Regulatory compliance for solicitors: Software review for COLPs and COFAs

Solicitors' compliance specialist Jonathon Bray looks at the software packages available for newly appointed Compliance Officers (COLPs and COFAs) in law firms

There is no doubt that Compliance Officers have an unenviable job on their hands with the introduction of the new compliance roles in legal practice, details of which were covered in the last two issues of this journal.

Given the high stakes, most COLPs and COFAs will be keen to receive a budget for compliance software. Firms are likely to view this as an on-going investment in their compliance, rather than an additional cost.

The business case for investing in software

Investing in the latest technology is attractive because it can potentially:

- reduce the amount of time that the COLP and COFA spend on compliance, with a resulting increase in chargeable time and efficiency;

- provide a starting point and focus for tackling the compliance project;

- keep compliance data securely and centrally, rather than in ad-hoc spreadsheets and paper files;

- present complex data in an "at a glance" visual format;

- automatically create an audit trail;

- put monitoring, reporting and auditing at the heart of compliance, rather than leaving it to become a one-off annual task;

- help ensure a smooth transition should a replacement Compliance Officer be required.

For review, we have picked five of the most popular products which are available right now, in no particular order of preference.

Riliance Software Ltd
www.riliance.co.uk

Riliance was initially developed as an in-house product by a risk and compliance practitioner with over 20 years of experience. It is endorsed and partly owned by The Law Society.

The system takes a thoughtfully designed modular approach, with each module addressing a key area of compliance (PII claims, referrals, complaints, AML, file audit and so on) providing COLPs with a clear focus.

It is designed as a "top-down" standalone system to complement firms' existing practice management, office and case management software, rather than interacting directly with those other systems. The developers argue a strong case for having a purely compliance-focused system.

The emphasis of Riliance is very much on recording, managing, monitoring and reporting risks and breaches, with distinct advantages over a DIY option. The system is intuitive and attractive, without any noticeable loading times. As it is hosted in the cloud, all that is needed is a computer and internet connection.

Riliance certainly has grand ambitions, and the company has already made an impressive start by capturing over 450 firms including 20% of the top 200 UK law firms. With additional modules planned we can also expect to see greater integration with The Law Society's Risk and Compliance Service as well as with Lexcel in the future.

EQMS by Qualsys
www.eqms.co.uk

EQMS is being developed for the legal market having been a leader in other highly-regulated industries for almost 20 years.

The developer boasts an impressive client list including BT, Diageo, the Financial Times and a whole host of local authorities and NHS Trusts. Many firms will undoubtedly be attracted by this proven track record.

The version for law firms is built upon the same engine used by the company's blue chip clients, but its workflows have been adapted from the ground up for COLPs and COFAs.

It is fair to say that the system is currently in an advanced development stage and feels less polished than some other software, but from what we have seen so far the end product

is likely to be impressive. The developers say they are working hard to make the system user-friendly and intuitive, without losing any of the software's sophisticated features.

As well as recording and monitoring functions, EQMS has full audit and reporting capability. The software is mainly preconfigured for ease of set up, although fully customisable to a firm's procedures and workflows. Integrated document management, including precedent manuals and policies with roll-out capability, add real value to the service.

Compliance Officers looking to maximise their chargeable time will also be able to opt for an approved risk management consultant to help them manage the firm's overall risk and compliance strategy on an on-going basis.

EQMS can be run in the cloud or on a local server, and data can be accessed by mobile devices. The product can also integrate with the major accounts packages and Microsoft Office applications, as well as Sharepoint.

Compliance Manager
www.compliancemanageruk.com

Compliance Manager is a recently-developed solution described as "a comprehensive case management system for compliance". It comes in 3 editions with varying levels of functionality. The lighter versions are similar to the recording and monitoring modules of Riliance, whereas the premium versions add client and matter integration and document management.

Other main features of the system include comprehensive review and reporting systems with checklists for compliance officers and risk managers, and context-based linkage to the SRA Handbook. Additional consultancy services are also available.

Compliance Manager takes an integrated rather than "top-down" approach, which could help COLPs and COFAs instil a firm-wide compliance culture. It is designed to be used by everybody, not just management. Fee-earners can use the system to report

risks as they arise in accordance with the firm's policies and procedures.

The software has a neat notification system, alerting the Compliance Officers whenever something requires their attention. For example, if a fee-earner identifies certain risks when taking on a new client, the system automatically requires the COLP to approve the instructions before any further action is taken. It could also be configured to require a supervisor to have closer scrutiny of the matter as it progresses.

Using Compliance Manager is intuitive and the system has been thoughtfully designed. Automatic ID verification and conflict-checking are examples of how the developers have considered the day-to-day practicalities of using the software.

The system is not cloud-based, so will be attractive to those who prefer to host software locally (although firms will need to ensure their systems meet the various technical requirements).

COLPability
www.colpability.com

COLPability takes a different approach from the other systems on the market, putting gap analysis and benchmarking, rather than active risk management, at the heart of the system.

Traffic light scoring for each area of compliance and OFR Outcome presents the user with a visual picture of how well the firm meets its regulatory obligations. Gaps are generated in respect of each area requiring improvement with specific action points. This enables a firm's management to easily identify areas of achievement and areas requiring improvement. For each improvement made by the COLP, a "footprint in the sand" is generated by the system.

COLPability's strengths are in its visual reporting, ease of use and focused purpose. It would be a particularly useful tool for Compliance Officers who are just getting to grips with the requirements of OFR. The system includes a number of useful precedents, and the developers are adding a COFA module in early 2013.

COLPability uses cloud technology and enables multiple users to have access for a flat fixed fee.

Peppermint Platform
www.pepperminttechnology.co.uk

Peppermint Platform is a "complete client-centric practice management platform" that provides native COLP and COFA tools. The system will appeal to firms looking to upgrade to modern practice management software using the latest technology, whilst introducing a dedicated compliance system as part of the investment.

The system works on the "one source of data" principle to avoid duplication or compatibility issues. It is an attractive, intuitive and user-friendly system. The highly visual dashboard reporting feature is a particular strength.

Although the COLP and COFA module works "straight out of the box", the more sophisticated workflows are likely to require some thinking about and configuration. Peppermint deals with this as part of the installation, and many firms will appreciate the value in having a completely bespoke system.

Built on the latest Microsoft Dynamics CRM 2011 in the cloud, the software promises to be robust and sits natively with other Microsoft services.

Conclusion

Plenty of food for thought, then, for law firms grappling with their new compliance obligations. And, just as the COLP and COFA roles are brand new to the legal profession, so are the tools to help them. We can therefore expect to see all of the major developers releasing major updates in the coming months and years.

Got a comment or question? Chat with me on Twitter (@Jonathon_Bray)

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