

## **ILEX PROFESSIONAL STANDARDS LTD**

### **PRACTICE RIGHTS SCHEME DELIVERY PROJECT PLAN**

#### **INTRODUCTION**

1. This document sets out IPS' plan to deliver and continue to deliver the practice rights schemes and entity regulation.
2. The document covers the following:
  - overview of the project
  - project scope
  - assumptions
  - project objectives and key requirements
  - project roles
  - approach
  - deliverables, milestones and schedule of activity
  - resource needs
  - quality assurance strategy
  - risks and issues
  - project constraints.

#### **PROJECT OVERVIEW**

3. The project sets out the arrangements for the award of practice rights, authorisation and supervision of entities, and delivery of client protection and enforcement arrangements.

#### **PROJECT SCOPE**

4. The project has been split into award of practice rights, entity regulation, client protection and investigation and enforcement activity.

#### **PROJECT ASSUMPTIONS**

5. The project relies on a number of assumptions which are summarised below. They are:
  - the LSB will approve the applications by September 2013 and the Parliamentary Orders will be secured by March 2014
  - the demand for practice rights and entity regulation demonstrated by IPS' research materialises.

## **PROJECT OBJECTIVES AND KEY REQUIREMENTS**

6. The objective of the project is to deliver the practice rights schemes and entity regulation. There are number of key requirements IPS needs to undertake to meet this objective.
7. The key requirements are to:
  - deliver the regulatory arrangements following the rules and processes set out in IPS' applications for practice rights
  - undertake a programme of consumer engagement
  - undertake a programme of intelligence gathering.

## **PROJECT ROLES**

8. Responsibility for the project will rest with the Head of Operations and Head of Business Development, who will be the project managers. The CEO will have oversight of the project as project director.
9. The project managers, identified below, will be responsible for ensuring delivery of the project, monitoring activity and achievement against the plan and providing support to the project team. The Practice Regulation working group is the project board.
10. The work will be completed by IPS staff. Project managers will take lead responsibility for activities that are assigned to them in the project schedule.
11. The staff and post holders' responsibilities are summarised below:
  - Practitioner Authorisation and Supervision Manager – will receive and consider with practitioner authorisation and supervision team applications for practice rights; refer applications to external advisors; and report on work to Admissions and Licensing Committee.
  - Entity Authorisation and Supervision Manager – will receive and consider with entity authorisation and supervision team applications for entity authorisation; assess applications using risk framework; gather intelligence on risks; report to Strategic Risk Committee; and work with Committee to keep IPS' approach to risk under review.
  - Client Protection Manager – will liaise with insurance brokers and providers; keep insurance arrangements under review; manage the Compensation Fund and claims made against it; work to set annual contributions to the Fund; undertake forensic investigations; oversee compliance with practice management arrangements; oversee interventions.

- Investigation Manager – receive and investigate, with team, allegations of misconduct; keep policies and procedures under review; oversee management of panellists.
- Head of Operations and Head of Business Development – oversee IPS approach to governance, consumer engagement; share data on consumer expectations and market issues with IPS teams; review effectiveness of regulatory arrangements.

## **PROJECT APPROACH**

12. Each aspect of the project plan below has been developed by reference to the activities that need to be undertaken and the timeline that activities take. The process and timeline for activity enables IPS to keep resource requirements under review. The project has been split into the following activities:
  - practice rights
  - entity regulation
  - client protection
  - investigation /enforcement.
13. Practice rights – application form received, logged onto database, assessed for completeness, liaison with applicant to remedy deficiencies, once complete referred to external advisor for assessment of portfolios and education officer for assessment of skills logs. If assessment identifies standards met application approved. If unclear whether standards are met referred to Admissions and Licensing Committee for determination. Inform applicant of decision.
14. Entity regulation – application form received, logged onto database, assessed for completeness, liaison with applicant to remedy deficiencies, once complete basic risk assessment completed. If assessment unclear on whether outcomes met a risk review visit may be scheduled followed by an advanced risk assessment. Review advanced risk assessment and decide on appropriate regulatory response. Report to Strategic Risk Committee and receive guidance on approach to risk from Committee in the case of negative authorisation determinations and take appropriate action following response from SRC. Inform applicant of decision.
15. Client protection – Compensation claim received, logged onto database, gather evidence, put issue to regulated person or entity for response, analyse response, produce report of case, seek parties' comments on report, refer to Trustees, liaison with insurers where award made. Overseeing operation of the Compensation Fund. Insurers and broker liaison and committee meetings.
16. Investigation – complaint or intelligence received, logged onto database, gather evidence, conduct basic risk assessment where intelligence reveals increased level of risk at an entity, put issue to regulated person or entity for response,

