

Victorian Legal Services
BOARD + COMMISSIONER

**Practice Management Course
Guidelines for Victoria**

October 2017

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All terms in this document have the same meaning as in the Uniform Law unless otherwise stated.

Introduction

The Victorian Legal Services Board + Commissioner (VLSB+C) are responsible under the Legal Profession Uniform Law (Uniform Law) for ensuring that lawyers are competent and maintain high ethical and professional standards.

It is a relevant consideration for the Victorian Legal Services Board (the Board) to have regard to whether an applicant seeking a grant of a principal practising certificate possesses the necessary skills and expertise to undertake the additional responsibilities allocated to them under the Uniform Law.

Where a grant of a principal practising certificate is to commence in operation on or after 1 January 2019, the applicant lawyer must demonstrate to the Board's satisfaction that he or she has the appropriate skills and expertise required to be a principal.

The Board has determined that an applicant lawyer who has completed a Practice Management Course (PMC) which has been assessed by the Board as meeting the requirements set out in these guidelines will be considered to have attained the necessary skills and expertise to hold a principal practising certificate.

These Guidelines set out the Board's minimum requirements for a PMC to be offered to lawyers applying for a principal practising certificate.

Practice Management Course objectives

The purpose of a Practice Management Course is to:

1. Equip principals of a law practice with the management skills and information necessary to conduct a law practice;
2. Protect consumers by ensuring that principals have the capacity to meet their needs in an efficient and competent manner; and
3. Provide principals with the necessary skills to enable them to maintain high ethical and professional standards.

Purpose of Guidelines

The purpose of these Guidelines is to set out the rationale, content, structure and assessment framework for the Practice Management Course (PMC).

Meeting these Guidelines

Practice Management Courses should only be offered by appropriate providers who have demonstrated an extensive depth and breadth of experience in providing high quality training to qualified lawyers. The course objectives, content and assessment must be developed and presented for assessment against these guidelines by the Board. Courses that do not meet these Guidelines will not allow applicants for principal practising certificates to demonstrate the requisite skills and expertise, and the Board may refuse to grant a certificate on this basis.

These Guidelines will be reviewed annually and providers should ensure continued compliance with any updates made which will be published on the VLSB+C website.

Providers of PMC's may be subject to periodic monitoring by the Board. This may be in the form of Board staff attending sessions to observe, or requesting course materials or other documents.

Course providers will offer a discounted rate for the PMC for participants who intend to be principals of Community Legal Centres.

The core subjects

In order for a principal to effectively and competently deliver legal services in a law practice a principal must be proficient in practice management. The following subjects are mandatory subjects that must be offered by PMC providers in order to ensure such proficiency:

1. Business strategy and succession planning;
2. Leadership and people management;
3. Financial management;
4. Practice management systems;
5. Technology and innovation;
6. Professional standards and ethics;
7. Risk management;
8. Business development and marketing; and
9. Trust accounting.

1. Business strategy and succession planning

This core subject looks at:

Business strategy

Developing the goals and strategies to guide the law practice to achieve a stated purpose, including:

- different law practice and business models, including incorporated legal practices;
- what is required for each of the different models to be successful; and
- how to develop a strategic business plan and how to action it.

Partnership agreements and partner relations

Attracting, securing and maintaining positive partner relationships.

Succession and contingency planning

The overall big picture and whole-of-business plan for the future transition of the law practice.

2. Leadership and people management

This core subject will enable principals to understand the general principles of management to ensure the sustainability and success of their law practice. This subject should address the following issues concerning general principles of management:

Leadership qualities

Understanding effective leadership, and identifying participant's own leadership style. Self-assessment of personal qualities and abilities by participants, and using this knowledge to determine the most suitable business and leadership structure.

Positive office culture

Developing and promoting a supportive, open and ethical culture and framework to achieve a positive environment and a psychologically healthy workplace.

Stress Management

Identifying and reducing causes of stress, including building in elements of psychological self-care.

