

The impact of regulatory decisions of the Investigations and Enforcement Unit on black and minority ethnic solicitors



The Law Society



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1. Introduction

The Law Society serves a diverse society. It regulates and represents a diverse profession. It seeks to protect and promote access to justice for all sections of the diverse communities that make up our society. It employs people from many different backgrounds.

The Law Society values and respects this diversity and strives in all it does to take account of and reflect the interests of all the people it serves.

The legal basis for the progression and promotion of equality and diversity in public and private sectors is provided by anti-discrimination legislation. The Law Society, its functions and activities, are subject to the requirements of the legislation. Its Equality & Diversity Policy and Strategy provides the framework for translating policy into action. The Society strives to go beyond mere compliance with anti-discrimination legislation to becoming a leader in the practice and promotion of equality and diversity.

The Law Society has three functions that deal and contribute to the regulation of the profession.

- **Standards**
- **Compliance**
- **Consumer Complaint Service (CCS)**

In ensuring compliance with statutory responsibilities under the anti-discrimination legislation, each function has the responsibility to progress and promote equality and diversity within all its activities and practices.

The Race Relations Amendment Act 2000 imposes an additional duty on the regulatory function: the publication of a Race Equality Scheme. This outlines how the organisation, in particular the regulatory functions, will promote and progress racial equality. We are required to review and impact assess our functions, policies and procedures to ensure they do not have a negative and disproportionate impact on different racial groups. This is called a race impact assessment. We are also required to make the results of our monitoring available to the public.

2. Impact Assessment

An impact assessment is a process undertaken to find out whether a current or proposed function, policy or practice has a different and/or adverse impact on different racial groups. An impact assessment can help us to:

- identify actual and potential inequalities in outcomes, including unlawful racial discrimination;
- identify and respond to the needs of our diverse customers;
- explore other ways of achieving the aims of policies and practices, in order to minimise or remove any possible adverse impact; promote equality of opportunity and promote good relations between persons of different racial groups;

- increase the confidence of the profession and the public in our commitment to Equality and Diversity and to intention to ensure that our functions, policies and practices are fair and not discriminatory.

The Race Relations Amendment Act 2000 (RR (A) A) provides the legislative framework for progressing racial equality. The undertaking of impact assessments is enshrined within the specific duties of the RR (A) A, with which the Regulation functions must comply.

This report presents the findings of an initial race impact analysis that was carried out within the Investigation and Enforcement (I&E) unit which is part of the Compliance function.

3. Background

Compliance is responsible for ensuring that solicitors comply with the conduct and practice rules and regulations of the Law Society. It regulates in the public interest.

The compliance function has the authority under the Solicitors Act to place restrictions on the practice of a solicitor who is in breach of the rules, as well as in serious cases to intervene into firms and refer solicitors to the Solicitors Disciplinary Tribunal. The decision on the type of action is based on an assessment of risk.

It comprises of the following units:

- Compliance Policy
- Equality and Diversity
- Adjudication
- Conduct Assessment and Investigation Unit (CAI)
- Investigation and Enforcement (I&E)

4. Investigation and Enforcement Unit

The Investigation and Enforcement Unit (I&E) is central to ensuring compliance and deals with the most serious breaches of rules and regulations. Risk to clients' interests and damage to the reputation to the profession are key criteria to regulatory decisions taken by I&E. I&E comprises of a number of key activities:

- Regulation
- Investigation Casework Unit (ICT)
- Fraud Intelligence
- Forensic Investigation
- Compensation Fund

The impact analysis covered all these areas except the Compensation Fund.

The trigger for the initial impact analysis was a review of the ethnicity monitoring data gathered by the Investigation and Enforcement Unit over three years (see **attached annex 1 for the 2004 ethnicity monitoring report**).

An examination of the available data highlighted an emerging trend indicating that BME solicitors were disproportionately represented in regulatory decisions compared to their representation within the profession. Whilst this did not necessarily point to discrimination, it was important for the Law Society to explore the reasons for this trend. The Compliance function commissioned an initial impact analysis to ascertain

reasons for the trend and to identify any action needed to ensure that its regulatory process and decision making was not discriminatory in relation to race and ethnicity.

5. Initial Race Impact Analysis

Methodology

In order to examine the trend, an impact assessment was commissioned and carried out by an external consultant. The analysis carried out over 10 days, involved:

- Examining written and unwritten criteria and practice in assessing risk.
- Interviewing key officers from across I&E, including the Director of Regulation Compliance.
- Examining a random selection of case files from FIU (Forensic Investigation Unit), FI (Forensic Intelligence), ICT (Investigation Casework Unit) and Regulation activities

6. Findings

The consultant found it difficult to identify one significant reason for the trend showing the disparity. However, the impact analysis did highlight a number of potential factors that may affect the regulatory process. Some of the factors identified related to the experience and progression of BME solicitors within the profession and their understanding of the rules and the regulatory system in England and Wales.

In looking at the reasons for the trend, four possible factors were identified that go some way towards explaining the disparity. All need further analysis.

Risk Assessment and Criteria

The decision to undertake an investigation is based on an assessment of risk - particularly the risks to clients' interests and the reputation of the profession. Risk assessment is based on a number of factors and criteria. The Investigation and Enforcement Unit (I&E) receives over 4,000 items of 'intelligence' a year.

Most come from the profession, with the rest coming from law enforcement agencies, the public and other units within the Law Society.

The intelligence is assessed against the risk a particular solicitor and/or firm poses in relation to client interest, breaches to the solicitor's accounts rules, practice rules or in some cases criminal activities. Inspections are carried out only if the intelligence credibly suggests a significant breach of the rules, threat to public interest or a risk to public confidence in the profession.

On average, 500 firms are inspected each year by I&E. 55% of inspections result in regulatory action. This is taken only where there is enough evidence of a risk and the action concerned is proportionate to the risk and/or harm identified. If the breach is minor, an 'on site certificate' is issued to alert the solicitor to it.

Where the inspection or intelligence shows there is enough evidence of a serious breach of the rules and regulations, a report is produced by the ICT or Regulation Unit for consideration by an adjudicator. This could result in a solicitor's practice certificate being made subject to conditions or restrictions. In serious breaches the firm may be intervened (closed) and the solicitor(s) referred to the Solicitors Disciplinary Tribunal.

