

# ACCREDIT TO THE FIRM

BARRY DAVIES, PRACTICE DIRECTOR

Lexcel accreditation has been firmly on the agenda for a number of years, but for some partners the same questions remain unanswered: What does it mean for the bottom line, and how much will it reduce the professional indemnity premium? Both of these issues are salient, but there's a whole lot more to it than meets the eye. For my firm, it became clear that Lexcel accreditation was something we had to achieve, and fast.

## THE BOTTOM LINE

If you already undertake or have aspirations to obtain panel work through the pre-qualification questionnaire tendering process, you'll know about the section on quality standards. That isn't to say that firms without Lexcel won't be successful in such tenders, but recent times have seen firms that offer publicly funded services opt increasingly for the Lexcel standard, thus saving a separate SQM audit.

At the other end of the spectrum, tendering opportunities for large, privately funded contract work is making Lexcel a must-have. And, if you're one for the Law Society website, you'll have seen some firms boasting savings of tens of thousands on their PII premium with Lexcel.

## LEXCEL AT YOUR FIRM

Sound financial and risk management principles are a requirement under OFR – that's a given. Lexcel will take your firm toward ensuring that, for firms with a broad service offering, consistent systems and practice are in place.

File reviews will take place consistently, as will detailed conflict of interest checks. From a management perspective, Lexcel facilitates policies such as equality and diversity, disaster recovery and business continuity (to name a few) by requiring evidence of the policy being tested and not just a document locked in a drawer.

Of the approximate 10,500 firms in England and Wales, around 15% have obtained Lexcel accreditation. That's after 10 years of its existence – a low figure then, indicating that perhaps it's not a simple victory.

For me, the most essential element was in using the services of a Lexcel-accredited consultant to undertake a gap analysis, identifying areas for improvement in order to come up to the mark. If you're at a firm with highly technical managers, self-assessment may be an option.

But firms aren't quick to criticise their own practice, and the knowledge that consultants hold is always up to date. I can safely say that it would have been far more onerous to achieve this assessment unassisted.

But the crucial point is that Lexcel accreditation shouldn't be a burden placed on the shoulders of only one person in a practice. There's simply too much ground to cover and it requires in-depth knowledge in a number of areas.



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## ON THE HORIZON

With Lexcel version six just around the corner (October 2014), the update may require elements of COLP and COFA duties to be evidenced within the standard. And as the PII market continues its frenzy of activity – with some insurers explicitly asking for Lexcel accreditation to boot – it may become compulsory for some of those insurers. For that reason alone it can't remain merely an item on the agenda – it should be a serious consideration to satisfy both clients and compliance. **LPM**

## ABOUT

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