Staff selection and training

Attracting, securing and retaining suitably qualified, ethical and competent staff.

Delegation

Ensuring that tasks are performed by appropriate staff.

Supervision

Building relationships of trust to empower staff to achieve organisational objectives and ensuring that staff act professionally and ethically at all times.

Interpersonal/communication skills

Understanding the critical keys for successful and effective communication. Developing effective written and verbal communication skills to ensure operational clarity and good client relations.

Industrial relations and OH&S

Understanding the requirements of employment legislation and best practice.

3. Financial Management

This core subject will enable principals to plan, organise, direct and control the financial activities of their law practice to meet objectives and operate profitably. This subject should address the following issues concerning financial management:

Basic accounting principles

Understanding budgeting, cash flow, profitability and how to interpret financial statements;

Billing

Awareness of the availability of different billing methods and ethical billing practices;

Taxation

Understanding taxation requirements and how to meet them;

Debtor control

Developing processes to ensure the prompt payment of bills;

Practice valuation

Understanding how to determine the value of your/other practice(s);

Borrowing ratios

Determining appropriate borrowings;

Budgeting

How to effectively budget for your practice, including strategies and contingencies for unplanned costs and/or opportunities; and

Cost disclosure and estimating

How to properly scope and plan a matter to accurately estimate the likely costs and understand disclosure requirements.

4. Practice Management Systems

This core subject will enable principals to develop and implement a comprehensive framework to manage policies, procedures and processes and promote continual improvement for a successful practice. This subject should address the following issues concerning practice management systems:

Time management

Developing systems to ensure effective time management;

Quality control

Ensuring that all work produced is of the highest quality;

File/Case management

Implementing a robust file management and review system; and

Communication

Implementing and maintaining good communication internally and externally.

5. Technology & Innovation

This core subject will equip principals with the skills required to consider and adopt new technology and innovative approaches to ensure the effective delivery of legal services. Principals will need the knowledge and skills that enable them to integrate technology into all aspects of running a practice. This subject should address the following issues concerning technology and innovation:

New technologies

Understanding new and innovative technology that is available and determining what is most appropriate and cost-effective for the practice, with a focus on systems and products that can be updated or added to as the business grows/changes.

Risk management

Developing a risk management framework to manage technology effectively, including consideration of cyber-security and privacy.

Education and training

Developing guidelines and policies for the use of technology in the practice, and ensuring that staff are trained to use technology competently and ethically, adhering to the policies and guidelines.

6. Professional Standards & Ethics

This core subject will enable principals to understand the professional, legal and ethical obligations of the law practice. This subject should address the following issues concerning professional standards:

Regulatory requirements

Principals' responsibilities to clients, to the court, to other practitioners and to third parties. Principals' responsibilities to ensure their practice meets its obligations under the Uniform Law, including compliant costs disclosure and billing and the Uniform Conduct Rules, including avoiding conflicts of interests and duties. Solicitors' obligations in general, including the overarching obligations in civil proceedings covered under the Civil Procedure Act.

Professional conduct & ethics

Understanding common areas of complaint and how to avoid them. Developing systems and programs that promote ethical behaviour and responding to Regulator requests and investigations. Ensuring staff are acting within the rules and regulations and avoiding unqualified practice. Understanding the importance of being a fit and proper person and leading the practice with integrity.

7. Risk Management

This core subject will explore the different types of risks a legal practice faces and will discuss how to recognise and manage them. It will focus on professional negligence risks, including:

Professional negligence

What are negligence claims and where they arise;

Fundamental causes of claims

The underlying causes of professional indemnity claims against solicitors;

Professional indemnity insurance

The role of the professional indemnity insurer; and

Risk management

Developing systems and practices to reduce risk exposure.