analyse response, produce report of case, seek parties' comments on report. In the case of an entity intelligence may result in decision to conduct a risk review visit or forensic investigation visit to the entity to gather further information before conducting an advanced risk assessment. Make determination under delegated procedure or refer for panel determination. Where matter referred to Tribunal drafting charges, witness statements and production of exhibit bundles, liaison with clerk and other party, Tribunal hearing and notification of decision, post hearing publication, recording and action.

17. Consumer engagement – action according to consumer engagement action plan.
18. Rules and policies review through gathering intelligence and reviewing experience.

## **MAJOR DELIVERABLES AND KEY MILESTONES**

19. The project will achieve the outcomes set out below. The milestones have been set out above in terms of timescales.
20. Overall deliverable - delivery of new regulatory arrangements.
21. Practice rights – applications processed within seven days of each response from applicant, external advisor and committee meeting. Determination within four weeks of fully completed application.
22. Entity applications – processed and determined within four weeks of fully completed application at basic risk assessment and within 3 months at advanced risk assessment.
23. Misconduct investigations – 80% investigations completed within six months and 100% within nine months. 65% cases heard by Tribunal within six months of referral and 100% within nine months of referral.
24. Compensation claims - 80% investigations completed within three months and 100% within six months.

## **PROJECT SCHEDULE**

25. A schedule setting out the activity and timescales is attached to this document.

## **RESOURCE NEEDS**

26. Staffing needs are identified in Part 11 of the Applications titled 'delivering the practice rights schemes'. Designation of staff to new roles and additional recruitment will require support of HR Manager, which has been secured.

27. Client protection arrangements require engagement with insurance brokers, insurance providers, support of the Director of Group Services, which has been secured. Insurance brokers are appointed and working with IPS.

### **IMPLEMENTATION STRATEGY**

28. The deliverables from the project will enable IPS to deliver the award of practice rights, entity regulation and client protection arrangements.

### **QUALITY ASSURANCE AND CONTROL STRATEGY**

29. Quality assurance and control mechanisms have been built into the project. Each aspect of IPS delivery is overseen by a Committee, identified in the practice rights schemes, or the IPS Board. Regular reporting takes place on progress to the Committee or Board, with progress being a standing item on agenda. The Board or Committee meet at least once every eight weeks.

### **CONFIGURATION STRATEGY**

30. Document version control will be used on all products for all work streams. A plus 0.1 increase in the version number will represent a minor revision to the product. Major product releases will be issued with the next incremental number, eg 1.0, 2.0 etc.

### **RISKS AND ISSUE MANAGEMENT**

31. IPS has a table which sets out the risks surrounding this project and a table to record issues as they arise. Risks and issues are reported to the Practice Regulation Working Group.

### **PROJECT CONSTRAINTS**

32. The project will be developed under the following constraints:
- validity of research – the demand and staffing resources have been set dependent upon research conducted in regulatory demand
  - financing – the costs of regulation have been determined based upon assessment of existing experience of costs
  - the level of claims to Compensation Fund and misconduct investigations is unknown
  - decision making – there is uncertainty in respect of the time the LSB, Lord Chancellor and Parliament will take.

