



Compliance Manager Handbook

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COMPLIANCE MANAGER HANDBOOK

Introduction

1. All entities regulated by CILEx Regulation must have a person(s) who is authorised as a Compliance Manager. The Compliance Manager is responsible for managing the practice and accounts.
2. An entity can choose to have either one person who is the Compliance Manager for both Practice Management and Accounts or separate Compliance Managers for each area. It is also possible for the person who is the Approved Manager for the reserved legal practice area to also be a Compliance Manager.
3. All the individuals seeking to become Compliance Managers in a CILEx Regulation Authorised Entity must seek authorisation from CILEx Regulation to perform that role. In addition the entity must complete the entity application form. This handbook takes you through the application process to obtain authorisation as a Compliance Manager.
4. We recommend that you read this handbook in conjunction with the Competence Frameworks and the Authorisation Rules which are located at **Appendices 1 to 3**.
5. If you are seeking practice rights through CILEx Regulation in the reserved or regulated areas of legal practice you are required to demonstrate some competence in Practice Management and Accounts Management. We call this competence to level 1. The application process for this is described in the practice rights handbooks. The reserved legal practice areas are litigation, advocacy, probate and conveyancing and the regulated legal practice area is immigration.
6. If you intend to act as a Compliance Manager (whether in Practice Management, Accounts Management or both) you must seek authorisation to level 2 as well as level 1. If you obtained practice rights through CILEx Regulation you will already have level 1 authorisation, if you completed this element at that time, and need to demonstrate level 2 only. If you seek to become a Compliance Manager and do not have practice rights awarded by CILEx Regulation you will need to seek level 1 and 2 authorisation.
7. In order to become authorised by CILEx Regulation as a Compliance Manager in Practice Management and/or Accounts Management you are required to demonstrate your knowledge and understanding, experience and skills in the area of Practice Management and/or Accounts Management. This handbook explains how you will demonstrate each of these elements.
8. Once you have completed this process **and** you have been authorised you will be authorised by CILEx Regulation to act as a Compliance Manager in that area (Practice Management, Accounts Management or both) in a CILEx Regulation regulated entity. There is a separate application process to obtain entity authorisation through CILEx Regulation.

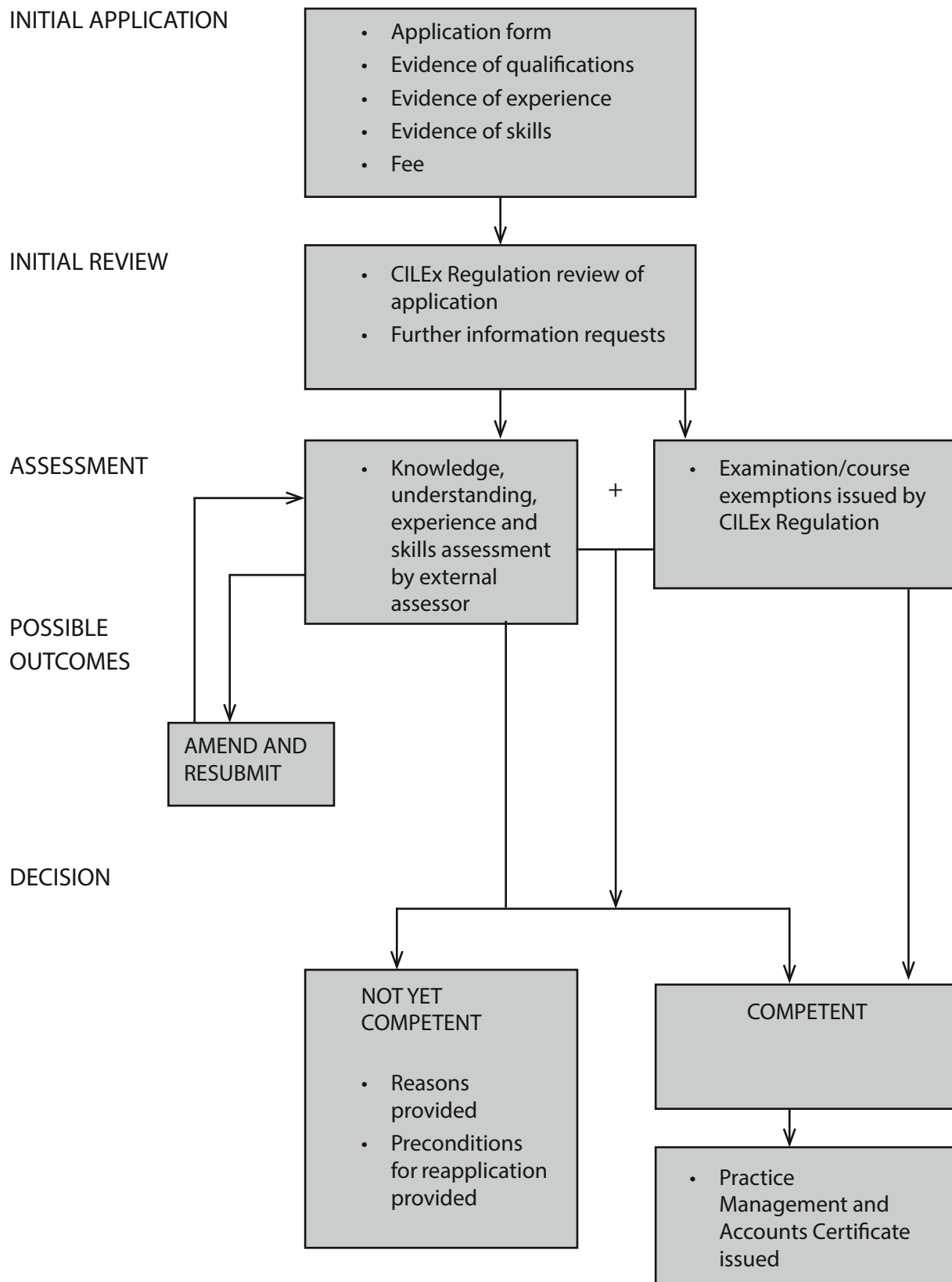
9. This handbook is divided into different sections:
- Who must apply for authorisation in Practice Management and Accounts Management: this section sets out who must make an application for Practice Management and Accounts Management and the level of authorisation that you should seek.
 - The application form: this section takes you through the application process including how to complete each part of the application form.
 - The Competence Framework: this section provides an overview of the competence framework. It explains how the knowledge, understanding, experience and skills contained in the framework should be demonstrated through your logbook to demonstrate your competence in Practice Management and/or Accounts Management.
 - How your application is assessed: this section explains how your application is assessed, including the role of external assessors in the process.
 - Next steps: this section explains what happens once CILEx Regulation has received the assessment of your portfolios and logbook.
 - Appendices: these sections provide the competence framework and scheme rules.
10. If, once you have read this handbook and the supporting documents, you have any questions on the application process, please contact us.

Contact details:

Telephone: (01234) 845770

Email: practicerrights@cilexregulation.org.uk

SUMMARY OF OVERALL PROCESS (PRACTICE MANAGEMENT AND ACCOUNTS MANAGEMENT)



What is Authorisation in Practice Management and Accounts Management?

11. Authorisation in Practice Management and Accounts Management indicates that you have the required knowledge, understanding, experience and skills to manage the practice or accounts in your practice and in accordance with legislation and the CILEx Rules. It means you can be a Compliance Manager for your entity.

Becoming a Compliance Manager

12. All entities must have a nominated Compliance Manager, responsible for Practice Management and a nominated Compliance Manager, responsible for Accounts Management. These roles can be undertaken by one person who may also be the individual who seeks or has obtained practice rights, or the roles could be undertaken by one or two other individuals within the entity.
13. In order to become a Compliance Manager in a CILEx Regulation Authorised Entity, you must seek authorisation at level 1 and level 2 in Practice Management and Accounts Management. If you already have practice rights awarded by CILEx Regulation you will have level 1 authorisation and need to seek level 2 authorisation only.
14. Level 2 authorisation is subdivided into different elements (level 2a, 2b and 2c) to reflect the different areas of responsibility of Compliance Managers.
15. The elements that you need to meet differ, depending on the role you intend to undertake in the entity. These levels are identified in the Practice Management competence framework and the Accounts Management competence framework (set out at **Annexes 1 and 2**).
16. To reflect these options you may select Compliance Manager (Practice Management), Compliance Manager (Accounts Management) or Compliance Manager (Practice Management and Accounts Management) as the authorisation you seek on your application form.
17. The competencies are summarised as:

	Level 1	Level 2a	Level 2b	Level 2c
All Applicants	X			
Compliance Manager (Practice Management)	X	X	X	
Compliance Manager (Accounts Management)	X	X		X
Compliance Manager (Practice Management and Accounts Management)	X	X	X	X

Responsibilities of a Compliance Manager

18. As an authorised Compliance Manager you will have responsibilities commensurate with your role as set out in the Entity Authorisation handbook.
19. You are required to ensure compliance by your entity with the CILEx rules and regulations and the statutory obligations of your entity, its managers, employees or interest holders in relation to the authorised activities it undertakes; to record any compliance failures; and make sure such records are available to CILEx Regulation upon request.