The issue for the Law Society is whether the criteria used and the way the intelligence is assessed disadvantages BME solicitors in some way. The Law Society

needs to examine its risk assessment process and criteria to ensure that the risk assessment process is free from bias and is not discriminatory in relation to race.

Solicitors Disciplinary Tribunal

The Solicitors Disciplinary Tribunal is independent and has both solicitor and lay members. It has the authority to impose sanctions against solicitors found to be in serious breach of the rules and regulations. Sanctions range from the imposition of practice conditions to striking a solicitor off the Roll of Solicitors. This impact analysis did not cover the Tribunal's decisions; however, it was important to highlight the responsibility of this function in relation to ensuring that its decision making is objective and that there was no bias or discrimination in its outcomes.

Organisational Culture

The findings suggested that BME solicitors might be reluctant to seek help and advice from the Law Society, because they may feel that this would be perceived as evidence of them not coping. Another possible reason identified was the way the Law Society is perceived by BME solicitors. This perception was explained through anecdotal evidence and the consultant's own experiences when working with the CPS and coming into contact with BME solicitors who expressed views about the Law Society as not being very welcoming or friendly, being remote and possibly 'racist'. Although this perception was based on anecdotal evidence, the Law Society needs to undertake work on ascertaining BME solicitors' perceptions of their experience of regulation to check if this perception was borne out more widely.

The consultant shared her own perception and feelings of the existing culture and referred to remarks overheard during the course of her impact analysis that she felt were inappropriate. She suggested that staff would benefit from training specifically on race, as she felt that many were not at ease with issues of race and could sometimes be fairly defensive when faced with them.

She stressed the importance of addressing all inappropriate behaviour and the wider culture that could potentially give rise to a perception of the organisation being unwelcoming.

Size of Firm

The Law Society's data showed that a significant proportion, 7.9%, of BME solicitors are sole practitioners, compared with 5.4% of white solicitors. Most other BME solicitors practise in small firms, with very few working in larger ones. Sole practitioners are more likely to have conditions placed on their practising certificates or made subject to a range of interventions. There were several reasons why sole practitioners may fall foul of the rules. These include:

- Lack of skill and capacity to develop an internal audit process to ensure compliance
- Sole practitioners often take a more generalist approach to their practice to make it financially viable and therefore may get things/advice wrong due to lack of business experience
- Practitioners may not fully understand the rules and regulations governing their practice.

The size of firm may have been a reason why sole practitioners and small firms were more likely to be subjected to regulatory intervention. However, other factors may impact on sole practitioners and small practices that also warrant further investigation, such as how the intelligence received was assessed and weighted.

Type of Work

One of the factors considered by the impact analysis was whether particular areas of practice are more closely regulated than others. Law Society data suggests that a significant proportion of BME practitioners work in immigration and publicly funded work generally. This may be because people seeking immigration advice and representation may feel more comfortable and assured that they will get a more sympathetic response from a BME practitioner.

However, immigration work is highly sensitive and under constant political, public and media scrutiny. The clients are vulnerable, so effective consumer protection is especially important. There is pressure from government and in particular the Office of the Immigration Services Commissioner on legal services regulators to regulate more 'heavily'. There has been a need for the Law Society to ensure that there is effective and robust regulation in relation to immigration practice. In most cases where intelligence is received pertaining to immigration, the evidence is not sufficient to proceed. However, where there is evidence to warrant an inspection, malpractice is often found. These raised questions about whether or not the criteria used to justify inspection were more onerous than other areas of practice. Furthermore, did the pressure of scrutiny lead to heavier sanctions than those imposed in similar breaches within other areas of practice?

Another area that needed further investigation is the extent to which practitioners in this area of work fully understood the rules or have the skills to supervise those employees who are not legally qualified. The Law Society needed to consider whether its delivery of information and advice is accessible and understood by all of the profession.

Management Capacity

The impact assessment suggested that if evidence pointed to BME practitioners working as sole practitioners and in small firms, it could also suggest that BME solicitors are more likely to work in deprived areas and to struggle financially. They may not have the skills to keep accurate financial records or be able to afford the services of an accountant. Their struggle to maintain accurate financial records or get them in on time could result in a regulatory intervention.

Culture and Community Expectations

There was evidence from other public sector bodies that certain cultural norms and financial practices may look suspicious because they did not fit into the rules and regulation written within a British context. For example, an inspection can be prompted by an issue such as the use of different names interchangeably when purchasing property or making large cash transactions. This is common practice in some BME communities, but may look suspicious and trigger an intervention by the Law Society, even though on further examination it may be innocent.

It is therefore important to note that in some communities, solicitors may be expected to provide services tailored to meet cultural and religious practices that may look suspicious and indeed breach the rules and regulations. This is a complex and sensitive issue, because the Law Society has to regulate in the public interest and ensure that clients are protected. Nonetheless, it is important to consider how different cultural practices and traditions could be interpreted in the regulatory context.

The Law Society could also play a role in educating the public and in particular BME communities on the rules that govern a solicitors practice.

Qualified Lawyers Transfer Test

Lawyers who qualified abroad and want to qualify in this country can in many cases do so via the Qualified Lawyers Transfer Test.

The impact analysis identified some potential risk factors that may lead to some solicitors in this category attracting compliance action. These included:

- The lack of understanding of the rules and regulations governing solicitors' practice in this country.
- The issue of language, particularly if their first language is not English and therefore that could affect their ability to understand written rules and regulations that are not written in plain language.
- Some may not have experience of managing their own business.
- Their lack of knowledge and confidence to identify and seek advice and support from the LS

This is an area that needs further examination. The initial data analysis did not indicate where the subject solicitor was trained and further analysis is needed to determine if there are any disparities between those solicitors trained here compared to those trained in other jurisdictions.

7. Recommendations

The impact analysis resulted in a number of recommendations for further action. They are listed below, together with an update of progress.