## PRACTICE RIGHTS PROJECT SCHEDULE

	<b>Project phase</b>	<b>Activities</b>	<b>Tasks</b>	<b>Milestones</b>	<b>Resources</b>
1	One	Scheme launch	<ul style="list-style-type: none"> <li>• Launch of scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Publicity</li> <li>• Promotion</li> </ul>	IPS, Comms teams
2	Two	Practice rights delivery	<ul style="list-style-type: none"> <li>• Application form received, logged onto database, assessed for completeness, liaison with applicant to remedy deficiencies.</li> <li>• Once complete referred to external advisor for assessment of portfolios and education officer for assessment of skills logs.</li> <li>• If assessment identifies standards met application approved. If unclear whether standards are met referred to Admissions and Licensing Committee for determination.</li> <li>• Inform applicant of decision.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed application received and processed</li> <li>• Application assessed by external advisor and officer</li> <li>• Application determined by office or committee</li> <li>• Applicant informed of decision</li> </ul> <p>Applications processed within 7 days of each response from applicant, external advisor and committee meeting. Determination within 4 weeks</p>	<p>Practitioner Authorisation and Supervision team</p> <p>External advisors and officer</p> <p>Team officer</p>

				of fully completed application.	
3		Entity regulation delivery	<ul style="list-style-type: none"> <li>• Application form received, logged onto database, assessed for completeness, liaison with applicant to remedy deficiencies.</li> <li>• Once complete risk assessment completed.</li> <li>• If assessment unclear on whether standards detailed risk assessment undertaken.</li> <li>• Report to Strategic Risk Committee and receive guidance on approach to risk from Committee.</li> <li>• Inform applicant of decision.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed application received and processed Applications processed and determined within 4 weeks of fully completed application.</li> <li>• Application assessed</li> <li>• Advance risk assessment, if needed, within 3 months.</li> <li>• Reporting completed and approach to risk set</li> <li>• Applicant informed of decision</li> </ul>	Entity Regulation and Authorisation Team, risk staff, travel and accommodation
4		Client protection delivery	<ul style="list-style-type: none"> <li>• Compensation claim received, logged onto database, gather evidence, put issue to regulated person or entity for response, analyse response, produce report of case, seek parties comments on report, refer to trustees, liaison</li> </ul>	<ul style="list-style-type: none"> <li>• Application investigated and determined 80% investigations completed within 3 months and 100% within 6 months.</li> </ul>	Client Protection Manager

			<p>with insurers where award made.</p> <ul style="list-style-type: none"> <li>• Overseeing operation of compensation fund.</li> <li>• Insurers and broker liaison and committee meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• Oversight and reporting on operation of scheme</li> <li>• Quarterly committee meetings, gather intelligence in market</li> </ul>	<p>Client Protection Manager, trustees</p> <p>Client Protection Manager, Broker, Insurers committee</p>
5		Investigation delivery	<ul style="list-style-type: none"> <li>• Complaint or intelligence received, logged onto database, gather evidence, put issue to regulated person or entity for response, analyse response, produce report of case, seek parties comments on report.</li> <li>• Make determination under delegated procedure or refer for panel determination.</li> <li>• Where matter referred to Tribunal drafting charges, witness statements and production of exhibit bundles, liaison with clerk and other party, Tribunal hearing</li> </ul>	<ul style="list-style-type: none"> <li>• Investigation completed</li> </ul> <p>80% investigations completed within 6 months and 100% within 9 months.</p> <ul style="list-style-type: none"> <li>• Determination made on case</li> <li>• Tribunal hearing takes place and determination made.</li> <li>• Post meeting action completed.</li> </ul>	<p>Enforcement team, Panels, meeting costs, witness costs, evidence gathering costs</p>



			and notification of decision, post hearing publication, recording and action.	65% cases heard by Tribunal within 6 months of referral and 100% within 9 months of referral	
6		Consumer engagement	<ul style="list-style-type: none"> <li>• action according to consumer engagement action plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Action plan deliverables met</li> </ul>	Consumer Engagement Officer
7		OFR	<ul style="list-style-type: none"> <li>• Rules and policies review through gathering intelligence and reviewing experience of sector</li> </ul>	<ul style="list-style-type: none"> <li>• Reviews undertaken and reports to IPS Board in accordance with Board schedule</li> </ul>	Head of Business Development