If your application is approved

20. If your application is approved, you will obtain authorisation in one of the following, according to the application you made:
 - Compliance Manager (Practice Management)
 - Compliance Manager (Accounts Management)
 - Compliance Manager (Practice Management and Accounts Management)
21. If you intend to practise independently i.e. to set up your own entity, you must also seek regulation of your entity. CILEx Regulation and other regulators are able to regulate legal entities. There is a separate application process for entity authorisation.

Making your application

22. To make your application to become authorised as a Compliance Manager in Practice Management and Accounts Management you should submit the following:
 - Application form
 - Evidence of your qualifications
 - Evidence of your experience
 - Evidence of your skills
 - Fee*

* the fee details are published on the CILEx Regulation website, www.cilexregulation.org.uk.

23. We will work with you during the application and determination process to ensure that we have all the information necessary to enable us to make an informed decision as to whether you have the required knowledge, understanding, experience and skills to become authorised in Practice Management and Accounts Management at the appropriate level.

THE APPLICATION FORM

24. The application form can be downloaded from the CILEx Regulation website, www.cilexregulation.org.uk.
25. You should fully complete all parts of the application form.
26. On the first page of the application form, you should indicate the level of authorisation that you seek.
27. You should complete the remaining sections of the application form as follows:

Part One: General Information

28. This section asks for your personal information. You should answer all questions in this section.

Part Two: Knowledge, understanding, experience and skills

29. To obtain authorisation in Practice Management and Accounts Management, you must demonstrate that you have gained the knowledge, understanding, experience and skills in Practice Management and/or Accounts Management.
30. We have developed competence frameworks which set out the competencies we require in each subject and these are also divided into levels. The Practice Management competencies are at **Annex 1** and the Accounts Management competencies are at **Annex 2**.
31. You must demonstrate competence at levels 1 and 2. However, if you have already met the level 1 competencies in your application for practice rights you need to demonstrate level 2 competencies in this application only.
32. There are 3 options for authorisation at level 2, depending on the role you intend to undertake within the entity. The options are Compliance Manager (Practice Management), Compliance Manager (Accounts Management) or Compliance Manager (Practice Management and Accounts Management).
33. You must demonstrate competence against the outcomes set out in the competence framework as follows, in order to obtain authorisation as a Compliance Manager:
 - Compliance Manager (Practice Management): level 1, level 2a and level 2b
 - Compliance Manager (Accounts Management): level 1, level 2a and level 2c
 - Compliance Manager (Practice Management and Accounts Management): level 1, level 2a, level 2b and level 2c

34. There are two options through which you can demonstrate competence. This part of the application form requires you to choose one or a combination of the two options. You may find you need to only choose one of these options, or alternatively you may demonstrate your knowledge and understanding through choosing elements from both of these options.
35. The options are explained below.

Option 1: Course(s)

36. If you have completed or passed a course or courses which demonstrate your competence in some or all of the outcomes as set out in the competence framework, you may rely on this as evidence of meeting the required standard to achieve authorisation in Practice Management and/or Accounts Management. You must record the course provider/awarding body, the title of the course and the date on which you completed or passed the course.
37. In addition, you should also supply the syllabus/course outline for the course on which you seek to rely, together with any transcript of marks and proof of having completed and, where appropriate, passed the course.
38. We will map the course(s) that you rely upon against the competencies at **Annexes 1 and/or 2** for equivalency. To enable us to undertake this mapping exercise, we will need you to provide the following information:
 - The name of the awarding body/course provider of each course on which you seek to rely;
 - The title of each course completed/passed;
 - The date on which you completed/passed each course;
 - Evidence of your completion/results (e.g. confirmation of attendance, a certificate or transcript of marks); and
 - The syllabus/course outline for each course.
39. The course(s) on which you rely must cover the competencies in the competence frameworks. The types of courses or qualifications that CILEx Regulation will accept for this part of the application process may include commercial courses, formally assessed courses offered by training providers or institutions providing assessed qualifications.
40. Where we do not find that the course(s) map to each of the outcomes in the competence frameworks we may ask you to supply further information about the course(s) upon which you rely. Alternatively you may be asked to complete Option 2 (the details of which are set out below).

41. CILEx Regulation's assessment following the mapping exercise is final.
42. If you have not completed a course which demonstrates you meet some or all of the outcomes as set out in the competence framework you must demonstrate these through Option 2. Collectively you must demonstrate knowledge, understanding, experience and skills of Practice Management and/or Accounts Management to the level equivalent with the authorisation you seek.

Option 2: Knowledge demonstrated through practice

43. Where you have not passed course(s) which meet the relevant outcomes required for authorisation in Practice Management and Accounts Management you must use Option 2 to demonstrate your knowledge, understanding, experience and skills in these outcomes. Under this option you are able to demonstrate that through your practical experience you have gained knowledge of the relevant outcomes. You must be able to demonstrate that the knowledge you have gained covers a sufficient breadth and depth to map to each of the outcomes set out in the competence frameworks at **Annexes 1 and/or 2**. You demonstrate this by producing a logbook and supporting portfolio of evidence.
44. Where you opt to use this option we have produced a logbook template which asks a series of questions about your skills. The template logbook sheet can be found at **Appendix 1 of the application form**. You must be able to evidence that your skills cover each learning outcome at the appropriate level in Practice Management and/or Accounts Management. The outcomes are identified in column 2 of the competence frameworks.
45. You do this by completing a logbook sheet and providing supporting evidence for each outcome in column 2 of the competence frameworks. More guidance on how the competence frameworks work is provided later in this handbook. Where you cannot demonstrate that you have met one or more of the learning outcomes, you must complete a course which covers these skills.

Part Three: Membership of professional organisations and conduct statement

46. This part of the application form asks you to outline any memberships you have of other professional bodies and your prior conduct.

Membership of professional bodies, accreditation schemes, etc.

47. You should complete the table, setting out details of all memberships you hold of professional bodies. You should include past and present memberships you hold or have held and set out the dates of each period of membership where you have held membership more than once with the same organisation.

48. You should include a statement of good standing for each of these memberships. A statement of good standing confirms that you have maintained any CPD requirements required as a member of each organisation and, that for current memberships, your subscriptions are up to date.

Statement of prior conduct

49. This section asks you about your past conduct. You must answer all questions on the statement of prior conduct.
50. Where you have answered 'yes' to any of the questions, you must provide full details of the circumstances giving rise to the declaration, including dates of any declared conduct.
51. We will refer prior conduct matters to the CILEx Regulation Investigation Team, which will ask you for further information. A decision will be made whether the prior conduct matter affects your application to become a Compliance Manager.

Declaration of conduct

52. You should then sign this part of the document. This declaration relates specifically to the information declared in this section in respect of prior conduct. You will also be asked to sign the application form at the end, to confirm that the information you have provided within your whole application is accurate and complete.

Part Four: References, declaration and endorsements

53. This part of the application asks you to provide details of two legal professionals who have knowledge of your work and are willing to provide a reference for you. The legal professionals should be authorised persons. An authorised person is defined in section 18 of the Legal Services Act 2007 as a CILEx Practitioner, solicitor, barrister, CILEx Fellow, Licensed Conveyancer, Patent Agent, Trade Mark Attorney, Costs Lawyer or Notarial Agent.
54. You should provide full contact details of your referees, including their name, address, telephone number and professional position. We will write to your referees and ask for a reference. We treat references as confidential and therefore will not ordinarily share them with you.
55. You should also provide an endorsement from an authorised person, as defined above, who can confirm that the content of your application is accurate and they support your application to be authorised as a Compliance Manager by confirming that you have the necessary knowledge, understanding, experience and skills in Practice Management and/or Accounts Management.

56. The final section of the application form asks you to choose the level of authorisation for which you are applying. In this case you should delete all parts, with the exception of the relevant level of authorisation applied for in the declaration.
57. You should then sign and date the application form, stating that you have provided full and complete information to the best of your knowledge and that you agree to be bound by the rules governing authorisation in Practice Management and/or Accounts Management.

