



Legal Aid  
Agency

## List of LAA Audit and Assurance Activities

Version:	Issue date:	Last review date:	Owned by:
1.2	22/3/21	22/3/21	Jane Edwards

## Version History

Version:	Date	Reason
1	15/04/13	First Release
1.1	28/10/13	Amendment of Operational Assurance name (replacing Provider Assurance) and updating Claims Analysis activities.
1.2	22/3/21	Amendment of audits to reflect one Contract Management and Assurance team and the revised delivery of audit types

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## 1. Overview

The purpose of this document is to outline the different types of LAA Audit and Assurance activities undertaken with Legal Aid providers. This list will be updated periodically, and we will endeavour to cover all planned activities.

There may be times when exercises arise and must be scheduled in addition to those listed, we will notify providers as soon as we can in this event. The list is not meant to be exhaustive but does cover those activities which will impact the majority of providers. Activities also take place outside of those listed e.g. SQM certification provided by our external delivery partner and auditing activity related to the award of new contracts.

## 2. Regular LAA Assurance Activities

The audit activities listed here are completed by the Contract Management and Assurance Team (CMA) on a routine basis with all providers as part of a rolling programme of assurance activity.

LAA Assurance Activities			
Activity	Why	How	Potential Outcomes
<b>Contract Management Activities</b>	Regular review by Contract Manager to ensure compliance against various contractual requirements.	Contract Management activity, including a meeting with a Contract Manager. Often these are conducted on provider premises, and the Contract Manager will discuss the most appropriate method. This comprises of a review of files and processes undertaken to evidence compliance with the contract. This can also include a review of payments against claims. Where a Contract Notice has previously been issued the Contract Manager will review specific files to ascertain whether the issues leading to the Contract Notice have now been addressed.	<ul style="list-style-type: none"> <li>• Compliance established - no further action.</li> <li>• Where this visit or data suggests a reason to investigate further the Contract Manager may commission further assurance activity such as further audit of files by the Provider (self-review) or the Legal Aid Agency or Peer Review.</li> <li>• Recoveries of monies on erroneous claims and/or Contract Notices may be issued or sanctions imposed.</li> <li>• Where an issue still in evidence – a repeat Contract Notice issued which may result in Sanction, including Termination.</li> </ul>

<p><b>Peer Review</b></p>	<p>Audit examines quality of the legal advice provided to client. The files will be requested by the Peer Review Team. Full details of the Peer Review process can be found on gov.uk.</p>	<p>A sample of files is assessed by a qualified Peer Reviewer. Peer Reviewers are selected from a panel of independent solicitors who contract with the LAA. The focus of the review is an assessment of the quality of legal advice evidenced on file.</p>	<ul style="list-style-type: none"> <li>• Satisfactory rating of 1, 2 or 3 – no further action.</li> <li>• A rating of 4 or 5 is below competence and further action will be taken in line with the Contract and Peer Review process</li> <li>• A rating of 4 would normally result in another review being scheduled for 6 months' time. After a second rating of 4 the LAA will consider terminating the contract.</li> <li>• A rating of 5 would normally result in another review immediately. Following a second rating of 5 the LAA will consider terminating the contract.</li> </ul>
<p><b>Core Testing Programme</b></p>	<p>The LAA is required to assess the level of error in payments and applications for legal aid, and report this to the National Audit Office for independent validation. This is entirely independent from Contract Management assurance processes and is carried out by the Core Assurance and Risk Management Team. Testing occurs across all categories and types of work (including civil higher work and crown court work) and is mandatory. Claims and applications are reviewed to identify errors and how they have arisen, whether through LAA decisions or processes or the actions of a provider or applicant. Information from testing is also used to inform improvements to LAA processes, or to identify whether further assurance activity is required.</p>	<p>Cases are selected on a monthly basis from applications or claims that have been made in the previous six weeks. Selections are made randomly, and so can overlap with other assurance activity.</p>	<ul style="list-style-type: none"> <li>• No errors or missing evidence – no action or contact with providers.</li> <li>• Errors or missing evidence – Providers contacted to provide extra information necessary.</li> <li>• Right to appeal as per the contract to both the LAA and an Independent Cost Assessor if required.</li> <li>• Errors identified are subject to claim amendment on LAA systems and potential follow up by Contract Managers.</li> </ul>

## Ad-hoc LAA Assurance Activities

The audit activities listed here are completed by the Contract Management and Assurance Team (CMA) on an ad-hoc basis with providers based on data or findings from previous audits.

Ad-Hoc Assurance Activities			
Activity	Why	How	Potential Outcomes
<b>Contract Compliance Audit (CCA)</b>	<p><b>The LAA does not use this assurance activity as part of its regular contract management processes, but it remains an option where appropriate. This may be, for instance, where data suggests that there may be multiple issues involving financial errors across a range of files.</b> CCA's are used to assess the general accuracy of claims across a significant time period and may be particularly relevant where there are indications that there may be multiple issues to explore.</p> <p>The sampling approach used means that the LAA can use these results to predict how the provider has claimed across the whole of their submissions and calculate changes to payments.</p>	A random sample of 30 to 50 files are selected. Results are extrapolated across all claims made in the period under review.	<ul style="list-style-type: none"> <li>• Right to appeal as per the contract to both the LAA and an Independent Cost Assessor if required.</li> <li>• Compliance established – results below 10% reduction, claims within sample subject to amendment on LAA systems. No further action.</li> <li>• Compliance issues identified - results above 10% reduction can be extrapolated across total claims in the period and a recoupment made.</li> <li>• Contract Notices issued for breaches identified on results above 10%, potential Termination Notices for two consecutive results above 20%.</li> <li>• Follow up audit may be carried out after 6 months to check improvements highlighted have been made.</li> </ul>
<b>Targeted File Review (TFR)</b>	Targeted file reviews are used where data suggests there is an issue and reviewing a selection of files would help to understand	The Contract Manager will review an organisation's submissions to select appropriate files for review. The number of files selected will depend on the nature of the issue. The	<ul style="list-style-type: none"> <li>• Compliance established - no further action.</li> <li>• Further assurance activity such as further audit of files by the Provider (self-review) or the LAA or Peer Review</li> </ul>

	the cause or extent of a potential problem. Completed by Contract Managers, the TFR would focus on the specific issues identified.	results are not extrapolated to other claims made by the organisation.	<ul style="list-style-type: none"><li>Recoveries of monies on erroneous claims and/or Contract Notices or sanctions.</li></ul>
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