
Supervision Policy



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Costs Lawyer Standards Board

CLSB
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Approach to supervision

Scope

1. This policy sets out how the CLSB supervises compliance by Costs Lawyers with the CLSB’s regulatory rules, as contained in the [Costs Lawyer Handbook](#). Those rules include the Costs Lawyer Code of Conduct, Practising Rules and CPD Rules. All Costs Lawyers who hold a current practising certificate issued by the CLSB must comply with those rules.
2. This policy does not cover how we handle complaints about individual Costs Lawyers. More information can be found on the [complaints page](#) or the [disciplinary outcomes page](#) of our website.

Aims of supervision

3. Supervising compliance with our rules helps us to promote the regulatory objectives that are set out in the Legal Services Act 2007, especially:
 - protecting and promoting the public interest;

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- protecting and promoting the interests of consumers;
 - encouraging an independent, strong, diverse and effective legal profession;
 - promoting and maintaining adherence to the professional principles.
4. The purpose of our supervision activities is to:
- identify and respond to risks to the regulatory objectives posed by the Costs Lawyer profession as a whole, in line with our regulatory risk framework;
 - identify and respond to risks to the regulatory objectives posed by the conduct of individual Costs Lawyers;
 - promote good consumer outcomes, in line with our [commitment to focusing on good consumer outcomes](#) in all our regulatory work;
 - identify good practice and compliant ways of working, and share this knowledge amongst our regulated community;
 - disincentivise noncompliance with our regulatory rules;
 - understand the impact and effectiveness of our regulatory rules in achieving their intended purpose.
5. We aim to carry out supervision activities that are proportionate to, and directly targeted at, the above purposes. We do this in three main ways:
- through random checks and sampling to identify areas of risk;
 - through monitoring and audit activities that are designed to mitigate the risks we know about, as documented in our risk registers;
 - by collecting general compliance data to allow for targeted supervision where an increased risk of noncompliance by a particular individual is identified.
- The specific supervision activities we carry out are described further below.

If our supervision activities indicate noncompliance

6. Our primary aim is to identify and mitigate risks before they materialise, to avoid or minimise poor outcomes for consumers. In pursuit of this objective, we will support practitioners to make changes to their conduct or ways of working rather than pursuing enforcement action insofar as appropriate. We also collate and publish learnings from our supervision activities – for example, on our website, in

newsletters and via social media – to help all practitioners improve compliance and to promote the regulatory objectives.

7. In some cases, we might identify noncompliance that warrants investigation under our [Disciplinary Rules and Procedures](#). Action is most likely to be taken under the Disciplinary Rules and Procedures where:
 - a serious failure to comply with our rules is identified (for example, a failure that involves conduct which is dishonest or discriminatory, or which renders a Costs Lawyer ineligible to hold a practising certificate);
 - a Costs Lawyer fails to remedy substandard practice within a reasonable time;
 - a Costs Lawyer otherwise fails to cooperate with us, in breach of the Code of Conduct.
8. Further information about our approach to enforcement can be found in our [policy statement on enforcement and sanctions](#).
9. As we do not regulate entities within which Costs Lawyers work, we do not specifically supervise organisation-wide controls (such as policies or procedures put in place to minimise the risk of regulatory noncompliance). However, where a failure of organisation-wide controls has an impact on an individual’s compliance with our rules, we may offer advice and guidance to the organisation as a whole.

Supervision activities

Monitoring and data collection

10. We collect data from individual Costs Lawyers, which we use for the supervision purposes described in the table below. The majority of this data is collected annually when a Costs Lawyer applies for a practising certificate for the coming year. Some data will not be collected from practitioners where compliance is monitored at firm-level by another regulator. The “supervision frameworks” referred to in the table are explained further at paragraph 12 below.