THE COMPETENCE FRAMEWORK

58. This handbook makes reference to the Practice Management Competence Framework and the Accounts Management Competence Framework, which are located at **Annexes 1 and 2** of this handbook.
59. You may not be familiar with competence frameworks, in which case you should read this section before you start to complete your application.
60. The framework has 3 columns.
 - The first column identifies the nature of the learning outcomes and supporting experience. This is where we identify the required knowledge, understanding, experience and skills elements.
 - The second column identifies each learning outcome to be addressed. Learning outcomes set out what you are able to do, either because you have completed a course/examination or because you have developed the knowledge, understanding, experience or skills through your work. When completing your logbook you should refer to the outcomes in this column for the knowledge, understanding, skills and experience.
 - The final column sets out the experience that you must have gained in order to meet the learning outcome set out in column 2, and where relevant it explains the steps you should take to evidence the corresponding outcome.
61. You should focus on column 2, which sets out the relevant learning outcome. Column 3 sets out the necessary knowledge and skills that support meeting the learning outcome.
62. Each learning outcome has an explanation of what information is needed to demonstrate that you have met that learning outcome. These are located in column 3 of the framework. You must explain how your example demonstrates these as this in turn demonstrates that you have met the learning outcome. For example (from Practice Management Competence Framework):

Knowledge, understanding, experience and skills	Learning Outcome	Supporting Experience
Being part of a profession	<p><i>This is made up of 1 learning outcome: It states:</i></p> <p>Demonstrate knowledge, understanding and application of the current legal market and legal entities which may be created to provide a legal service .</p>	<p><i>The information in this column sets out what you need to demonstrate in your case study to have met this learning outcome. It has 2 levels (level 1 and level 2a).</i></p> <p><i>Level 1 states:</i></p> <ul style="list-style-type: none"> • Knowledge and understanding of the types of structure through which a legal entity may be formed • Knowledge and understanding of those able to regulate reserved legal activities • Understanding that the structure and regulation of legal entities and activities may change and be able to identify these changes • Knowledge and understanding of a business plan, taking into account recent and current changes to the legal services market • Knowledge, understanding and ability to comply with a complaints procedure in line with the Legal Ombudsman (LeO) guidelines. <p><i>LEVEL 2a:</i></p> <ul style="list-style-type: none"> • Ability to prepare a business plan, taking into account recent and current changes to the legal services market • Ability to create a complaints procedure in line with LeO guidelines.

63. To meet level 1 and/or level 2 of this outcome you should outline your knowledge and understanding of each element, set out in the supporting experience column and explain how you apply this knowledge to your practice. This will demonstrate that you have satisfied this outcome at level 1 and/or level 2 in Practice Management.

Completing the Skills Logbook and Portfolio of Evidence

64. The following guidance explains how you should complete and present your logbook and supporting portfolio of evidence for your application. If you use this option you must demonstrate your knowledge, understanding, experience and skills in the relevant level of competence for Practice Management and/or Accounts Management by completing a logbook sheet for each skills element.
65. The knowledge, understanding, experience and skills that you are required to demonstrate can be found in the competence frameworks. In the first column of the competence framework, there are 4 elements identified in the Practice Management competence framework and 3 elements identified in the Accounts Management competence framework.
66. The elements identified in the Practice Management competence framework cover the following elements:
 - Being part of a profession
 - CILEx regulations
 - Management of a legal entity
 - Business acumen
67. The elements identified in the Accounts Management competence framework cover the following elements:
 - CILEx Accounts Rules
 - General Bookkeeping
 - Finances
68. Each of the outcomes which fall within each element are levelled, at either level 1, level 2a, level 2b or level 2c. There is an outcomes grid at **Annexes 1 and 2** of this handbook which sets out which level(s) you must demonstrate competence in before you can obtain the authorisation you seek. You may use this document as a checklist to ensure you have covered each required outcome to the appropriate level prior to submitting your application form.
69. You should complete a separate logbook sheet (located at **Appendix 1 of the application form**) for each of the knowledge, understanding, skills and experience learning outcomes that are set out in column 2 of the Competence Framework located at **Annexes 1 and/or 2**. In producing your logbook for each of these outcomes in column 2 you should aim to address the experience elements set out in column 3 of the framework.

70. For each piece of evidence you provide to demonstrate that you meet the skills outlined in column 2 you should provide a logbook sheet which explains what the evidence is that you have provided and how it meets the learning outcome and supporting experience (located in columns 2 and 3). For example, in the Accounts Management Competence Framework, to meet element 2 (General Bookkeeping), learning outcome 2 (Financial statements), to meet level 2c, you could provide evidence of having drafted a financial statement which reflects the client's position, any balances due to the client as well as demonstrating your knowledge of time costing and understanding the benefits of this knowledge for reporting purposes.
71. You should then outline how the evidence shows you have put the outcome into practice in your workplace. For example, explain how the financial statement clearly sets out the position of the client and how your knowledge of time costing has been applied to benefit reporting.
72. Where your activity in meeting the outcome has highlighted opportunities for you to develop your legal knowledge or professional skills, you should identify this on the logbook sheet. You may also want to include any steps you have taken to address this opportunity for development.
73. The evidence used must come from matters that you have dealt with and must support the learning outcomes and supporting evidence identified on the logbook sheet.
74. The evidence should be provided in a page numbered portfolio, with the relevant logbook sheet attached to the evidence.
75. A template logbook sheet can be found at **Appendix 1 of the application form**.
76. You should provide the date upon which each outcome was completed on the logbook sheet; this will be the most recent date of the evidence supplied. The evidence on which you rely should not normally be more than 2 years old by the date on which you submit your portfolio. Where you have had a break in your employment, you may rely on experience you gained earlier in the preceding 5 years. In exceptional circumstances, CILEx Regulation may accept experience gained from a period longer than 5 years ago.
77. You should sign and date each logbook sheet with the date you complete the logbook entry.
78. You should not present your logbook and portfolio in a ring binder or any other binding or wallet. You should not staple sheets together or use comb binding. You may connect pages using a treasury tag or an elastic band only.

HOW YOUR APPLICATION IS ASSESSED

General guidance

79. The assessment of your application for authorisation in Practice Management and/or Accounts Management will be made on the basis of the evidence you have provided to demonstrate you have competence, assessed against each of the learning outcomes, in relation to your knowledge, understanding, experience and skills in Practice Management and/or Accounts Management. This will be your evidence through courses or the portfolio route.
80. You should be able to demonstrate that you are able to:
- Refine and apply knowledge, understanding and application of the legislative and regulatory rules which govern running an entity regulated by CILEx Regulation;
 - Take responsibility for planning and developing courses of action autonomously; and
 - Make a judgement and take into account changes and developments in the law and regulations which govern running an entity regulated by CILEx Regulation.
81. This means that the evidence you provide should demonstrate the following standards:

Knowledge and understanding

- Ability to refine and use facts and evidence to create ways forward;
- Ability to critically analyse, interpret and evaluate complex information in the context of running a legal practice;
- Ability to understand issues arising when running a legal entity;
- Awareness of recent legal developments in relation to regulation of a legal entity; and
- Ability to understand different approaches, perspectives and developments in the law and business in the legal context.

Application and action

- Ability to address problems that have limited definition and involve a number of related issues;
- Ability to determine, refine, adapt and use appropriate methods and skills;

- Ability to use and/or develop legal research to inform actions; and
- Ability to evaluate the likely outcome of actions and methods and the implications of these.

Autonomy and accountability

- Ability to demonstrate responsibility for planning and developing courses of action in the context of running a legal practice;
- Ability to initiate and lead tasks and processes in the context of running a legal practice; and
- Ability to exercise broad autonomy and judgement.

WHAT HAPPENS NEXT?

82. Once you have completed your application form and supporting evidence, you should submit your application to:
- CILEx Regulation
Kempston Manor
Kempston
Bedford
MK42 7AB
83. You should also submit the required fee with your application to be a Compliance Manager. The current fee for submitting your application can be found at the CILEx Regulation website, www.cilexregulation.org.uk.
84. When we receive your application, we will send a letter of acknowledgement to you. This will provide you with a likely timescale for the internal review of your application.
85. Once we have reviewed your application, it is usual for us to come back to you for additional information. This is to ensure that as far as possible, your application appears to fully demonstrate that you have met all of the learning outcomes set out on the Competence Framework at **Annexes 1 and/or 2**, before we submit your logbook and portfolio of evidence covering your knowledge, understanding, experience and skills to our external assessors. Mapping of skills courses will be carried out by a CILEx Regulation Officer.
86. Our external assessors are experienced academics and assessors who are subject matter experts in Practice Management and Accounts Management. They will review the information and evidence you have submitted in your application in order to assess whether the information you have provided meets the learning outcomes and supporting experience from columns 2 and 3 of the Competency Framework.
87. External assessment may take a few weeks. The external assessors will review all of the evidence and portfolios that you have provided to demonstrate your knowledge, understanding, experience and skills and will assess your portfolios against each of the learning outcomes.
88. There are a number of outcomes from the external advisor assessment or course mapping:
- Where you achieve an assessment of 'competent', your portfolio/logbook will be considered to demonstrate that you are competent in that element; or
 - Where you can demonstrate that your course covers the competencies required, you will be considered to have demonstrated that you are competent in those elements; or

- We or the external assessor may seek further information before we can reach a decision, for example, we may ask for additional evidence or more detailed explanation of the matter(s) you have relied upon; or
- The assessor may assess you as 'not yet competent' or we may find your courses do not cover the competencies, in which case we will provide reasons for the decision.

Once we have received the outcome of the assessment from the external assessor or mapped your courses, we will decide the next action required.

