Supervision and operational risk management

- 3.1 There will be a named supervisor for the conveyancing department. (usually the SRO) The supervisor must have appropriate experience of the work supervised and be competent to guide and assist others.
- 3.2 Practices will have processes to ensure that all personnel, both permanent and temporary, are actively supervised. Such processes will include:
- a: checks on incoming and outgoing correspondence, including letters, e-mails and faxes

- b: departmental, team or office meetings and communication structures
 - c: reviews of matter details in order to ensure good financial controls and the appropriate allocation of workloads
 - d: the availability of a supervisor
 - e: allocation of new work and reallocation of existing work, if necessary
- 3.3 Practices will have processes to ensure that all those doing conveyancing check their files regularly for inactivity.
- 3.4 Practices will have procedures for regular, independent file reviews, of both the management of the file and its substantive legal content. In relation to file reviews, practices will:
- a: define file selection criteria
 - b: define the number and frequency of reviews
 - c: retain a record of the file review on the matter file and centrally
 - d: ensure any corrective action which is identified in a file review is actioned within 28 days and verified by the reviewer
 - e: ensure that the designated supervisor reviews and monitors the data generated by file reviews
 - f: conduct a review at least annually of the data generated by file reviews
- 3.5 Practices will ensure that procedures are in place to:
- a: designate one overall risk manager for the firm's conveyancing department with sufficient seniority, to be able to identify and deal with all risk issues which may arise
 - b: establish appropriate reporting arrangements to ensure that risk issues are appreciated and addressed
 - c: maintain lists of different conveyancing types of work that the practice will and will not undertake including any steps to be taken when work is declined on grounds that it falls outside acceptable risk levels. This information must be communicated to all relevant staff and must be updated when changes occur.
 - d: maintain details of the generic risks and causes of claims associated with conveyancing. This information must be communicated to all relevant staff
 - e: manage instructions which may be undertaken even though they have a higher risk profile, including unusual supervisory and reporting requirements or contingency planning
- 3.6 Practices will analyse at least annually all risk assessment data generated within the practice. This must include:
- a: any indemnity claims
 - b: an analysis of client complaints trends
 - c: data generated by file reviews

d: the identification of remedial action

- 3.7 During the retainer the fee-earner must consider any change to the risk profile of the matter from the client's point of view and report and advise on such circumstances without delay, informing the risk manager if appropriate.
- 3.8 Practices must have an e-mail policy, including:
- a: the scope of permitted and prohibited use
 - b: any procedures for monitoring personnel using e-mail
 - c: procedures for proper management and security
 - d: procedures for its storage and destruction
- 3.9 Practices will have a policy for internet use, website management and social media, including
- a: the scope of permitted and prohibited use
 - b: procedures for management and security
 - c: updating of the website
 - d: use for social media monitoring of social media, and protection of the practice's business on social media
 - e: procedures for ensuring data protection and regulatory compliance including ensuring no breach of confidentiality, or copyright across social media

4. Client care

- 4.1 Practices will have a documented policy for client care.
- 4.2 Practices will have processes to ensure compliance with chapter 1 of the SRA' Code of Conduct 2011.
- 4.3 Practices must have a record of any standing terms of business with regular clients. The practice must be able to produce such terms in relation to the issues covered by this section.
- 4.4 Practices will operate a written complaints handling procedure that ensures compliance with chapter 1 of the SRA Code of Conduct 2011 and in addition:
- a: defines what the practice regards as a complaint and sets out how to identify and respond to complaints
 - b: records and reports centrally all complaints received from clients

c: identifies the cause of any problem of which the client has complained offering any appropriate redress, and correcting any unsatisfactory procedures

d: practices will conduct reviews at least annually of complaints data and trends, such review(s) forming part of the review of risk

- 4.5 Practices will have a process to monitor client satisfaction across all conveyancing clients

5 File and case management

- 5.1 Practices will document how client enquiries in relation to possible instructions are handled, with particular regard to:

a: telephone enquiries

b: clients who enquire in person in the reception area, including confidentiality

c: enquiries by correspondence and e-mail

- 5.2 Practices will document how decisions will be made as to whether to accept new instructions from existing clients or instructions from clients who have not instructed the practice before.

- 5.3 Practices will document their arrangements to ensure that it deals with conflicts of interest in accordance with Chapter 3 of the SRA Code of Conduct 2011 and if the practice is acting for both buyer and seller, potential conflicts of interest are identified and acted upon in an appropriate manner.

- 5.4 At the outset of the matter the fee-earner will:

a: establish the nature of the transaction

b: endeavour to give an indication of the likely timescale

d: establish the financial arrangements for the transaction

- 5.5 Practices will have documented procedures to ensure that matters are progressed in an appropriate manner. In particular:

a: key information must be recorded on the file

b: key dates must be defined and recorded on the file and in a back-up system

c: there must be a process to monitor key dates

d: a timely response is made to telephone calls and correspondence from the client and others

e: a written costs estimate showing all anticipated disbursements is given to the client at the outset of the transaction and any variation is notified to the client in writing

f: clients are informed in writing if the person with conduct of their matter changes, or there is a change of person to whom any problem with service should be addressed

- 5.6 Practices will document procedures for the giving, monitoring and discharge of undertakings which complies with Chapter 11 of SRA Code of Conduct 2011.
- 5.7 Practices will have a documented procedure to:
- a: ensure that they are able to identify and trace any documents, files, deeds or any other items relating to a matter
 - b: safeguard the confidentiality of matter files and all other client information
 - c: ensure that documents are stored on the matter file(s) in an orderly way
 - d: ensure the security of documents and data
- 5.8 Practices will have documented procedures to ensure that, at the end of the matter, the practice:
- a: reports to the client indicating any further action that the client needs to take and what (if anything) the practice will do
 - b: accounts to the client for any outstanding money
 - c: returns to the client any original documents or other property belonging to the client if required (save for items, which are by agreement to be stored by the practice)
 - d: if appropriate, advises the client about arrangements for storage and retrieval of papers and other items retained (in so far as this has not already been dealt with, for example in terms of business) and any charges to be made in this regard
 - e: archives and destroys files in an appropriate manner