Research

The Law Society needed to consider further examination of the reasons identified within this initial impact analysis by

- Undertaking research into the experiences of BME solicitors of the regulatory process compared to that of white solicitors and to identify whether race and ethnicity influence decision making.
- Carrying out a survey to identify the issues sole practitioners in particular face and the support they would like from the Law Society.
- Undertaking a comparative study to identify issues and differences in the way Registered Foreign and Registered European Lawyers are seen by the Law Society and regulated (e.g. is one more likely to be subject to regulatory intervention).
- Undertaking further research to determine if there were differences in how risk is assessed and how decisions are made as to the type of intervention based on the practice area, such as immigration compared to conveyancing.

Progress Update

An exploratory study to ascertain whether race and ethnicity are key factors in regulatory decision-making, including decisions to refer to the Solicitors Disciplinary Tribunal, is underway. It will focus primarily on the intervention decisions and Tribunal decisions. A report is anticipated by the end of this year. The Law Society's Strategic Research Unit is also undertaking a number of studies in response to the recommendations, starting with an Early Warnings Indicator Study.

Support and Training for Solicitors

The Law Society could develop more appropriate approaches to information provision and support to those at risk at an earlier stage. There should be recognition of the expectation of communities and cultural differences that may lead to a solicitor being subject to intervention. The Law Society should consider its role in educating the public. The Ethics Helpline should record anonymously the profile of solicitors seeking advice and publish its service more widely.

The organisation should consider providing information on its rules and regulation as well as its services in plain English and community language and other formats. This information should be made accessible at community points and through other media, including the web.

The organisation should consider on-going learning and development for solicitors who have qualified abroad as well develop clear 'fit for practice' standards.

Progress update

The Ethics helpline in Standards was established to provide information and advice to solicitors on an anonymous basis and on a range of issues, including clarifying the rules and regulation governing their practice. Further work will be done to assess and address any barriers that may prevent some solicitors and in particular BME and disabled solicitors from seeking relevant support and advice.

A review of the Qualified Lawyers Transfer Test has been identified and will commence after the outcome from the initial Early Warnings Study is completed. This initial study will help to identify if the QLTT is a significant factor impacting on BME solicitors resulting in them being more likely to be subjected to regulatory decisions. We will work to ensure that both Registered European and Registered Foreign Lawyers are 'fit to practice' in this country and that they understand the rules and regulation governing practice.

As part of the transition process we will review our policies and practices. A race impact assessment will form part of this review. This will help us to identify any adverse impact and ensure that our regulatory policies, procedures and practices are fair and proportionate. We will also ensure that we take into consideration the diversity of the profession and the community when developing rules and regulation

Support and Training for Law Society Staff

The organisation needs to develop and deliver learning and development on E&D and in particular race, to ensure that staff, and particularly those in Compliance, have the knowledge, skills and confidence to discuss and address issues of race.

Attention needs to be given to the culture of the Law Society and the perception that the Law Society is an unwelcome place. The need for cultural understanding and effective cross-cultural communication is necessary and critical to ensure effective communication within a cultural context.

Progress Update

All Law Society staff are required to attend Values training provided by the Learning and Development Unit. This programme provides awareness across equality and diversity strands. A workshop on cross-cultural communication is being developed and will be delivered this year.

Senior and middle managers have attended a number of development workshops on equality and diversity, including a recent workshop on impact assessment which provided them with the knowledge and skills to undertake impact assessments in relation to race and disability. Further development being commissioned for

managers includes learning on managing a diverse workforce and the development of a behaviour competency framework on equality and diversity.

We are developing a similar development programme for staff across regulation. Staff with responsibility for policy development and advice have attended a workshop on impact assessment. This will be followed by a Training Needs Analysis (TNA) to ensure that equality and diversity learning is relevant and appropriate to the range of responsibilities held by staff across regulation.

Day to day support and advice on matters of equality and diversity is provided by the Head of Equality (Regulation) based in Compliance who also supports the standards and consumer complaints functions.

An Equality and Diversity Working Forum has been established in Regulation for the purpose of discussing issues of equality and diversity, sharing best practice, promoting joint working and monitoring of progress against the Race Equality Scheme objectives and those set within the E&D action plan.

8. Conclusion

The Impact Analysis was an attempt to examine more closely the statistics and the trend that showed that BME solicitors were over-represented in regulatory decisions and to try and identify reasons for this potential disparity.

Although valuable, this was an initial analysis and therefore should not be seen as a complete Impact Assessment, but only as its first stage. The assessment did not find one key significant reason for the statistical disparity showing that BME practitioners were over-represented in regulatory decisions. The consultant also stated that this over-representation did not mean that discrimination was present. However, what it did show was that there may be certain factors that could give rise to potential disadvantage, which in turn may lead more BME solicitors into the regulatory system. She acknowledged the fact that the Law Society as a regulator has a responsibility for effective regulation in the public interest and has the added pressure of regulating within a highly political environment.

The consultant also said that some of the disparity could be an end product of the experiences of BME solicitors who on entering the profession may have faced barriers and discrimination and struggle to progress in their careers.

The impact analysis identified the question of perception and the need to record decisions more consistently. In the regulatory process within I&E there was considerable individual discretion, which could possibly give rise to subjectivity and in turn lead to unintended discrimination, or the perception of discrimination by those being regulated. Therefore it was important that there were clear criteria and guidance for decision making, as well as E&D learning and development for staff to equip them with the knowledge, skills and confidence to deal with issues of race.

Further examination is crucial to ascertain whether the statistical disparities exist for all BME or for a particular group, such as Pakistani or African solicitors.

Mehrunnisa Lalani

Head of Equality and Diversity (Regulation)

February 2006

(Annex 1): Ethnicity monitoring report of Investigation & Enforcement decisions for 2004

Introduction

The Law Society has a commitment to:

“Playing a leading role in the elimination of discrimination and the promotion of equality and diversity in all its functions and activities”

We will strive towards ensuring fairness and consistency when delivering our regulatory responsibilities. We aim to do this by:

- Undertaking regular monitoring and evaluation of our regulatory activities and decision making
- Addressing any adverse disparities that are identified to ensure that our policies, procedures and practices are fair.

