

# Introduction To Internal Auditing

Tuesday 30 May 2023 at 2pm



**DGLLEGAL**  
Services for Lawyers

# Presenters

## **James Wright | Consultant | DG Legal**

James' career in Legal Finance spans over 25 years, working in medium to large law firms, managing their legal finance functions. His knowledge and experience in understanding the SRA Accounts Rules has enabled him to provide extensive support to the COFA and build processes and procedures to enable compliance. James has also been a Tutor for the Institute of Legal Finance and Management for their Diploma course, which during his time saw the number of students passing their final exam rise to 90%. James has also written practice and guidance notes both internally and for external clients and legal software providers. To view James' full bio, please visit: <https://dglegal.co.uk/the-team/james-wright/>

# Agenda

- Introducing internal auditing
- The purpose of auditing
- How to select files
- Who should complete the audit
- Delivering constructive feedback to change future behaviour

# Whats the purpose of internal auditing?



**Identify Patterns**



# How do you select files?

- Risk based on fee earners, work types, number of files they conduct
- Strategic selection
  - Use your breach register
  - Departments or fee earners you have concerns about
- Randomly select files, use matter listing reports, not just open matters
  - Block selection
- Diarise the frequency over the year
- Document your thought process

# How many files should you review?

- You should as a minimum review one file per fee earner who is the responsible for the conduct of the file
- Frequency would depend on the size of the firm [monthly/quarterly]
- High-risk areas such as conveyancing and private client matters should have a higher number of files reviewed each year per Fee earner
- Low risk areas such as employment or will matters should have a smaller number of file reviews per Fee earner
- Experience of a fee earner
- Consider external consultants or locums

# Who should complete the file reviews?



# How to deliver feedback



# Compliance tools

- Bespoke system created for you
- Outsourced file reviews
- Create your own form
- Excel spreadsheet

# Issues I've identified during file audits

- Using other clients money – a big no no
- Costs being taken from client account before invoices have been sent to clients
- Invoice being held by the fee earner
- File being archived with a clients cheque held on the physical file
- Office money not being taken from client account within the firms desired deadline

The End!



# Contact Details



**DGLLEGAL**  
Services for Lawyers

T: 01509 214 999  
E: [admin@dglegal.co.uk](mailto:admin@dglegal.co.uk)  
W. <https://dglegal.co.uk>