89. Our action may be to:

- Approve the application in the office as all elements have been assessed as 'Competent' in accordance with the Competence Framework; or
- Where the portfolio/logbook has been assessed as overall competent, but issues have been identified by the assessor or it is unclear if your courses map to the outcomes we may refer your application to the Admissions and Licensing Committee for their decision; or
- Request further information from you and resubmit the application and/or ask you to make further submissions in support of your application. We will then submit this along with your existing application to the Admissions and Licensing Committee for a decision.

Where the application is approved in the office

90. If you have demonstrated that you meet all of the learning outcomes set out in the competence framework, covering knowledge, understanding, experience and skills your application can be approved by a CILEx Regulation Officer.
91. We will write to you confirming that you have been authorised as a Compliance Manager in Practice Management and/or Accounts Management and will send you a certificate to this effect.

Where the application cannot be approved in the office

92. Where the courses do not cover the competencies or the external adviser has identified areas for further development in your application before you can be assessed as competent, you will be asked to provide further information, make representations to the Admissions and Licensing Committee or you may decide to withdraw your application.

Withdrawing your application

93. If you decide to withdraw your application your application will be cancelled. If you would like to seek authorisation as a Compliance Manager in the future, you will be required to make a fresh application.

The Admissions and Licensing Committee

94. If you decide to continue with your application, you should provide additional supporting information to demonstrate your competence and/or make representations to the Committee as to your competence.
95. Once your additional information has been received, your application will be presented to the next available meeting of the Admissions and Licensing Committee for its decision.
96. The Committee may decide to approve or refuse your application.
97. If the Committee determines that your application demonstrates that you are competent to be authorised as a Compliance Manager in Practice Management and/or Accounts Management your application will be approved. In this case, we will write to you confirming that you have been authorised as a Compliance Manager and will send you a certificate.
98. If the Committee determines that your application does not demonstrate that you have yet met the competence requirements necessary to be authorised as a Compliance Manager in Practice Management and/or Accounts Management they will refuse your application.
99. In this situation, your application will be cancelled. If you would like to seek authorisation as a Compliance Manager in Practice Management and/or Accounts Management in the future, you will be required to make a fresh application.
100. You may appeal the outcome of the Committee's decision. The rules governing appeal are located in the Admissions and Licensing Committee's Rules and Investigation, Disciplinary and Appeal Rules (IDAR).

APPENDIX 1

PRACTICE MANAGEMENT AND ACCOUNTS MANAGEMENT COMPETENCE FRAMEWORKS

APPENDIX 1 – COMPETENCE FRAMEWORKS

ANNEX 1 - PRACTICE MANAGEMENT COMPETENCE FRAMEWORK

Introduction

The qualification criteria, learning outcomes and evidence of competency stated in this schedule set out:

- the level of competency, knowledge and understanding required to run a business which provides a legal service, having consideration for rules and regulations, both professional and legislative
- the elements required to evidence that level of competency, knowledge and understanding.
- the level of competency required in the relevant skills for this area of practice –what it means to be part of a profession, CILEx regulations, management of a legal entity and business acumen
- the required to evidence the required level of competence for these relevant skills
- a statement of the study and work-based experience that demonstrates that an applicant has attained the required level of competence, knowledge and understanding in all the required elements.

Certification of practice management will ensure that the applicant has:

- met the application requirements
- an appropriate level of suitability to manage a practice
- an appropriate level of knowledge and appreciation of the key features both financial and non-financial of practice management to include the ability to deal with risk, have a strategy, make informed business decisions, manage and motivate others, the benefits of IT and the external and internal forces which will ultimately will affect an organisation's ability to succeed
- the ability and skill to advance the organisation through the creation of a strategy appropriate to the market sector the organisation wishes to target, to include the use of a business plan, marketing plan, corporate social responsibility policy and other appropriate associated documents which may be needed to support the organisation's strategy
- the ability and skill to manage a client's expectations appropriately, not just at the outset of a case, but throughout the life of the retainer relationship

- the ability and skill to read and interpret the firm's accounts, in addition to any supporting budgets, cash flows, management accounts and ad hoc reports pertaining to the firm's profitability and financial position
- the ability and skill to perform the tasks required to evaluate the benefits of IT and the need for good project management
- to demonstrate a level of experience, knowledge and understanding of professional conduct and regulation contained in the relevant conduct rules and other law and regulations, including government legislation, and where these may impact and to be able to apply them in context.

QUALIFICATION CRITERIA	Learning Outcome An applicant must meet the following outcomes:	Supporting Experience The applicant will need to provide evidence of:
<ul style="list-style-type: none"> • KNOWLEDGE • UNDERSTANDING • EXPERIENCE • SKILLS 	Sufficient practical knowledge, understanding, experience and skills – note these are different depending of the role of the applicant	<p>Demonstrate they meet the outcomes set out below by:</p> <ul style="list-style-type: none"> • attendance on a course, or • practical experience <p>The outcomes are split into the following levels:</p> <ul style="list-style-type: none"> • Level 1 - mandatory for all applicants • Level 2a - mandatory for compliance managers • Level 2b - mandatory for compliance manager undertaking practice management • Level 2c - mandatory for compliance manager undertaking accounts management
Element 1 BEING PART OF A PROFESSION	EXTERNAL INFLUENCES Demonstrate knowledge, understanding and application of the current legal market and legal entities which may be created to provide a legal service	<p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of the types of structure through which a legal entity may be formed • Knowledge and understanding of those able to regulate reserved legal activities • Understanding that the structure and regulation of legal entities and activities may change and be able to identify these changes • Knowledge and understanding of a business plan, taking into account recent and current changes to the legal services market • Knowledge, understanding and ability to comply with a complaints procedure in line with LeO guidelines. <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Ability to prepare a business plan, taking into account recent and current changes to the legal services market • Ability to create a complaints procedure in line with LeO guidelines.
	REGULATION Demonstrate knowledge, understanding and application of the relevant conduct rules and other laws and regulation affecting the professional and legal practice	<p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge, understanding and application of obligations to the court, the client, other lawyers and barristers, stakeholders, third parties and the general public • Knowledge, understanding and application of the regulations for which an individual is personally responsible • Knowledge, understanding and application of obligations to the client • Knowledge and understanding of how and when a retainer relationship should be terminated • Knowledge and understanding of professional indemnity insurance.

QUALIFICATION CRITERIA	Learning Outcome An applicant must meet the following outcomes:	Supporting Experience The applicant will need to provide evidence of:
	<p>Demonstrate knowledge, understanding and appropriate application of effective procedures for compliance</p>	<p>LEVEL 2a:</p> <ul style="list-style-type: none"> Ability to complete a professional indemnity proposal form, gathering and identifying relevant information for proposal. <p>LEVEL 1:</p> <ul style="list-style-type: none"> Knowledge and understanding of the nomination procedure and suitability for the Money Laundering Reporting Officer (MLRO) Knowledge and understanding of the Money Laundering regulations. <p>LEVEL 2b:</p> <ul style="list-style-type: none"> Ability to identify and appoint a MLRO Knowledge, understanding and application of procedures which a legal entity must follow in order to produce an office policy on money laundering Knowledge, understanding and application of appropriate file testing which ensures files are only opened after necessary money laundering checks Knowledge, understanding and application of the requirements of the Information Commissioner's Office (ICO) and why legal entities must register with them Knowledge, understanding and application of equality and diversity monitoring both in the workplace and through contracting of third parties.
<p>Element 2 CILEx REGULATIONS</p>	<p>CILEx PRACTICE RULES (GENERAL) Demonstrate knowledge, understanding and appropriate application of the scope of the CILEx practice rules</p>	<p>LEVEL 1:</p> <ul style="list-style-type: none"> Knowledge and understanding of situations which would give rise to a breach of the practice rules Knowledge, understanding and application of the duty of confidentiality, including identification of when this starts and ends <p>LEVEL 2b:</p> <ul style="list-style-type: none"> Knowledge, understanding and application of the requirements to fulfil the role of practice manager. <p>LEVEL 2c:</p> <ul style="list-style-type: none"> Knowledge, understanding and application of the requirements to fulfil the role of the financial manager.

QUALIFICATION CRITERIA	Learning Outcome	Supporting Experience
	<p>An applicant must meet the following outcomes:</p> <p>CILEx PRACTICE RULES (ADMINISTRATION)</p> <p>Demonstrate knowledge, understanding and appropriate application of the administration requirements of a CILEx regulated entity in addition to any requirements to remain individually compliant</p>	<p>The applicant will need to provide evidence of:</p> <p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge, understanding and ability to provide appropriate advice regarding fees to be charged and the merits of the case following a cost benefit analysis • Knowledge, understanding and ability to provide realistic cost estimates in the form of a 'costing' of all costs and disbursements at the start of the case and to provide regular updates throughout the life of the file • Knowledge and understanding of identification, documentation and dealing appropriately with potential conflicts of interests both at the outset and throughout a retainer relationship • Knowledge and understanding of situations which may give rise to an undertaking and the implications of giving an undertaking • Knowledge and understanding of situations which would result in a breach of the equality and diversity code. <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Knowledge, understanding and demonstration of good internal governance • Knowledge, understanding and application of systems, procedures and reporting to monitor compliance • Application of monitoring equality and diversity, both in the workplace and in the selection of external resources. <p>LEVEL 2b:</p> <ul style="list-style-type: none"> • Knowledge, understanding and implementation of procedures to review and test systems put in place to meet the outcomes of the CILEx practice rules (including management of undertakings, cost information, file reviews, client care, referral arrangements and conflicts of interest • Ability to identify when a fee earner has undertaken work in the absence of sufficient resources and outside their competence • Ability to draft policies which promote equality and diversity • Ability to draft appropriate safeguards for the issuing of undertakings and the consequences of not fulfilling the created obligation • Knowledge and understanding of the difference between an introduction and a referral • Knowledge, understanding and ability to draft an outsourcing policy.

