

Compliance / Best Practice / Risk Management
25 May 2016

Advantage Property Lawyers

Hurley House
1 Dewsbury Road
Leeds
West Yorkshire
LS11 5DQ

BACKGROUND

Advantage Property Lawyers (APL) is a niche residential conveyancing business regulated by the Council for Licensed Conveyancers which specialises in sale and purchase transactional work.

APL currently employs 105 staff and roughly completes 800 sale and purchase conveyancing transactions each month. APL are regularly ranked in the top 10 firms in the UK on volume for the number of 'Transfer For Value Only' conveyancing transactions according to Land Registry statistics.

At the time of this audit there had been no professional indemnity claims made against the firm since it started trading 7 years go. APL is an Executive Member of 'The Conveyancing Association.

BRIEF

In my capacity as an independent SRA requirements / Law Society regulated auditor (Lexcel Consultant) I was initially instructed by the Directors to carry out a full 'on site' audit of the firm in 2011 focussing on 'Best Practice, Compliance and Risk Management'. Legal Eye has since then been instructed on a monthly retainer to work with the firm on their risk management and compliance. Legal Eye are onsite two days every month to complete independent file reviews and to assist the firm with the compliance updates and changes required as new and amended regulations occur.

The directors acknowledge that, as a Licensed Conveyancing firm, they are unable to apply for the Law Society's Conveyancing Quality Scheme (CQS). They therefore commissioned this report and each annual review to satisfy themselves that they are working to not only the CQS criteria (a self certified scheme) but the more demanding externally vetted Lexcel standard.

Advantage Property Lawyers initially achieved The Legal Eye Quality Standard in March 2013 and have achieved re-accreditation every year since.

Jaunita Gobby
Managing Director,
Legal Eye Limited
25 May 2016

1. Client Care letters and Terms of Business / Terms and Conditions:

- Up to date and compliant. Regularly updated with changes / updates as they occur

2. Email footers/ website / letterhead / faxes:

- Up to date and compliant

3. Data Protection:

- Data Protection Policy is in place as part of the Office Manual – up to date and compliant
- Registered with the Information Commissioner – Z1662322 – expires 26 February 2017
- Training is currently being completed across the firm on an online Learning Management System (Training Eye) and forms part of the induction programme
- Risk Register up to date
- Annual Risk Review completed including Data Protection

4. Equality and Diversity:

- Equality and Diversity Policy is in place and part of the Office Manual – up to date and compliant
- Training is currently being completed across the firm on an online Learning Management System (Training Eye) and forms part of the induction programme
- Annual Diversity Report completed
- Risk Register up to date
- Annual Risk Review completed including Equality and Diversity

5. Anti Money Laundering Policy / process:

- AML Policy is in place and part of the Office Manual – up to date and compliant
- Training is currently being completed across the firm on an online Learning Management System (Training Eye) and forms part of the induction programme
- MLRO Register up to date
- Risk Register up to date
- Annual Risk Review completed including AML

6. Anti-Bribery Act / policy:

- Anti-Bribery Policy is in place and part of the Office Manual – up to date and compliant
- Training is currently being completed across the firm on an online Learning Management System (Training Eye) and forms part of the induction programme
- Risk Register up to date
- Annual Risk Review completed including Anti Bribery
- Logs for gifts and entertainment completed and submitted – forms part of the Annual Risk Review

7. Conflict Checks:

- Policy in place – forms part of the Office Manual
- Conflict checks completed on all files
- Risk Register up to date
- File reviews completed to confirm COI checks completed correctly and fully

8. Risk Assessments on files:

- Policy in place and up to date – forms part of the Office Manual

- Specific policy in place to grade the risk on files (Operational and Money Laundering Risk)
- Risk assessed throughout the case and a final risk assessment completed
- High risk matters are reported to the HOLP who makes the decision to accept the case and how to mitigate the risk or to decline the case. The cases are then logged on the High Risk Register or the Declined Instructions Register

9. Financial Services / EPF Register:

- Terms of Business include the required information
- Registration on the EPF Register up to date
- Demands and Needs statements completed on all applicable files
- File reviews completed to ensure compliance

10. File Reviews:

- File reviews completed monthly by Legal Eye
- File review report issued to the HOLP
- Corrective actions followed up and file review sheets signed off
- Review of information and report back to the HOLP
- Part of the Annual Risk Review

11. Business Continuity Plan:

- BCP in place and regularly tested – all documented

12. Business and Marketing Plan:

- B&M Plan in place and up to date

13. HR / Training / Induction / Appraisals / Staff Leaving:

- Induction procedures in place and up to date
- Job Descriptions in place

- Appraisals completed and up to date
- Training up to date and logged
- Staff leaving procedures in place and up to date

14. General Risk Management:

- Office Manual in place and up to date together with all the annexures (forms, logs, registers etc)
- Compliance Plan in place and up to date
- Risk Register in place and up to date
- Other registers in place and updated: Complaints and Undertakings
- Code of Conduct Training completed across the firm and forms part of the induction programme – ensures the whole firm understands the basics of the Code of Conduct and e.g. who the HOLP and HOFA is, their roles and responsibilities

15. Referral Agreements:

- Referral Agreements signed and up to date
- Client care packs include the required referral fee information
- Risk Register updated with due diligence completed

16. New policies and procedures implemented in 2015/2016 – since the last LEQS review:

- The firm commissioned Ancar B to carry out a comprehensive health check of their IT systems (report attached). They have adopted their recommendations and in addition they have upgraded their firewall
- The firm has commissioned an accredited company to assist them in obtaining Cyber Essentials Plus and to carry out a 'Phishing' exercise with all of their employees
- The firm has appointed Training eye to carry out 'Cyber Security' training for all their staff which will also be used in their induction process for all new staff
- The firm has updated their 'Cyber Crime Policy'(attached)
- The firm has adopted relevant parts of the CA Cyber Protocol (attached) and

are working towards the CA Cyber Safe Standard

- The firm are launching 'Secure Docs' in June (explanatory notes attached)
- Since January 2016 the firm has implemented the following in their day to day processes:
 - No bank details go out via e mail
 - Specific denial of responsibility in, welcome letter, completion statement, questionnaire etc
 - Cyber aware footer on all e mails and website
 - They check SRA alerts and put descriptions into any relevant firm's details on their database
 - Regularly advise all staff of any phishing emails that have been received

17. Accreditations achieved:

- Legal Eye Quality Standard – initially achieved in March 2013 and reaccreditation achieved in 2014, 2015 and 2016.