This report covers the monitoring undertaken by the Investigation and Enforcement Unit (I&E) in 2004. The monitoring data showed that black and minority (BME) practitioners were disproportionately represented in regulatory decisions. The Compliance Directorate wanted to explore the reasons for the disparity and commissioned an initial impact assessment of the regulatory decisions within I&E.

This report forms part of the Law Society’s ongoing commitment to promoting and progressing equality and diversity in all its activities.

Data

- Where “Solicitors 2004” is used, this is defined as those whose names appeared on the Roll of solicitors in 2004, and who held a current Practising Certificate. I.e. practising solicitors.
- Where “Profession 2004” is referred to, this is defined as all individuals whose names appeared on the Roll of solicitors. A proportion of these did not hold current Practising Certificates.
- Unadmitted individual’s details have not been included. Therefore Registered European Lawyers and Registered Foreign Lawyers subject to any of the regulatory decisions described will not appear in this report. Nor will trainee solicitors who have not yet been admitted.
- The data relates to 2004 and is for the calendar year rather than a practice year.

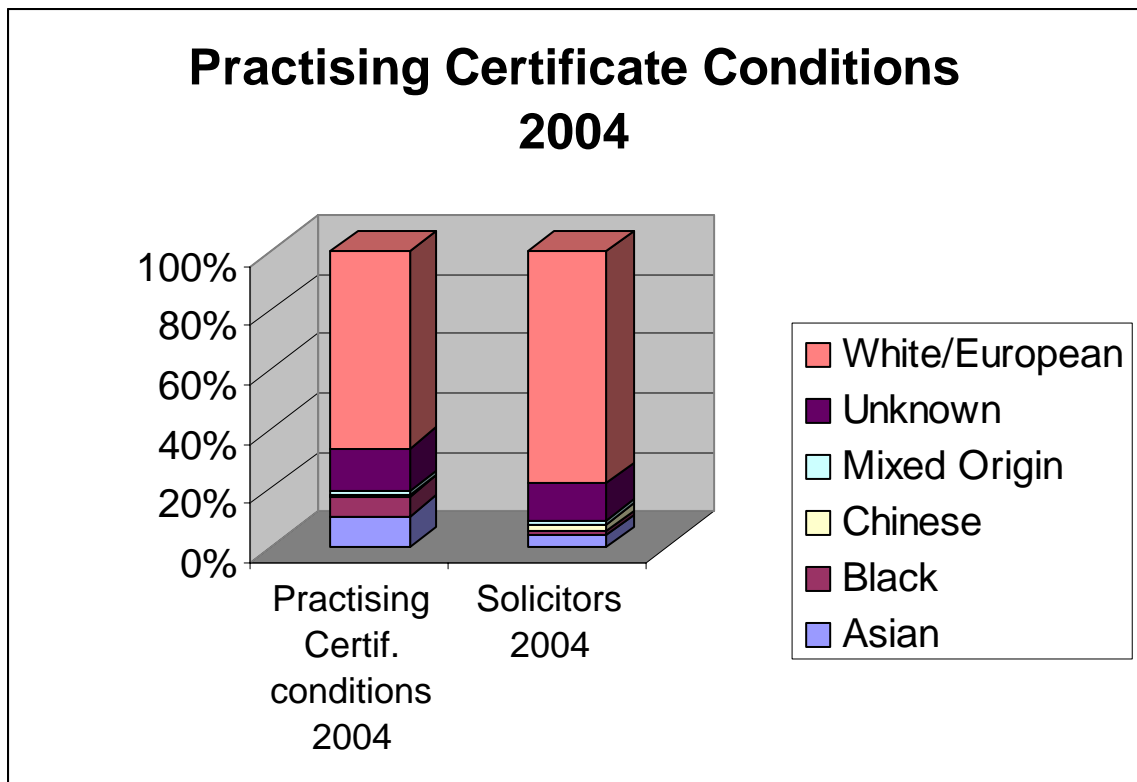
Limitations of Data

- Some of the statistics relate to decisions made at the first instance. Therefore these statistics do not include those cases where the initial decision was appealed. An appeal can overturn the initial decision and can change the final outcome of a case.
- Many of the categories below only have small number of solicitors involved (e.g. there were only 66 individuals subject to an intervention in 2004). Therefore, very small changes in the data can create a very large variance in the proportions of ethnicity.
- The disclosure of ethnicity information is voluntary and based on self classification. A large proportion of practitioners have not disclosed their ethnicity to the Law Society. This report is based on the ethnicity data currently held by the Law Society.

Practising Certificate Conditions

This section relates to solicitors where an initial decision was made to impose conditions upon their Practising Certificate during 2004. These cases are dealt with by the Regulation Unit in the main, but occasionally by the Investigation Casework Team.

| Ethnic Origin | Number of Practising Certif. conditions | % of Practising Certif. Conditions | % of Solicitors 2004 |
|----------------|---|------------------------------------|----------------------|
| Asian | 85 | 10.56% | 4.40% |
| Black | 54 | 6.71% | 1.34% |
| Chinese | 2 | 0.25% | 2.11% |
| Mixed Origin | 14 | 1.74% | 1.32% |
| Unknown | 115 | 14.29% | 12.75% |
| White/European | 535 | 66.46% | 78.09% |
| Total | 805 | 100.00% | 100.00% |