	Information collected from all Costs Lawyers	Supervision purpose
1.	A CPD record demonstrating compliance with the minimum requirements in the CPD Rules	<ul style="list-style-type: none"> Identify risks to the ongoing competency of individual practitioners and potential failure to meet the practising criteria under the Practising Rules Identify individuals whose CPD record should be included in a full audit under the CPD supervision framework
2.	Evidence of professional indemnity insurance cover, a statement of the value of that cover, and a declaration that an appropriate policy has been in place throughout the practising year	<ul style="list-style-type: none"> Ensure that every Costs Lawyer has professional indemnity insurance in place at or above the prescribed minimum value Monitor trends in the nature of cover as an indicator of practitioners' perceived risk profile of their practice Identify any indicators of weakening competition between insurers which could impact practitioners' ability to comply with insurance requirements
3.	A copy of the complaints procedure that applies to the practitioner	<ul style="list-style-type: none"> Ensure that every Costs Lawyer has a procedure in place for handling complaints Provide samples for the annual audit of the content of complaints procedures under the complaints procedure supervision framework
4.	Disclosures of events that could impact fitness to practice (see Practising Rule 4)	<ul style="list-style-type: none"> Identify and mitigate risks to the public or consumers indicated by an individual's past professional conduct (see our policy statement on enforcement and sanctions for further details)
5.	The number, nature and outcomes of first tier complaints about the practitioner	<ul style="list-style-type: none"> Identify and mitigate risks to the public or consumers indicated by volume or theme of first tier complaints Provide data for implementing the point of complaint supervision framework
6.	Practising data, covering various aspects of a practitioner's work and clients	<ul style="list-style-type: none"> Monitor trends in the risk profile of the profession (for example, direct engagement with lay clients and vulnerable clients) Provide data for implementing the point of complaint supervision framework
7.	(For Accredited Costs Lawyers only, collected every three years) Evidence, including examples and sample training	<ul style="list-style-type: none"> Identify and mitigate risks to prospective recipients of a practitioner's training

materials, of compliance with the Accredited Costs Lawyer Rules	<ul style="list-style-type: none"> • Provide evidence to support the proactive supervision activities set out in the Accredited Costs Lawyer supervision framework
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11. Failure of a Costs Lawyer to cooperate with us in collecting the information described above is likely to constitute a breach of Principle 5 of the Code of Conduct and/or specific provisions of the Practising Rules, CPD Rules or Accredited Costs Lawyer Rules.

Supervision frameworks

12. Alongside our monitoring and data collection activities, we follow detailed [supervision frameworks](#) that target risks in four key areas:

- compliance with the CPD Rules, predominantly through an annual audit;
- compliance with our rules relating to complaints procedures, predominantly through an annual audit;
- compliance with the Accredited Costs Lawyer Rules, predominantly through checks at the point of reaccreditation;
- additional monitoring at the point a complaint is made about a practitioner.

13. The activities that we carry out under the supervision frameworks make up our core programme of targeted, proactive supervision.

14. The four supervision frameworks are published on our [supervision webpage](#). Each supervision framework sets out the potential outcome(s) of our supervision activities in the relevant area.

Working with others

15. The CLSB works with others to inform its supervision activities and collect data. We have Memoranda of Understanding (MOUs) in place with the following organisations which cover the proactive exchange of supervision information:

- the Association of Costs Lawyers, particularly in relation to the reporting of disclosures and information about students undertaking the Costs Lawyer Qualification;

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- the Legal Ombudsman, particularly in relation to regular reporting on complaints about Costs Lawyers;
 - the other legal services regulators, under a joint MOU.

Personal data

16. Information used for supervision purposes is collated under the relevant practitioner's record in our internal database. This allows us to analyse information relating to an individual practitioner across all metrics, and also to generate data about the whole profession in relation to one metric. In this way, we can observe both vertical trends (per individual practitioner) and horizontal trends (profession-wide) to help us identify areas of risk.
17. We hold personal data in our database in accordance with our [privacy policy](#).