

Lexcel v4 overlaps with the SQM

January 2008

Lexcel requirement		Relevant SQM requirement
1.1 – Practices will have documentation setting out:	a) the legal framework	No requirement for documentation setting out the legal framework under which the practice operates
	b) their business structure	C1.1 C1.2
1.2 – Practices will have a risk management policy which includes:	a) strategic risk	The optional requirement in the SQM does not cover strategic risk
	b) operational risk	G5.2 This requirement is optional in the SQM
	c) regulatory risk	The optional requirement in the SQM does not cover regulatory risk
1.3 – Practices will have a quality policy, which must include:	a) the role the quality system plays in the overall strategy of the practice	No requirement for a quality policy
	b) a process for personnel to suggest improvements to the quality system	No requirement
1.4 – Practices will have a policy on the avoidance of discrimination and the promotion of equality and diversity, to include:	a) employment and partnership, recruitment and selection, training and conditions of service and promotions within the practice	D1.3
	b) the delivery of service	A3.1
	c) the instruction of counsel and experts in professional dealings	F5.1
1.5 – Practices will have a policy to ensure compliance with anti-money laundering legislation, to 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 d) training of personnel e) the proper maintenance of records	No requirement for documented procedures to comply with money laundering legislation
1.6 – Practices providing services to clients in relation to property transactions will have documented procedures in relation to the avoidance of involvement in mortgage fraud		No requirement for documented procedures to avoid mortgage fraud
1.7 – Practices will have a policy in relation to the health and safety of all personnel and visitors to the practice		No requirement for documented health & safety procedures

Lexcel requirement	Relevant SQM requirement	
1.8 – Practices should have a policy in relation to community and social responsibility	Although optional in Lexcel, there is no requirement for a policy in relation to community and social responsibility	
2.1 – Practices will develop and maintain a marketing and business plan	Partly - A1.1 requires a Business Plan; but no marketing plan	
2.2 – Practices will document the services they wish to offer: a) the client group to be served b) how services are to be provided c) the way in which services are designed to meet client needs	Partly - A1.1 The Lexcel requirements are partly met as they form part of the consideration for the business planning process under the SQM	
2.3 – A documented review of 2.1 and 2.2 will be conducted at least every 6 months	Partly - A1.2 The SQM stipulates 6 monthly reviews for the business plan only	
3.1 – Practices will document responsibility for overall financial management	C2.1	
3.2 – Practices will be able to provide documentary evidence of their financial management processes, including:	a) annual budget	C2.2b
	b) quarterly variance analysis of income and expenditure	C2.4
	c) annual profit or loss, or income and expenditure	C2.3
	d) annual balance sheet	C2.3
	e) annual cash or funds flow forecast	No requirement for cash flow or funds forecast
	f) quarterly variance analysis at least of cash flow	See above
4A.1 - Practices will have an ICT plan, including: a) the application of all ICT facilities within the practice b) the role of ICT in facilitating services for clients	No requirement to have an ICT plan	
4A.2 – Practices will have a policy in relation to data protection compliance issues, which must include: a) ensuring registration with the Information Commissioner b) training of personnel	No requirement for a data protection policy	
4A.3 – Practices will have an information management policy, including: a) relevant information assets of both the practice and clients b) the risk to these assets, their likelihood and their impact c) procedures for the protection and security of the assets d) a process for training personnel	No requirement for an information management policy	
4A.4 – Practices must have an email policy, including: a) the scope of permitted and prohibited use b) any procedures for monitoring personnel using email c) procedures for the proper management and security d) procedure for its proper storage and destruction	No requirement for an e-mail policy	

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<p>4A.5 – If the practice has a website, the practice must have a website management policy, including:</p> <ul style="list-style-type: none"> a) a process for document approval and publishing b) the scope of permitted and prohibited use c) procedures for the proper management of its security and contents 	<p>No requirement for a website management policy</p>	
<p>4A.6 - If personnel in the practice have internet access the practice must have an internet access policy, including:</p> <ul style="list-style-type: none"> a) the scope of permitted and prohibited use b) any procedures for monitoring personnel accessing the internet 	<p>No requirement for an internet access policy</p>	
<p>4B.1 – Practices will document the office facilities needed to provide a service, including:</p> <ul style="list-style-type: none"> a) the use of premises and equipment, including security and safety issues b) arrangements for clients to visit the office c) communication arrangements d) procedures for the handling of financial transactions 	<p>No requirement to document office facilities</p>	
<p>4B.2 – Practices will have a process for legal research, including the updating and sharing of legal and professional information</p>	<p>D4.4</p>	
<p>4B.3 – Practices will maintain an office manual or intranet collating information of office practice, which must be available to all staff. Practices will have a process to:</p>	<p>a) control the office manual or intranet to ensure that only the current version is in use</p>	<p>G4.1</p>
	<p>b) review the manual or intranet at least annually</p>	<p>G3.2</p>
	<p>c) update the manual or intranet and record the date of amendments</p>	<p>G4.1</p>
<p>5.1 – Practices will have a plan for:</p>	<p>a) the recruitment of personnel, including likely recruitment needs</p>	<p>No requirement for a Recruitment Plan.</p>
	<p>b) the training and development of personnel</p>	<p>No requirements for a practice-wide Training & Development Plan, although each individual needs one</p>
<p>5.2 – Practices will list the tasks to be undertaken by all personnel within the practice and document the skill, knowledge and experience required to fulfil their role satisfactorily</p>	<p>D1.1 D1.2</p>	
<p>5.3 – Practices will have procedures to deal effectively with recruitment & selection, including:</p>	<p>a) the identification of vacancies</p>	<p>No requirement</p>
	<p>b) the drafting of job documentation</p>	<p>D1.1</p>
	<p>c) methods of attracting candidates and applicants</p>	<p>No requirement</p>
	<p>d) selection methods used</p>	<p>Partly - D1.4 Requirement for an “open recruitment” process</p>
	<p>e) storage, retention and destruction of records</p>	<p>Partly - D1.4 Requirement only for storage of records</p>