QUALIFICATION CRITERIA	Learning Outcome	Supporting Experience
	<p>An applicant must meet the following outcomes:</p> <p>CILEx PRACTICE RULES (COMMUNICATION) Demonstrate the ability to communicate the requirements of the CILEx practice rules appropriately</p>	<p>The applicant will need to provide evidence of:</p> <p>LEVEL 1:</p> <ul style="list-style-type: none"> • Ability to establish good relationships with client and third parties, including the ability to adapt the style, medium or method of communication for a diverse range of clients to identify the client's objective(s) • Ability to communicate to the client how legal services will be provided including expected time frame, what the client must do and duties and obligations applicant will carry out • Ability to draft a letter which identifies the client's objectives and advises them of the right to complain • Ability to communicate to ensure the client is kept up to date with progress of a matter and advise who is dealing with the matter, including the status of that person. <p>LEVEL 2b:</p> <ul style="list-style-type: none"> • Ability to communicate values to all staff which promote client outcomes, transparency of costs • Ability to manage client expectations and evaluate overall client satisfaction.
	<p>FILE MANAGEMENT Demonstrate knowledge, understanding and appropriate application of good file management</p>	<p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of examples of key dates and the methods which could be used in recording such dates in a diarised system and on the client's file • Ability to identify and record key dates. <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Knowledge and understanding of the elements of a good case management system, including the potential benefits • Ability to implement and operate a case management system, including for use as a supervision and compliance monitoring tool • Ability to design and implement a file closure procedure. <p>LEVEL 2b:</p> <ul style="list-style-type: none"> • Ability to create and perform a file review process covering both legal and administrative obligations • Ability to participate significantly in the successful application of an accreditation standard.

QUALIFICATION CRITERIA	Learning Outcome	Supporting Experience
	<p>An applicant must meet the following outcomes:</p> <p>EXTERNAL INFLUENCES Demonstrate knowledge, understanding and impact of external influences on a business</p>	<p>The applicant will need to provide evidence of:</p> <p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of recent and/ or current external issues facing business/legal entities • Knowledge and understanding of the impact of inflation, how this impacts on business and actions which can be taken to counterbalance this. <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Ability to assess the impact of the current economic environment. <p>LEVEL 2b:</p> <ul style="list-style-type: none"> • Knowledge, understanding and ability to identify pending legislation or professional changes which could affect the business.
<p>Element 3 MANAGEMENT OF A LEGAL ENTITY</p>	<p>INTERNAL INFLUENCES Demonstrate knowledge, understanding and appropriate application of internal influences which can affect a business</p>	<p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of the internal influences which a business is likely to face and effective ways of controlling them. <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Ability to develop a culture of accountability, compliance and openness for the business • Ability to manage a team. • Knowledge and understanding of the different types of risk affecting a business • Ability to identify examples of risks and to identify how these risks can be managed.
	<p>RISK MANAGEMENT Demonstrate knowledge, understanding and appropriate application of risk management</p> <p>CONTINGENCY PLANNING Demonstrate knowledge, understanding and application of basic contingency planning</p>	<p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Ability to respond to risks • Knowledge and understanding of collection, review, evaluation and management of risk • Ability to produce a risk management policy • Knowledge, understanding and implementation of appropriate supervision • Knowledge and understanding of the principles supporting delegation. <p>LEVEL 2b:</p> <ul style="list-style-type: none"> • Knowledge and understanding of the key contents of an effective contingency plan, and the need for regular review • Ability to draft a contingency plan • Ability to test a contingency plan.

QUALIFICATION CRITERIA	Learning Outcome An applicant must meet the following outcomes:	Supporting Experience The applicant will need to provide evidence of:
	PEOPLE MANAGEMENT Demonstrate knowledge, understanding and application of good supervision; including appropriate management, motivation and delegation	LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding of the negative effects of poor management • Ability to manage and motivate others. LEVEL 2a: <ul style="list-style-type: none"> • Ability to identify the link between low motivation and low production • Knowledge, understanding and application of procedures to manage and motivate • Ability to use specific, measurable, achievable, relative, time bound objectives to delegate • Ability to encourage a culture of continuous improvement
	PROJECT MANAGEMENT Demonstrate knowledge, understanding and application of planning, control, managing and evaluating a project successfully	LEVEL 2a: <ul style="list-style-type: none"> • Knowledge and understanding of the need for a project plan and the elements which should be included in the plan • Ability to apply these elements to allow for successful project management • Ability to evaluate the success of the project.
	INFORMATION TECHNOLOGY (IT) Demonstrate knowledge, understanding and application of IT in a legal environment	LEVEL 1: <ul style="list-style-type: none"> • Knowledge, understanding and application of bespoke third party software to complete prescribed electronic applications/submissions. LEVEL 2a: <ul style="list-style-type: none"> • Knowledge and understanding of the use of IT in monitoring compliance and understand its advantages, including as a time saving device.
Element 4 BUSINESS ACUMEN	STRATEGY Demonstrate knowledge, understanding and appropriate application of strategy and the use of a business plan to underpin that strategy	LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding of a strategy • Ability to perform an analysis which identifies the strengths, weaknesses, opportunities and threats (SWOT analysis) of/to the business • Knowledge and understanding of how a competitive advantage arises and how a firm can differentiate themselves from competitors. LEVEL 2b: <ul style="list-style-type: none"> • Implementation and creation of strategy • Knowledge, understanding and application of likely trends evident following changes to internal and external influences and use these to identify a firm's current market position • Knowledge, understanding and application of the critical success factors (CSF) of a business and use these to identify the factors which are likely to be critical to the success of the business.

QUALIFICATION CRITERIA	Learning Outcome	Supporting Experience
	<p>An applicant must meet the following outcomes:</p> <p>MARKETING Demonstrate knowledge, understanding and application of a marketing strategy which supports the business plan</p>	<p>The applicant will need to provide evidence of:</p> <p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of what is meant by a marketing mix • Ability to implement and evaluate a marketing plan which supports the business plan • Knowledge and understanding of the importance of a website (or where appropriate provide a rationale as to why a website would not meet client needs). <p>LEVEL 2b:</p> <ul style="list-style-type: none"> • Ability to create an effective marketing plan • Knowledge and understanding of various methods of social media • Ability to identify potential benefits of effective use of social media • Ability to identify the potential risks presented by social media both internally and externally.
	<p>PROFITABILITY Demonstrate knowledge, understanding and application of appropriate tools to determine profitability</p>	<p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of working within budgets • Knowledge and understanding of a cash flow forecast . <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Ability to budget and analyse the variances which arise through a given period • Ability to create a cash flow forecast and update it for a given period • Knowledge, understanding and identification of key performance indicators (KPIs), including how these can be met and used to measure a firm's success in comparison with the business strategy. <p>LEVEL 2c:</p> <ul style="list-style-type: none"> • Knowledge and understanding of /and ability to differentiate between fixed and variable costs and direct and indirect costs • Knowledge and understanding of the use of appropriate ratios and formulae to ascertain an organisation's overall profitability and department profitability • Ability to calculate 2 ratios to assist in ascertaining overall profitability • Ability to use appropriate formulae to ascertain a department's profitability • Knowledge and understanding of what is meant by direct, indirect, fixed and variable costs • Knowledge and understanding of what is meant by inefficiencies and how processes can be measured for value • Ability to identify inefficiencies which would lead to a loss of profit:

ANNEX 2 - ACCOUNTS MANAGEMENT COMPETENCE FRAMEWORK

Introduction

The entry criteria, learning outcomes and evidence of competency stated in this schedule set out:

- the level of competency, knowledge and understanding required to keep the books of accounts specific to a legal entity and to apply a minimum standard of accountancy for a business
- the elements required to evidence that level of competency, knowledge and understanding
- the level of competency required in the relevant skills for this area of practice – to accurately account for clients' money, run the firm's own accounts, apply CILEx Accounts Rules, bring the accounts from trial balance to profit and loss/balance sheet account position
- the elements required to evidence the required level of competence for these relevant skills
- a statement of the study and work-based experience that demonstrates that an applicant has attained the required level of competence, knowledge and understanding in all the required elements.

Certification of accounts will ensure that the applicant has:

- met the application requirements
- an appropriate level of expertise to manage the firms accounts and finances to an acceptable standard
- an appropriate level of knowledge and appreciation of the key features of protecting client's money, effective billing and efficient financial management
- the appropriate level of knowledge and skill to perform double entry booking, raise a valid invoice and a three way bank reconciliation.