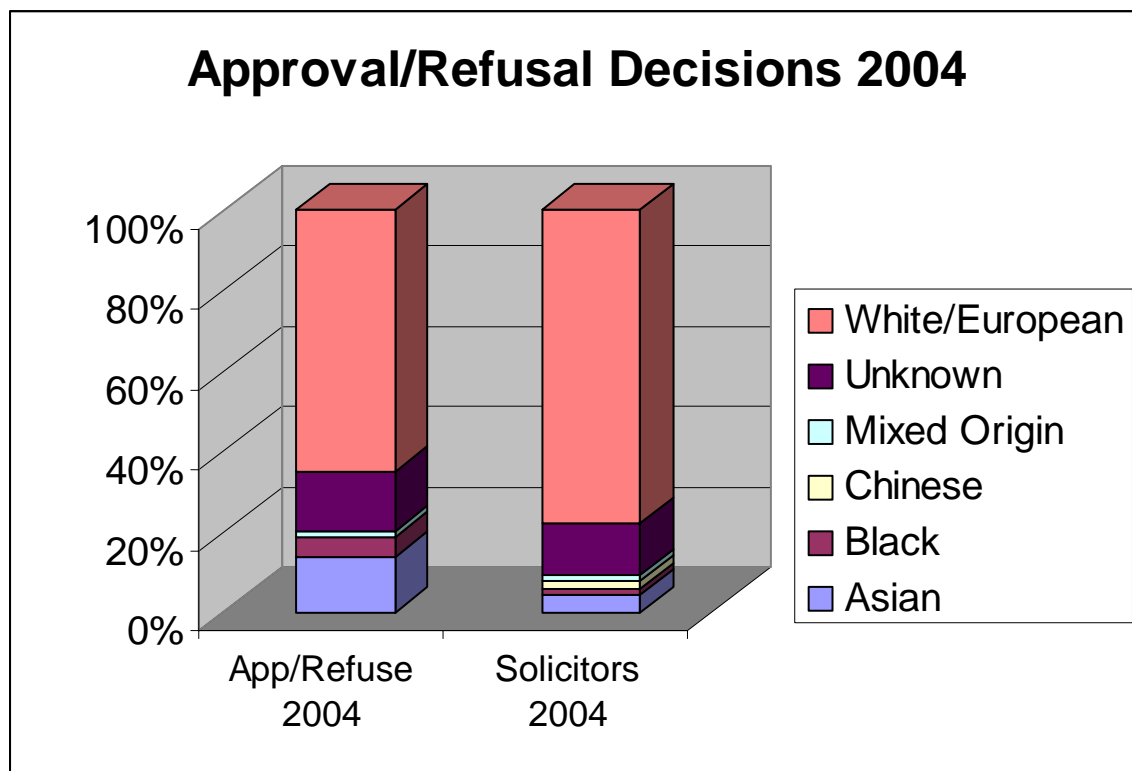


The data above is derived from the solicitors named on files where there was an initial decision in 2004 to "impose a Practising Certificate condition". The data does not therefore include the outcome of any reviews of those initial decisions.

Approval/Refusal of Approval of Employment Arrangements

In certain circumstances, a solicitor may have a condition imposed upon his/her Practising Certificate which requires that they are granted approval of their employment/partnership arrangements prior to commencing a new post. These applications are in the main dealt with by the Regulation Unit, but also the Investigation Casework Team.

| Ethnic Origin | Number of App/Refuse Decisions | % of App/Refuse Decisions | % of Solicitors 2004 |
|----------------|--------------------------------|---------------------------|----------------------|
| Asian | 34 | 13.71% | 4.40% |
| Black | 12 | 4.84% | 1.34% |
| Chinese | 0 | 0.00% | 2.11% |
| Mixed Origin | 4 | 1.61% | 1.32% |
| Unknown | 37 | 14.92% | 12.75% |
| White/European | 161 | 64.92% | 78.09% |
| Total | 248 | 100.00% | 100.00% |

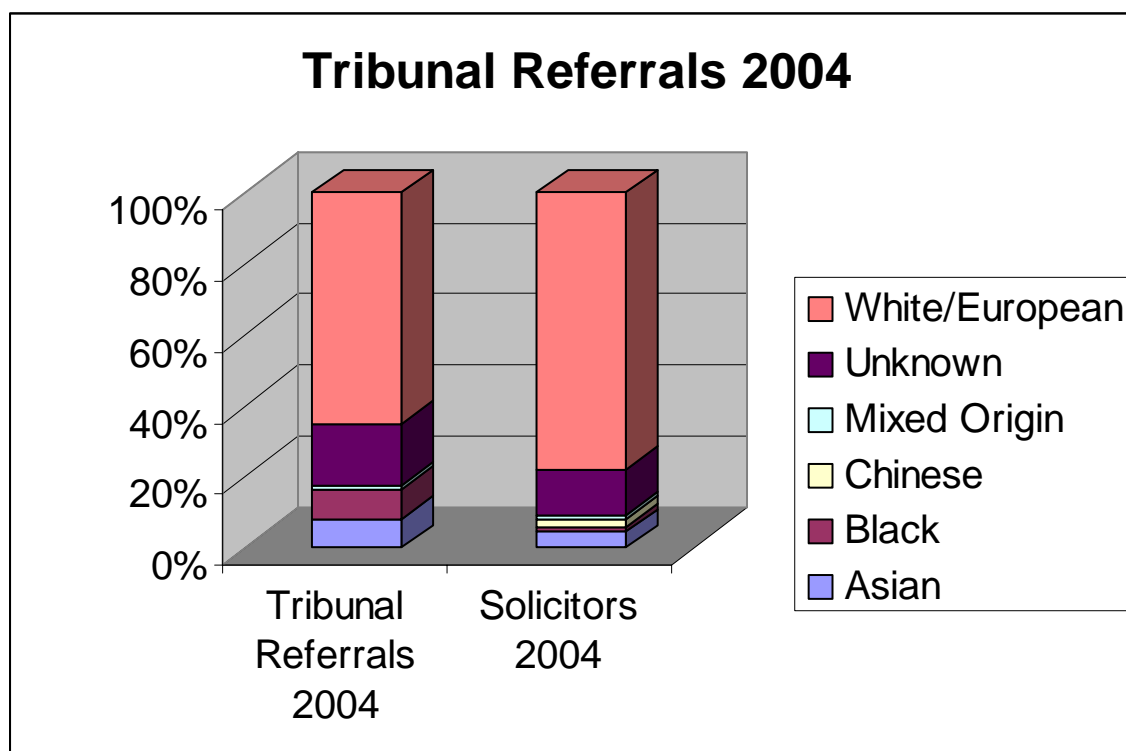


This information details all those solicitors/former solicitors who were named as subject individuals on files where an initial decision was made in 2004 to either approve or refuse an application for approval of employment/partnership/Section 41. Section 41 applies to struck off/suspended solicitors, who may only be employed or remunerated in connection with a solicitor's practice when the Law Society has approved such arrangements.