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	f) references and ID checking and any use of medical examination	No requirement
	g) checking fee earners' disciplinary records	No requirement
5.4 – Practices will conduct an appropriate induction process for all personnel, including those transferring roles within the practice		Partly - D2.1 NB the SQM requirement only applies to people joining the practice from outside, not to those changing roles within it, and does not extend to reviewing initial and future training needs
5.5 – Practices must have a training and development policy and will:	a) ensure that appropriate training is provided to personnel within the practice in accordance with its policy	No requirement
	b) ensure that all supervisors and managers receive appropriate training	D2.3 D3.4
	c) have a process to evaluate training	No requirement
5.6 – Practices will conduct a documented review of the responsibilities, objectives, performance and training of all personnel at least annually		D2.2
6.1 – Practices will have a written description of their management structure which designates the responsibilities of individuals and their accountability		C1.1
6.2 – There will be a named supervisor for each area of work undertaken by the practice and they must have appropriate experience of the work supervised and be competent to guide others		D3.1 D3.2
6.3 – Practices will have a process to ensure that all personnel, both permanent and temporary, are actively supervised.		Partly SQM does not cover supervision of support staff Comments below refer to caseworker supervision only
6.3 – Practices will have a process to ensure that all personnel, both permanent and temporary, are actively supervised. Including:	a) checks of incoming and outgoing correspondence, including letters, emails and faxes	Covered in guidance to D4
	b) departmental, team and office meetings and communication structures	As above
	c) reviews of matter details in order to ensure good financial controls and the appropriate allocation of workloads	Partly - D4.1 Allocation of cases is covered; but financial control is not
	d) the exercise of devolved powers in publicly funded work	E1.2d
	e) the availability of a supervisor	D3.1

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	f) allocation of new work and reallocation of existing work, if necessary	Partly - D4.1 Requirement not extended to reallocation of existing work. D4.3 requires caseworkers to tell their supervisor if a case is beyond their capability. Reallocation in these circumstances is implied.	
6.4 – Practices will have processes to ensure that all those doing legal work check their files regularly for inactivity		E1.2 e	
6.5 – Practices will have a procedure for regular, independent file reviews, of either the management of the file or its substantive legal content, or both.	a) define file selection criteria	E2.1 b	
	b) define the number and frequency of the reviews	E2.1 a	
	c) retain a record of the file review on the matter file and centrally	E2.4 E2.5	
	d) ensure any corrective action which is identified in a file review is actioned within 28 days and verified by the reviewer	E2.1 E2.4 Note that Lexcel requires any corrective action to be carried out within 28 days. SQM allows the time limit to be determined by the reviewer	
	e) ensure the designated supervisor reviews and monitors the data generated by file reviews	E2.2	
	f) conduct a review at least annually of the data generated by file reviews, which will contribute to the review of risk assessment data	E2.6	
6.6 – Practices will ensure that procedures are in place to:	a) designate an overall risk manager	G5.1	Note this section of the SQM is optional. Assessors will need to establish whether or not the practice has opted to have this area assessed by the LSC
	b) establish appropriate reporting arrangements to ensure risk issues are appreciated and addressed	G5.3	
	c) maintain list of work the practice will and will not undertake	G5.2	
	d) maintain details of generic risks and causes of claims associated with the areas of work	G5.2	
	e) manage instructions with a high risk profile	G5.3	
6.7 – Practices will analyse at least annually all risk assessment data generated in the practice:	a) any indemnity claims	No requirement	
	b) an analysis of client complaints trends	G1.3	
	c) data generated by file reviews	E2.6	
	d) the identification of remedial action	No requirement	
6.8 – Operational risk will be considered and	a) consider if a new client or matter should be accepted by the practice	No requirement. Considering risk in relation to a new client/matter	