QUALIFICATION CRITERIA	Learning Outcome An applicant must meet the following outcomes:	Supporting Experience The applicant will need to provide evidence of:
<ul style="list-style-type: none"> • KNOWLEDGE • UNDERSTANDING • EXPERIENCE • SKILLS 	Has sufficient practical knowledge, understanding, experience and skills – note these are different depending of the role of the applicant	<p>Demonstrate they meet the outcomes set out below by:</p> <ul style="list-style-type: none"> • attendance on a course, or • practical experience <p>The outcomes are split into the following levels:</p> <ul style="list-style-type: none"> • Level 1 - mandatory for all applicants • Level 2a - mandatory for compliance managers • Level 2b - mandatory for compliance manager undertaking practice management • Level 2c - mandatory for compliance manager undertaking accounts management
<p>Element 1 CILEx ACCOUNTS RULES</p>	<p>Demonstrate knowledge, understanding and where appropriate apply the rules and regulations relating to the handling of client money</p>	<p>LEVEL 1:</p> <ul style="list-style-type: none"> • Knowledge and understanding of the accounts rules • Ability to complete a three way bank reconciliation to accurately account for all client money • Ability to record and account for client money, ensuring it is banked promptly and not left unattended or unsecure • Understand the importance of the audit trail and ensure there is a clear audit trail • Understand the need to keep client money safe and separate from that of the business • Knowledge and understanding of the situations where it is fair and reasonable to account for interest to the client • Knowledge and understanding of money held as an agent/stakeholder • Knowledge, understanding and application of the internal policy on who can withdraw money • Knowledge and understanding of what is meant by trust money and an individual's legal responsibility as a trustee. <p>LEVEL 2a:</p> <ul style="list-style-type: none"> • Ability to apply controls to safeguard client money • Communicate knowledge and understanding of the accounts rules to staff to ensure compliance • Understand the difference between client money and client account. <p>LEVEL 2c:</p> <ul style="list-style-type: none"> • Ability to draft, implement and test robust internal controls, including who can withdraw client money and be able to distinguish between a material and non-material breach • Ability to perform an internal audit • Ability to draft, implement and communicate a fair and reasonable interest policy • Ability to make a calculation of interest • Ensure files are closed in a timely manner and surplus funds are returned promptly

QUALIFICATION CRITERIA	Learning Outcome An applicant must meet the following outcomes:	Supporting Experience The applicant will need to provide evidence of:
		<ul style="list-style-type: none"> • Ability to draft, implement and periodically review a compliance register and maintain complete records of all breaches • Control the release of client bank details outside of the legal entity • Knowledge, understanding and application of time costing and understanding the benefits of this information for reporting purposes.
Element 2 GENERAL BOOKKEEPING	DOUBLE ENTRY BOOKKEEPING Demonstrate knowledge, understanding and application of double entry bookkeeping	LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding of posting entries to the client ledger account and appropriate cashbooks of a legal entity • Knowledge and understanding of a bill of costs • Knowledge and understanding of a trial balance. LEVEL 2c: <ul style="list-style-type: none"> • Ability to post entries to client ledger account and cashbooks • Ability to produce bill of costs • Ability to produce trial balance.
	FINANCIAL STATEMENTS Demonstrate knowledge and understanding of the use of financial statements	LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding of when it is appropriate to provide the client with a financial statement. LEVEL 2c: <ul style="list-style-type: none"> • Ability to produce clear and informative financial statements which reflect the client's position and which include balances due to the client or to the legal entity • Ability to draft a financial statement • Knowledge, understanding and application of time costing and understanding the benefits of this information for reporting purposes.
Element 3 FINANCES	VALUE ADDED TAX (VAT) Demonstrate knowledge, understanding and appropriate application of VAT	LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding as to how to calculate VAT payable • Knowledge and understanding of a vat able disbursement and a re-charge and understand the difference between the two. LEVEL 2c: <ul style="list-style-type: none"> • Ability to post a vat able disbursement and a re-charge to a client ledger • Ability to perform a partial exemption calculation • Ability to complete a UK VAT return.

QUALIFICATION CRITERIA	Learning Outcome	Supporting Experience
	<p>An applicant must meet the following outcomes:</p> <p>CREDIT CONTROL AND DEBT COLLECTION Demonstrate knowledge, understanding and appropriate application of the creation of a credit control policy</p> <p>NOMINAL LEDGERS Demonstrate knowledge, understanding and appropriate application of nominal ledgers for a legal entity</p> <p>ACCOUNTS Demonstrate knowledge, understanding and application of information relating to the financial position of a legal entity</p>	<p>The applicant will need to provide evidence of:</p> <p>LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding of how credit control including business payment terms and debt collection policies and procedures are created. </p> <p>LEVEL 2: <ul style="list-style-type: none"> • Ability to implement and communicate a credit control policy including business payment terms and debt collection policies and procedures. </p> <p>LEVEL 2c: <ul style="list-style-type: none"> • Ability to create a credit control policy • Ability to create and communicate a set of business terms and conditions relevant to a legal entity • Ability to draft debt collection procedures. </p> <p>LEVEL 1: <ul style="list-style-type: none"> • Knowledge and understanding of maintaining a nominal ledger • Ability to post a small selection of non-vat able entries to a nominal ledger • Ability to explain what is meant by 'drawings' and the use of the capital and current accounts. </p> <p>LEVEL 2c: <ul style="list-style-type: none"> • Knowledge, understanding and ability to distinguish between profit and loss ledgers and a balance sheet nominal ledger • Ability to post entries to a nominal ledger. </p> <p>LEVEL 1: <ul style="list-style-type: none"> • Ability to read and interpret management reports which include Profit and Loss Accounts and Balance Sheet • Ability to identify significant variations to the accounts from previous years. </p> <p>LEVEL 2a: <ul style="list-style-type: none"> • Ability to determine the general financial position of a legal entity. </p> <p>LEVEL 2c: <ul style="list-style-type: none"> • Ability to produce Profit and Loss Accounts and Balance Sheet • Ability to calculate a liquidity ratio, provide commentary on the findings and provide guidance on what is viewed as a poor liquidity ratio • Ability to understand and explain working capital and how it can be effectively and efficiently managed • Ability to explain different finance options available to each type of legal structure. </p>

QUALIFICATION CRITERIA	Learning Outcome An applicant must meet the following outcomes:	Supporting Experience The applicant will need to provide evidence of:
	TAXATION Demonstrate outline knowledge and understanding of taxation	LEVEL 1: • Knowledge and understanding of the taxation system as it applies to individuals and corporations. LEVEL 2c: • Ability to apply rules of taxation to individuals and corporations.
	SET OF ACCOUNTS Demonstrate knowledge, understanding and appropriate application of the creation and interpretation of accounts	LEVEL 1: • Ability to understand a profit and loss account and balance sheet and relationship with a trial balance • Ability to interpret a profit and loss account and balance sheet. LEVEL 2a: • Ability to identify that the business is unlikely to meet its forthcoming liabilities and when it is appropriate to notify ILEX Professional Standards of this. LEVEL 2c: • Ability to produce profit and loss account and balance sheet from a trial balance • Ability to make the necessary annual adjustments to produce an accurate set of accounts • Ability to calculate a liquidity ratio • Ability to identify and explain the early indicators of a failing business • Ability to identify the point when a business is no longer a going concern.

APPENDIX 2

ADMISSIONS AND LICENSING COMMITTEE RULES

APPENDIX 2 - ADMISSIONS AND LICENSING COMMITTEE RULES

1. CILEx Regulation shall establish an Admissions and Licensing Committee.
2. The Admissions and Licensing Committee shall:
 - apply and monitor the Certification Rules for the reserved legal activity and regulated legal activity schemes;
 - consider and determine applications by applicants for reserved or regulated legal activity rights referred to it;
 - consider and determine applications for the renewal of advocacy certificates referred to it;
 - consider and determine applications by prospective or current course providers for accreditation or renewal of accreditation to provide courses referred to it by the Officer;
 - consider whether or not an authorised person may continue to hold a Certificate which authorises them to undertake a reserved or regulated legal activity;
 - determine whether accreditation of a course provider to provide a course should be withdrawn;
 - receive reports of inspections of courses from the external advisors and the Officer;
 - receive reports of the moderation of course assessments from the external advisors;
 - receive annual reports from course providers;
 - submit an annual report to the CILEx Regulation Board.
3. The Officers will report all decisions made by them to the Admissions and Licensing Committee.
4. Wherever the Officer is unable to make a decision or takes the view that the matter requires Committee consideration they may refer the matter to the Admissions and Licensing Committee.
5. A person or organisation affected by any decision which the Admissions and Licensing Committee makes pursuant to its powers under these Rules may apply for reconsideration of that decision. Any such person or organisation must lodge an application for reconsideration at the CILEx Regulation offices within 20 working days of receiving written notification of the decision. The application must include written reasons why it should be reconsidered. The applicant shall have a right to be heard by the Committee when it reconsiders their application.