Tribunal Referrals

Where there is prima facie evidence that a solicitor's conduct is unbecoming of a solicitor, a decision may be taken to refer their conduct to the Solicitors' Disciplinary Tribunal. These referrals are managed by advocates in the Intervention and Disciplinary Unit

| Ethnic Origin | Number of Tribunal Referrals | % of Tribunal Referrals | % of Solicitors 2004 |
|----------------|------------------------------|-------------------------|----------------------|
| Asian | 24 | 7.97% | 4.40% |
| Black | 25 | 8.31% | 1.34% |
| Chinese | 1 | 0.33% | 2.11% |
| Mixed Origin | 3 | 1.00% | 1.32% |
| Unknown | 52 | 17.28% | 12.75% |
| White/European | 196 | 65.12% | 78.09% |
| Total | 301 | 100.00% | 100.00% |

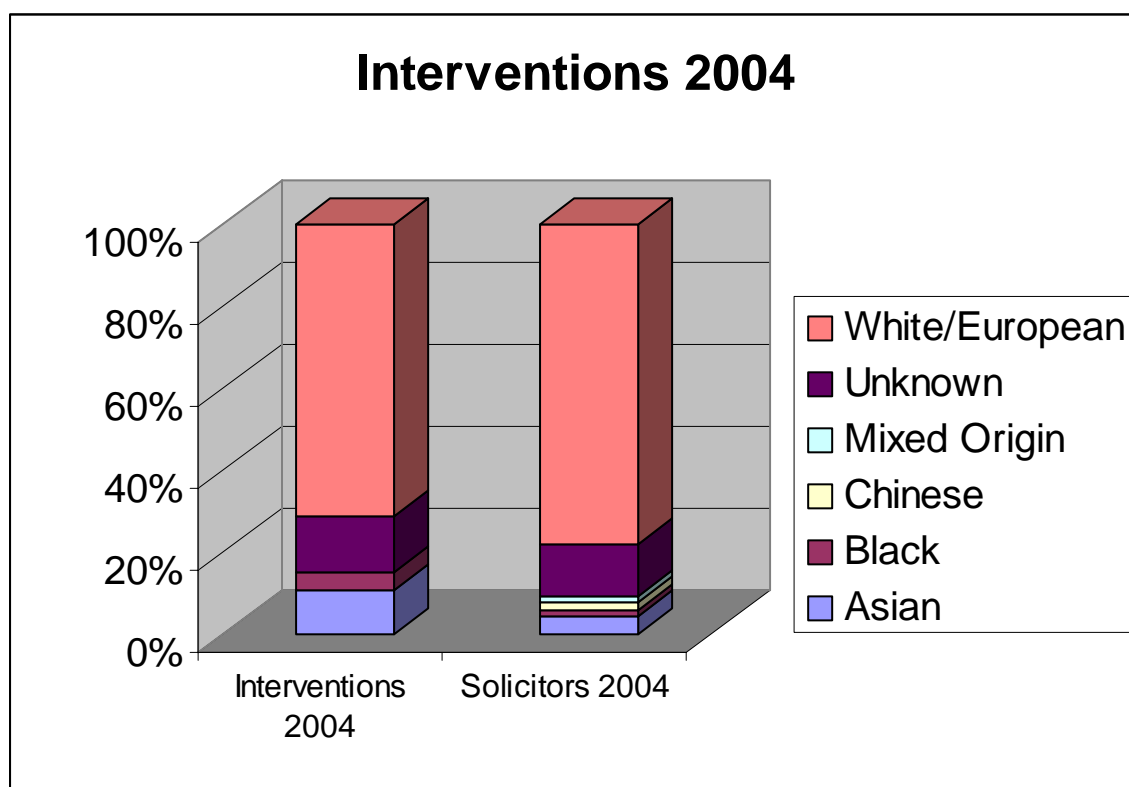


The data above refers to solicitors named in Tribunal files opened between in 2004.

Interventions

Where a decision is made to intervene into a solicitor's practice, the matter is referred to the Intervention and Disciplinary Unit to be effected. This section details the ethnicity of those solicitors who were subject to an intervention in 2004.

| Ethnic Origin | Number of Interventions | % of Interventions | % of Solicitors 2004 |
|----------------|-------------------------|--------------------|----------------------|
| Asian | 7 | 10.61% | 4.40% |
| Black | 3 | 4.55% | 1.34% |
| Chinese | 0 | 0.00% | 2.11% |
| Mixed Origin | 0 | 0.00% | 1.32% |
| Unknown | 9 | 13.64% | 12.75% |
| White/European | 47 | 71.21% | 78.09% |
| Total | 66 | 100.00% | 100.00% |

