



The Law Society

**Minutes of the Contract Compliance Audit
Working Group
held on 29 May 2008**

Present:

Law Society

Linda Lee (LL)

Alice Mutasa (AM)

Lucy Scott-Moncrieff (LS)

LSC

Richard Collins, Chair (RC)

Mike Crowley (MC)

Gary Winter (GW)

Alex McDonald (AD)

Matthew Howgate (MH)

National Audit Office

Paul Keane

Advice Services Alliance

Ann Lewis

Action

Minutes were approved of the last meeting on 12th May subject to a few minor amendments.

Richard Collins led a discussion on the two papers put together following the last meeting:

- Current Process paper
- Key Issues paper

All parties agreed that the review should focus on ensuring the CCA process is the least onerous process possible from the perspective of the LSC and suppliers, that it should achieve its purpose and be effective.

It was agreed that good supervision is key to good performance, however, there must be a balance struck that ensures people are not made to feel like they are constantly under the microscope.

The group felt that the key issues paper was very helpful. Lucy Scott-Moncrieff for the Law Society set out that whilst some of the issues were very clear eg. financial eligibility, there were others that were less clear eg. the rules around case splitting. It was agreed that we needed to be as clear

as possible in guidance to both auditors and suppliers in terms of what the LSC is looking for in the areas that are not so straight forward.

The group discussed the current CCA process. Gary Winter explained that there was now much more communication between the auditor, account manager and supplier during the course of an audit.

Lucy Scott-Moncrieff on behalf of the Law Society suggested that firms should be checking that files requested contain information necessary to cover the points in the Key Issues paper. Matthew Howgate explained that the contract requires that this information must be available on every file so this exercise should not be necessary. Matthew did however accept that the reality was that in doing this it may save some time in making representations later. It was however made clear that any review would be simply to ensure the file had the necessary level of information to show what did happen in the case rather than what should have happened.

The group discussed the need for better education for suppliers to help them get things right and the need for a review of guidance and information to support this. Richard Collins confirmed that we cannot get away from auditing as this is necessary to demonstrate that we are exercising control over public money, however, if firms could be trained and encouraged to take responsibility and ensure file review systems were robust enough to identify potential CC issues then as we audit over time our confidence levels in terms of supplier performance would improve and the number of audits undertaken may lessen.

Richard confirmed that at present the LSC's audit schedule has to cover a proportion of Legal Aid spend to satisfy the NAO. There is a random element to this but also firms that are targeted because of 'unusual' behaviour.

The group agreed that there were two areas of work to be taken forward at this stage and separate working groups should be set up to deal with this:-

Firstly, there should be a group to review the guidance available for suppliers and auditors with the focus on simplification.

Secondly there should be a group to look at what we could do to integrate what is looked for on a CC audit into suppliers existing file review and supervision processes. This should include at the opening of a case whether

the case is in scope, does it meet the means and merits test and is there evidence of means on file and at the end of a case has the matter been reported correctly. This group should also explore the possibility of self evaluation and certification.

The Law Society agreed to put forward practitioners to sit on each of these groups.

In addition to the above the following action points were taken away:

- Matthew Howgate agreed to find out where we are with a review of outcome codes. MH
- Matthew Howgate agreed to pull together all our existing guidance for the working group that would be looking at this. MH
- Gary Winter agreed to put together a paper explaining the nature and degree of activity that is acceptable in reviewing a file between that file being requested for CCA and that file being sent to the LSC. GW
- Gary Winter agreed to confirm the status of Transaction Criteria Audits and their future as far as the LSC is concerned. GW
- Gary Winter will investigate the possibility of including an aide memoire to CC issues in the key card document. GW
- Gary Winter will provide a reworded document on what the CC Audit covers. GW

Date of Next Meeting : 24th June 2008 at 2pm (venue to be arranged)

Post Meeting Note: Gary Winter agreed to check whether the CCA Report is routinely sent to the firms Account Manager and can confirm that it is. GW