6. Where an application is reconsidered by the Admissions and Licensing Committee it shall have all the powers that were available to it at the original consideration of the application.
7. An appeal may be made against the decision reached by the Admissions and Licensing Committee in accordance with Rule 5. Appeals will be considered by an Appeal Panel comprising a professional member and two lay members drawn from the panel of lay and professional members appointed to serve on CILEx Regulation's appeal bodies under the Investigation, Disciplinary and Appeals Rules (IDAR). The Appeal Panel will have available to it all the powers available to the Admissions and Licensing Committee at the original consideration of the application.
8. The Admissions and Licensing Committee shall report annually to the CILEx Regulation Board on its work during the preceding calendar year, and make such recommendations as it thinks fit concerning the operation of the scheme Rules falling within its remit.
9. The Admissions and Licensing Committee will comprise:
 - Fellows of CILEx; and
 - Independent members, at least 1 of whom shall have knowledge or experience of consumer issueswho are not be members of CILEx Council or the CILEx Regulation Board and provided that the independent members are in the majority.
10. A Fellow who is a member of CILEx Regulation's Professional Conduct, Disciplinary or Appeals Panel shall not be eligible to serve as a member of the Admissions and Licensing Committee.
11. Appointments of independent members and Fellows shall be made by the CILEx Regulation Board.
12. Each independent member and Fellow will be appointed to the Admissions and Licensing Committee by CILEx Regulation for a period of five years. Upon the termination of the five year period of their appointment the Board may reappoint them or make a new appointment.
13. No Fellow or independent member may serve more than two consecutive terms as a member of the Admissions and Licensing Committee. Where they fail without good reason to fulfil their duties set out in these Rules CILEx Regulation may terminate their appointment whether or not they have completed their current term of office.
14. The external advisors shall be invited to attend meetings of the Admissions and Licensing Committee. Where necessary the Committee may seek advice on matters under its consideration from other persons or sources.

15. At least three members of the Admissions and Licensing Committee must be present at a meeting to constitute a quorum. The external advisors will not form part of the quorum.
16. The Admissions and Licensing Committee will appoint one of its members as Chair. The Chair will be appointed for a period of one year. The Chair will be eligible for reappointment, but may not serve as Chair for more than three consecutive years.
17. Decisions of the Admissions and Licensing Committee will be reached by a majority vote. In the case of an equality of votes the Chair shall have a casting vote. External advisors may not vote on any matter at a meeting.
18. The Admissions and Licensing Committee shall meet at least once each year. Subject to this, where the Committee deems it appropriate it may consider applications and any other matter by way of a postal agenda or telephone conference.
19. CILEx Regulation shall have the power to pay fees to members of the Admissions and Licensing Committee and shall from time to time, determine the amount and basis of payments of such fees.

APPENDIX 3

CILEx AUTHORISATION RULES

APPENDIX 3 - CILEx AUTHORISATION RULES

Authority and interpretation

1. (1) Responsibility for the application and administration of these Rules is delegated by CILEx to CILEx Regulation.

(2) In these rules, unless otherwise provided:

the Act: means the Legal Services Act 2007;

Applicant Entity: means a partnership (including a limited liability partnership), company or sole principal which applies to be authorised by CILEx under the Legal Services Act 2007 to:

(a) carry on an activity which is a reserved legal activity; or

(b) provide immigration advice or immigration services;

Approved Manager: means a person who is approved by CILEx Regulation to be a Manager in an Authorised Entity;

Authorised Entity: means a partnership (including a limited liability partnership), company or sole principal authorised by CILEx under the Legal Services Act 2007 to:

(a) carry on an activity which is a reserved legal activity; or

(b) provide immigration advice or immigration services;

Authorised Person: has the same meaning as in section 18 of the Act;

CILEx: means the Chartered Institute of Legal Executives;

Compliance Manager: means an Approved Manager who has lead responsibility for ensuring that an Authorised Entity, its Authorised Persons, Managers, employees and sub-contractors comply with the CILEx Code of Conduct and Rules;

IDAR: means the CILEx Investigation, Disciplinary and Appeals Rules;

regulated legal activity: means:

(a) a reserved legal activity; or

(b) immigration advice or immigration services;

reserved legal activity: has the same meaning as in the Act.

Applications

2. (1) An Applicant Entity must make an application for authorisation in the form prescribed by CILEx Regulation.
- (2) An Applicant Entity must ensure that any information it provides to CILEx Regulation is complete and accurate. It must inform CILEx Regulation of any change which occurs to the information it has provided in support of its application.
- (3) An Applicant Entity must have a practising address in England or Wales.
- (4) An Applicant Entity must undertake to comply with the requirements of the CILEx Code of Conduct and Rules including the Indemnity Insurance Rules and Compensation Fund Rules.
- (5) An Applicant Entity has a duty to declare prior conduct relating to the body, any of its Managers and any other person connected to or associated with that body. For this purpose **prior conduct** has the same meaning as in IDAR.
- (6) CILEx Regulation will consider an application and notify the Applicant Entity of its decision within a timescale specified by CILEx Regulation.
- (7) In carrying out an assessment of the application for authorisation CILEx Regulation may visit an Applicant Entity to obtain further information. CILEx Regulation will consider a visit as part of the application of its risk assessment framework.

Application decisions and determination criteria

3. (1) Once CILEx Regulation has considered an application it will either:
 - (a) grant Authorisation; or
 - (b) refuse Authorisation.
- (2) In determining any application CILEx Regulation will be guided by its Risk Assessment Framework and the Regulatory Objectives under the Act. Before it reaches a decision it may require an Applicant Entity to provide additional information.
- (3) If CILEx Regulation decides that an Applicant Entity has failed to meet, or may be unlikely to meet any of the requirements set out in the CILEx Code of Conduct or Rules, CILEx Regulation may require the Applicant Entity to meet specified compliance requirements or agree to meet specified conditions. CILEx Regulation will make such assessments using its risk assessment framework.

- (4) CILEx Regulation may grant Provisional Authorisation to an Applicant Entity until it obtains Professional Indemnity Insurance which satisfies the requirements of the Indemnity Insurance Rules. In that event, the Applicant Entity must obtain insurance under those rules before it will be authorised to practise as an Authorised Entity. The Applicant Entity will not become an Authorised Entity until that condition is met. If the condition is not met within 90 days of the date of issue of the certificate of Provisional Authorisation, Provisional Authorisation will lapse and a new application for authorisation must be made.
- (5) Where an Applicant Entity is authorised, CILEx Regulation will specify any limitations on authorisation which will include whether authorisation is restricted to one or more specific regulated legal activities.
- (6) CILEx Regulation may only grant an application for authorisation if:
 - (a) the Applicant Entity includes at least one person who is an Approved Manager and, where the Applicant Entity seeks to carry out one or more regulated legal activities, who is an Authorised Person authorised to carry out one or more of those regulated legal activities;
 - (b) the Applicant Entity has a practising address in England or Wales;
 - (c) CILEx Regulation is satisfied that upon authorisation the Applicant Entity will be able to comply with the CILEx Code of Conduct and Rules;
 - (d) CILEx Regulation is satisfied that the Applicant Entity's management and governance arrangements are adequate to effectively manage risk and safeguard the Regulatory Objectives;
 - (e) CILEx Regulation is satisfied that the Applicant Entity will be able to meet any specified compliance requirements or conditions placed on it including the condition specified at Rule 3(4).

Terms of authorisation

4. (1) Authorisation is granted for an indefinite period.
- (2) An Authorised Entity must comply with the Indemnity Insurance Rules and Compensation Fund Rules.
- (3) An Authorised Entity must have an Approved Manager and, where the entity is authorised to carry out any regulated legal activities, that Approved Manager must be an Authorised Person who is authorised to carry out those regulated legal activities.

- (4) An Authorised Entity that wishes to conduct any regulated legal activity other than one forming part of its original authorisation must, before doing so, apply to CILEx Regulation for a modification to its authorisation. Any application for such a modification must be made in the form prescribed by CILEx Regulation. CILEx Regulation will assess any such application:
- (a) as if it was an application for authorisation under these Rules; and
 - (b) by reference to its risk assessment framework;
- and will notify the Authorised Entity of its decision within a timescale specified by CILEx Regulation.
- (5) An Authorised Entity must notify CILEx Regulation of any material change that may affect its ability to comply with these Rules, any other CILEx Rules or the CILEx Code of Conduct. Notification must be made before any change takes place or, where this is not possible, as soon as reasonably practicable. Failure to do so will constitute a material breach of these Rules and CILEx Regulation reserves the right to revoke authorisation in such circumstances.
- (6) An Authorised Entity, its Approved Managers and Authorised Persons are subject to the CILEx Code of Conduct and CILEx Rules.
- (7) CILEx Regulation may require an Authorised Entity to meet specified compliance requirements or agree to specified conditions if it decides that the Authorised Entity has failed or may be unlikely to meet any of the requirements of the CILEx Code of Conduct or CILEx Rules. CILEx Regulation will make such assessments using its Risk Assessment Framework.
- (8) CILEx Regulation may revoke Authorisation if:
- (a) an Authorised Entity no longer has an Approved Manager;
 - (b) the Approved Manager of an Authorised Entity is no longer authorised to carry out the regulated legal activity or regulated legal activities CILEx Regulation has authorised it to carry out;
 - (c) an Authorised Entity no longer has a practising address in England or Wales;
 - (d) CILEx Regulation is no longer satisfied that an Authorised Entity is able to comply with the CILEx Code of Conduct or CILEx Rules;
 - (e) an Authorised Entity's management or governance arrangements are deemed by CILEx Regulation to be no longer adequate to manage risk effectively or safeguard the Regulatory Objectives.