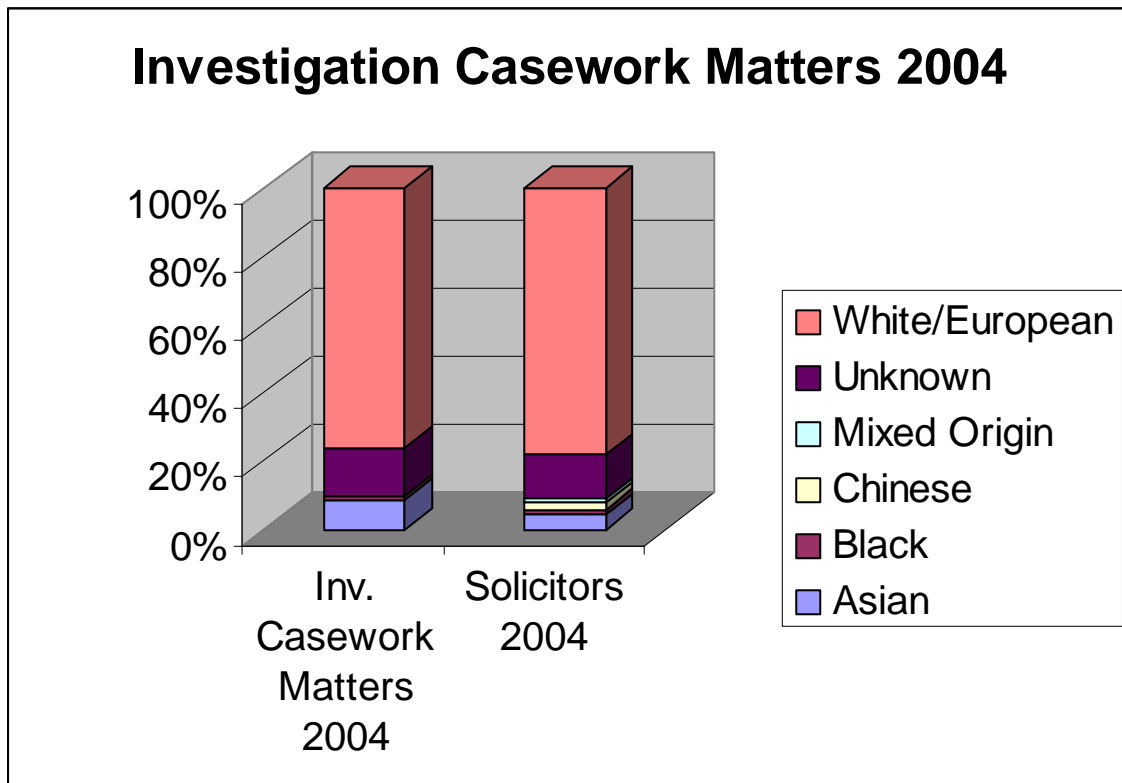


The data details all the solicitors named in intervention files created in 2004.

Investigation Casework Matters

The Team ICT team deals with complex cases which include complaints, Practising Certificate conditions, inspection reports etc. This section analyses the ethnicity of solicitors named on a file dealt with by ICT

| Ethnic Origin | Number of Inv. Casework Matters | % of Inv. Casework Matters | % of Solicitors 2004 |
|----------------|---------------------------------|----------------------------|----------------------|
| Asian | 21 | 8.71% | 4.40% |
| Black | 3 | 1.24% | 1.34% |
| Chinese | 0 | 0.00% | 2.11% |
| Mixed Origin | 0 | 0.00% | 1.32% |
| Unknown | 34 | 14.11% | 12.75% |
| White/European | 183 | 75.93% | 78.09% |
| Total | 241 | 100.00% | 100.00% |

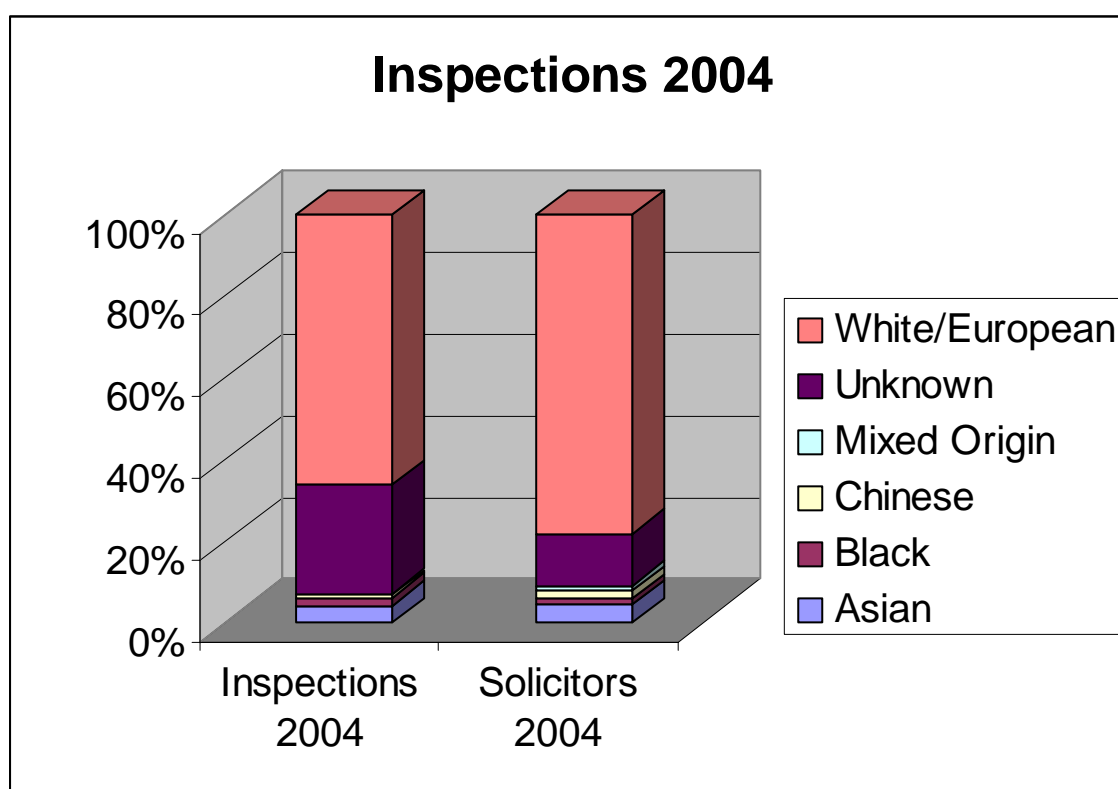


Where files are dealt with by ICT, the complexity of the matter is electronically altered. Data has therefore been taken from the database to report on the solicitors subject to investigation which had an ICT complexity and where an initial decision was made in 2004.