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recorded in all matters before, during and after the processing of instructions:	b) assess the risk profile of all new instructions	No requirement. Assessing the risk profile of all new instructions.
	c) consider any change to the risk profile from the clients point of view	F2.3b
	d) inform the client in all cases where and adverse costs order is made	No requirement. Informing the client where an adverse costs order is made
	e) Undertake a concluding risk assessment	No requirement. Undertaking a concluding risk assessment in all cases
	f) notify the risk manager	G5.3
7.1 Practices will have a documented policy for client care		No requirement for a client care policy
7.2 – Practices will have processes to ensure compliance with rule 2 of the Solicitor’s Code of Conduct		Partly No requirement for compliance with Rule 2. However, elements of the rule are incorporated in equal, lesser or greater form within the requirements of the SQM.
7.3 – Practices must have a record of any standing terms of business with regular clients		No requirement for records of standing terms of business
7.4 – Practices will operate a written complaints handling procedure in compliance with Rule 2, which:	a) defines what the practice regards as a complaint and sets out how to identify and respond to complaints	G1.2
	b) records and reports centrally all complaints received from clients	G1.3
	c) Identifies the cause of any problem and offers appropriate redress	G1.2
	d) practices will conduct at least an annual review of complaints data	G1.3
7.5 – Practices will have a process to monitor client satisfaction		G2.1
8.1 – Practices will document how client enquiries in relation to possible instructions are handled, including:	a) telephone enquiries	No requirement to document how telephone enquiries are handled
	b) clients who enquire in person in the reception area, including confidentiality	F4.1
	c) enquiries by correspondence and email	No requirement to document how correspondence or email enquiries are handled
8.2 – Practices will document how decisions will be made as to whether to accept new instructions from existing and new clients		No requirement to document how decisions whether or not to accept instructions are made, save that these must not be made on discriminatory grounds (A3.1)

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8.3 – Practices will document their arrangements to ensure that conflicts of interest are identified and acted upon		E1.2a
8.4 – At the outset of the matter the fee earner will:	a) establish as full an understanding as possible of the clients requirements and objectives	F1.1a
	b) provide a clear explanation of the issues raised and advice given	F1.1b
	c) explain what the fee earner will do and in what timescales	D4.3
	d) establish the method for funding	F1.1d
	e) cost benefit analysis	F1.2c Any publicly funded file will comply
8.5 – Practices will ensure that the strategy for the matter is always apparent on the matter file and that in complex cases a project plan is developed		E1.3 F2.1
8.6 – Practices will have documented procedures to ensure that matters are progressed in an appropriate manner:	a) key information must be recorded on the file	F1.2b
	b) key dates must be defined and recorded on the file and in a back-up system	E1.2c
	c) there must be a process to monitor key dates	E1.2c
	d) timely response is made to phone calls and correspondence	No requirement for caseworkers to provide timely responses to telephone calls and correspondence
	e) continuing information on cost provided	F2.3
	f) clients informed in writing if the person with conduct of their matter changes or a change of person to whom any problem with service should be addressed	F2.5
8.7 – Practices will document procedures for the giving, monitoring and discharge of undertakings		E1.2d
8.8 - Practices will have a documented procedure to:	a) list open and closed files, identify files for a single client, funder or linked file	E1.1
	b) ensure all documents, files, deeds wills or other items are identifiable and traceable	E1.2b
	c) safeguard the confidentiality or matter files and all other client information	F4.1
	d) ensure the status of the matter and action taken can be easily checked by others	E1.3
	e) ensure documents are stored on the matter file in an orderly way.	E1.3

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<p>8.9 – Practices will have a documented procedure for using barristers, expert witnesses and other external advisers</p>	a) use of clear selection criteria	F5.1
	b) where appropriate consultation with the client in relation to selection	F5.4
	c) clients to be advised of the name and status of person being instructed	F5.4
	d) maintenance of records on experts used	F5.2 F5.3
	e) evaluation of performance	F5.3
	f) giving clear instructions	F5.5
	g) checking opinions to ensure adequate information sought	F5.3
	h) payment of fees	No requirement to document the payment of fees to Counsel, experts etc.
<p>8.10 – Practices will have documented procedures to ensure that, at the tend of the matter, the practice will:</p>	a) report to the client on the outcome and any further action	F3.1a
	b) account to the client for any outstanding money	F3.1c
	c) returns any original documents or property belonging to the client	F3.1d
	d) advise clients about arrangements for storage and retrieval of papers	F3.1d Partly – no requirement to inform the client if any charges may be made for retrieval of case files
	e) advise the client whether they should review the matter in the future	F3.1e
	f) archives and destroys files in an appropriate manner	No requirements to archive or destroy files appropriately. Save as covered under client/case confidentiality requirement (F4)