- (9) CILEx Regulation may also revoke Authorisation if it determines that the Authorised Entity is in breach of the CILEx Code of Conduct or any CILEx Rules. Any such breach will be determined by CILEx Regulation and may include, but not be limited to, the following:
- (a) an Authorised Entity has failed to meet compliance requirements or conditions specified by CILEx Regulation;
 - (b) an Authorised Entity has provided inaccurate or misleading information or there has been a material omission, delay, or failure to provide information to CILEx Regulation;
 - (c) for any other reason CILEx Regulation considers that it would be contrary to the public interest or otherwise inconsistent with the Regulatory Objectives to allow authorisation to continue.
- (10) The requirements relating to the revocation of authorisation including the timing of any decision to revoke authorisation will be determined by the relevant Panel or Tribunal under IDAR.
- (11) An Authorised Entity must inform CILEx Regulation as soon as reasonably practicable if that entity or any Authorised Person or Approved Manager is subject to any matter identified in Rule 11 of IDAR (prior conduct).
- (12) Where any individual designated as an Approved Manager is no longer employed by an Authorised Entity or can no longer carry out their role as an Approved Manager, the Authorised Entity must inform CILEx Regulation as soon as reasonably practicable prior to this change taking place, or where this has not been possible within 28 days of the change taking place.
- (13) If a change specified in Paragraph (12) applies to a Compliance Manager the Authorised Entity must provide CILEx Regulation with details of the replacement Compliance Manager as soon as reasonably practicable. If the replacement Compliance Manager is not an Approved Manager, the individual must apply to CILEx Regulation to be designated as an Approved Manager and specify their designation as Compliance Manager.
- (14) An Authorised Entity must at all times have suitable arrangements in place to ensure that:
- (a) its Authorised Persons, Managers, and employees comply with the duties imposed by the CILEx Code of Conduct and all other CILEx Rules which apply to them;
 - (b) Arrangements for ensuring that they do not employ any person disqualified from being employed in an Authorised Entity providing legal services.

- (15) The Authorised Entity must supply any information required by CILEx Regulation which CILEx Regulation deems necessary in order to carry out periodic risk assessment and review in support of its regulatory duties.
- (16) Authorised Entities will be required to provide Annual Returns. CILEx Regulation will determine the format and information requirements for such returns.
- (17) A failure to supply a completed Annual Return within the timescale specified by CILEx Regulation will constitute a breach of Paragraph (9)(b).
- (18) An Authorised Entity must pay CILEx Regulation the periodic fee(s) of such amounts and at such times as CILEx Regulation may prescribe.

Managers and the Compliance Manager

- 5.
 - (1) An Authorised Entity must have at least one Manager. All Managers must apply to be designated as Approved Managers by CILEx Regulation. One Manager must also be designated as Compliance Manager and must consent to being designated as such.
 - (2) CILEx Regulation will determine, in accordance with Rule 6, whether a Manager or Compliance Manager in an Authorised Entity is fit and proper to hold that post.
 - (3) When applying to be an Authorised Entity, and after any authorisation has been granted, an Authorised Entity must undertake not to employ any person who is disqualified from being employed in an Authorised Entity providing legal services, or designate in the role of Manager or Compliance Manager any person who is disqualified from performing any of those roles or any similar role within an Authorised Entity.
 - (4) An Authorised Entity must have suitable arrangements in place to ensure that the Compliance Manager is able to discharge their duties in accordance with the CILEx Code of Conduct and these and all other CILEx Rules. A Compliance Manager may be assisted by others in undertaking compliance duties but cannot delegate overall responsibility for compliance to any other person.
 - (5) CILEx Regulation may withdraw Approved Manager designation from an individual if CILEx Regulation deems that the individual is no longer fit and proper to carry out that role. CILEx Regulation will provide the Authorised Entity and the individual with written reasons for its decision.

- (6) The Compliance Manager must take all reasonable steps to:
 - (a) comply with the CILEx Code of Conduct, Accounts Rules, and any other CILEx Rules;
 - (b) ensure compliance with any statutory obligations of the entity, its Managers and employees in relation to the entity's carrying on of authorised activities;
 - (c) record any material compliance failures and notify CILEx Regulation as soon as reasonably practicable. Material failures will include any breach or pattern of breaches of the CILEx Code of Conduct, the Accounts Rules or any other CILEx Rules. A material failure will also include the failure to inform CILEx Regulation if the Authorised Entity is in financial difficulty;
 - (d) record any compliance failures and make such records available to CILEx Regulation on request and in any event at least annually as part of the annual return submitted to CILEx Regulation.

Fit and proper test

6. (1) In determining whether an Approved Manager is fit and proper for the purpose of these Rules, CILEx Regulation will consider the person's character, suitability, fitness and propriety having regard to:
 - (a) the person's ability to comply with the professional principles in section 1(3) of the Act; and
 - (b) The factors set out in Paragraph (2).
- (2) The factors are whether the person:
 - (a) has been convicted of a criminal offence:
 - (i) for which a term of imprisonment was imposed;
 - (ii) involving dishonesty or fraud;
 - (iii) involving perjury or other offences relating to the administration of justice;
 - (iv) involving serious violence.
 - (b) has been the subject of an adverse regulatory finding involving:
 - (i) material breach of regulatory requirements;
 - (ii) failure to provide information or the provision of false information;
 - (iii) refusal, suspension or withdrawal of regulated status;

- (c) has been declared bankrupt, entered into any individual voluntary arrangements, been the subject of a court judgement for debt;
- (d) has been removed as or disqualified from being a company director or charity trustee;
- (e) has been concerned in the management or ownership of any company which has been wound up or put into receivership or administration in circumstances of insolvency;
- (f) has been the subject of a judgment of a civil court concerning any fraud, misrepresentation or conduct related to the administration of justice;
- (g) has engaged in other conduct involving dishonesty, violence, discrimination, abuse of trust or financial impropriety or mismanagement.

Waivers

7. CILEx Regulation may in its discretion waive any provision of these Rules for a particular purpose or purposes.

Regulatory Conflict

8. (1) If a conflict arises between a requirement imposed on an Authorised Entity or on an employee or Manager of the entity by CILEx Regulation as the regulator of that entity, and on an individual Manager or employee of that entity by another approved regulator, then the requirement imposed by CILEx Regulation prevails over the requirement imposed by the other approved regulator.
- (2) If a conflict arises between a requirement imposed on a non-CILEx Regulation authorised entity or on an employee or Manager of that entity by another approved regulator as the regulator of that entity and on an individual Manager or employee of that entity by CILEx Regulation, then the requirement imposed by the other approved regulator prevails over the requirement imposed by CILEx Regulation.

Appeals

9. (1) An appeal may be made against any of the following decisions made by CILEx Regulation under these rules:
- (a) refusal of an application for authorisation;
 - (b) revocation of authorisation;
 - (c) refusal of an application to be an Approved Manager;
 - (d) withdrawal of Approved Manager designation from an individual.

- (2) An appeal may be made by giving notice to the Appeals Panel established under IDAR.
- (3) A notice under Paragraph (2) shall be addressed to the Appeals Panel at the offices of CILEx Regulation and shall:
 - (a) state that it is a notice of appeal under this Rule;
 - (b) include:
 - (i) the name and address of the appellant,
 - (ii) the date, nature and other relevant details of the decision which is the subject of the appeal,
 - (iii) a concise statement of the grounds of the appeal, and
 - (iv) the name and address of the appellant's representative (if any) and state whether correspondence concerning the appeal should be sent to the representative instead of the appellant;
 - (c) be signed by or on behalf of the appellant;
 - (d) be accompanied by a copy of any documents on which the appellant proposes to rely for the purposes of the appeal.
- (4) Rules 35(1), (2), (4) to (6), (8) and (9), 36 and 37 of IDAR shall apply to an appeal made under these Rules.
- (5) Appeals shall normally be heard in private unless the appellant requests otherwise.
- (6) Having considered an appeal, the Appeals Panel may:
 - (a) dismiss the appeal;
 - (b) allow the appeal and quash the decision appealed against; or
 - (c) substitute for the decision appealed against any other decision that CILEx Regulation could have made;

and may make such ancillary orders, including orders for costs, as it considers just and appropriate.

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