Inspections

The Law Society's Forensic Investigation department carries out inspections at solicitors' practices. Around 55% of inspections result in a report being written which will detail Solicitor's Accounts Rule breaches and other issues. This section details the ethnicity of all solicitors subject to a Law Society inspection.

| Ethnic Origin | Number of Inspections | % of Inspections | % of Solicitors 2004 |
|----------------|-----------------------|------------------|----------------------|
| Asian | 93 | 4.20% | 4.40% |
| Black | 42 | 1.90% | 1.34% |
| Chinese | 16 | 0.72% | 2.11% |
| Mixed Origin | 6 | 0.27% | 1.32% |
| Unknown | 589 | 26.59% | 12.75% |
| White/European | 1469 | 66.32% | 78.09% |
| Total | 2215 | 100.00% | 100.00% |

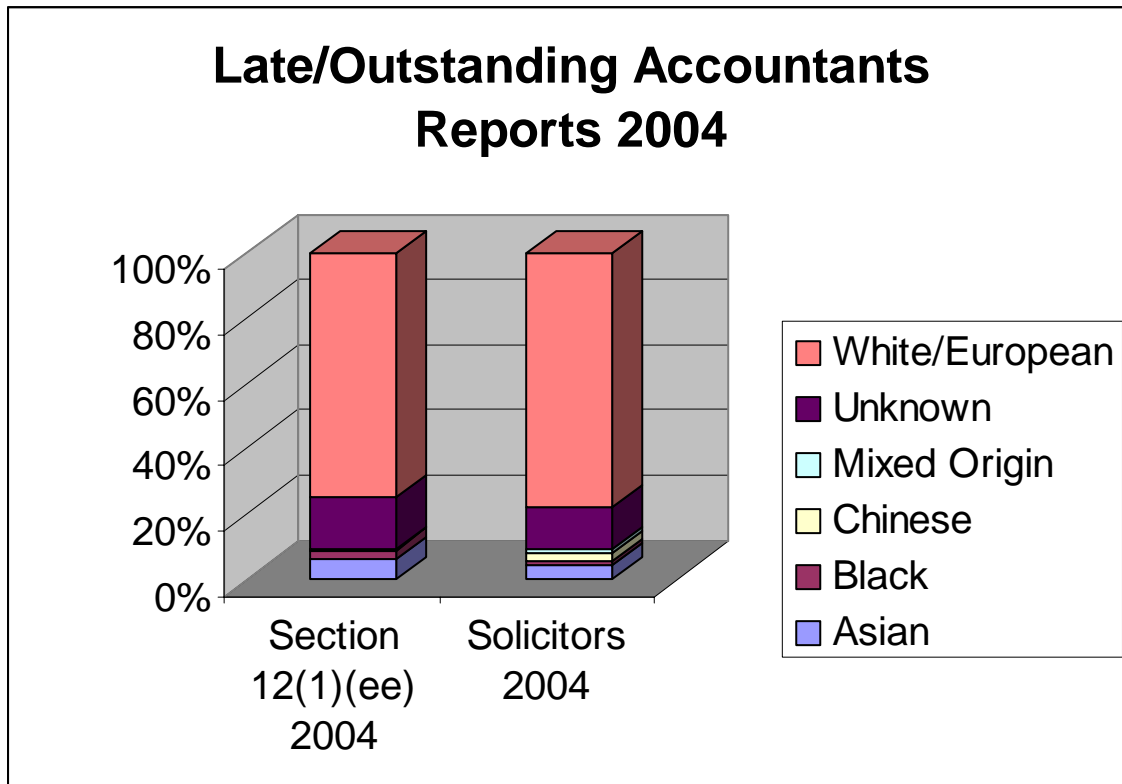


The information presented above details those solicitor partners/members, who received letters notifying them of the authorisation of an inspection in 2004. This data does not include the outcome of any inspection.

Late/Outstanding Accountants' Reports

Solicitor's practices are under a statutory obligation to provide Accountants' Reports to the Law Society. Where a solicitor files a report late, or it is outstanding, they will become subject to Section 12(1) (ee) of the Solicitors Act 1974. This means that the Law Society has the power to impose conditions upon a solicitor's Practising Certificate (see above). The late/non-filing of an Accountants' Report can be indicative of other regulatory issues and is included in these statistics as a control, since the solicitor has responsibility for submitting these reports and when a solicitor becomes subject to Section 12(1) (ee), this is not as a result of regulatory action.

| Ethnic Origin | Number of Solicitors subject to Section 12(1)(ee) | % of Section 12(1)(ee) | % of Solicitors 2004 |
|----------------|---|------------------------|----------------------|
| Asian | 124 | 6.21% | 4.40% |
| Black | 55 | 2.75% | 1.34% |
| Chinese | 7 | 0.35% | 2.11% |
| Mixed Origin | 3 | 0.15% | 1.32% |
| Unknown | 316 | 15.82% | 12.75% |
| White/European | 1493 | 74.72% | 78.09% |
| Total | 1998 | 100.00% | 100.00% |



The above details are on all solicitors who filed an Accountant's Report late or failed to file an Accountant's Report in 2004, and therefore became subject to Section 12(1)(ee) of the Solicitors' Act 1974.

Overall Comparisons 2004

| Ethnic Origin | Interventions | Practising Certificate Condit. | Tribunal Referrals | Inv. Casework Matters | App/Refusal | Inspections | Section 12(1)(ee) | Profession 2004 | Solicitors 2004 |
|----------------------|----------------------|---------------------------------------|---------------------------|------------------------------|--------------------|--------------------|--------------------------|------------------------|------------------------|
| Asian | 11% | 11% | 8% | 9% | 14% | 4% | 6% | 5% | 4.40% |
| Black | 5% | 7% | 8% | 1% | 5% | 2% | 3% | 1% | 1.34% |
| Chinese | 0% | 0% | 0% | 0% | 0% | 1% | 0% | 1% | 2.11% |
| Mixed Origin | 0% | 2% | 1% | 0% | 2% | 0% | 0% | 1% | 1.32% |
| Unknown | 14% | 14% | 17% | 14% | 15% | 27% | 16% | 12% | 12.75% |
| White/European | 71% | 66% | 65% | 76% | 65% | 66% | 75% | 80% | 78.09% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100.00% |

| Ethnic Origin | I&E Average | Profession 2004 | Solicitors 2004 |
|----------------------|------------------------|------------------------|------------------------|
| Asian | 8.85% | 4.71% | 4.40% |
| Black | 4.33% | 1.42% | 1.34% |

| Ethnic Origin | I&E Average | Profession 2004 | Solicitors 2004 |
|----------------------|------------------------|----------------------------|----------------------------|
| Chinese | 0.24% | 0.85% | 2.11% |
| Mixed Origin | 0.68% | 1.32% | 1.32% |
| Unknown | 16.66% | 11.55% | 12.75% |
| White/European | 69.24% | 80.15% | 78.09% |
| Total | 100.00% | 100.00% | 100.00% |

Investigation & Enforcement Decisions 2004