8. Business Development & Marketing

This core subject will enable principals to develop and implement an effective marketing plan and develop the business of the law practice. This subject should address the following issues concerning marketing:

Practice development

Growing the practice by using appropriate marketing strategies, including the use of social media;

Marketing plan

How to develop a marketing plan;

Client relations

Ensuring positive client relations to maintain existing clients and attract new clients;

Regulatory compliance

Understanding and complying with the advertising rules; and

Responding to tenders

9. Trust accounting

This core subject covers trust money and trust records:

Regulatory Compliance

- Knowledge and understanding of the regulatory framework governing Trust Money and Trust Records;
- Understanding general trust obligations and principles;
- Understanding appropriate and compliant billing methods for practices with and without trust authorisation; and
- Understanding obligations regarding the Statutory Deposit Account.

Fidelity Fund

Understanding the role of the Fidelity Fund and its implications for a law practice, including liability to repay the Fidelity Fund in the event of a successful consumer claim.

Note:

Please note that this component of the PMC provides an overview of trust accounting. Practitioners who wish to be authorised to receive trust money must also comply with the requirements as set out in the Board's Trust Authorisation Policy.

Course materials

Each participant in a PMC must be provided with appropriate and relevant course materials in relation to each of the core subjects. Course materials must be kept up-to-date and reflect current law and current practice. Any significant amendment to the course materials must maintain consistency with these Guidelines.

Course completion and attendance

In order to successfully complete the PMC, participants must attend and complete all modules/sessions, and must pass all course assessments, and must do so within 6 months of beginning the course.

Course structure

The PMC is to be delivered in nine modules, with each covering one core subject. These modules are to be made available to practitioners who may be directed by VCAT or the VLSB+C to complete one or more modules. When attendee numbers allow, the course provider may also make individual modules available to other practitioners.

The PMC must provide a minimum of ten Continuing Professional Development (CPD) units, including at least one unit in each of the four compulsory fields, so that solicitors who successfully complete the PMC will have satisfied all of their CPD requirements for that year.

Mode of delivery

The PMC cannot be less than a total of **25 hours** in duration. The mode of delivery adopted by a provider must include:

- Face-to-face format of a minimum **21 hours**: presentations, lectures, workshops, interactive discussions; and may include in addition;
- Self-study: course materials; and
- Other learning tools: e-learning, webinars, videos, online questionnaires, peer learning and collaboration.

Presenters

A PMC provider must engage appropriately qualified people to teach the course and ensure that they have the requisite skills and expertise to deliver these sessions assigned to them.

To ensure continuity, a PMC provider must ensure that presenters of the course are appointed for no less than 12 months.

The presenters of the PMC sessions that deal with trust accounting, professional negligence, professional conduct and ethics must be assessed by the Board as having the requisite skills and expertise to deliver these sessions.

Assessment

A PMC must include sufficiently rigorous assessment to ensure that participants apply themselves conscientiously to all course study requirements and are prepared through study to undertake assessment and demonstrate competence in each area of competence as required.

A PMC must have formal means of determining whether, and certifying that, a participant has acquired and demonstrated an appropriate understanding of, and competence in, each of the core subjects. The course materials for each core subject must clearly state the level of understanding and competence required to satisfactorily complete that subject.

The mode of assessment must include at least one:

- A. Classroom examination – incorporating but not limited to, extended responses, essays, multiple choice, short answer;

As well as at least two or more tasks conducted in any of the following formats or a combination thereof:

- B. On-line tests / activities;
- C. Completion of workbooks;
- D. Case-studies;
- E. Observation / oral examination after observation;
- F. Self-assessments through instruments provided;
- G. Practical projects; and/or
- H. Presentations.

A PMC must include assessment in the following areas of PMC competencies:

1. Business strategy and succession planning;
2. Financial management;
3. Practice management systems;
4. Professional standards and ethics;
5. Risk management; and
6. Trust accounting.

Participants must pass assessments in all six of these areas before successfully completing the PMC.

Enrolment

Unless an applicant lawyer has otherwise demonstrated the required skills and expertise to the Board, he or she will need to undertake and successfully complete a Practice Management Course (PMC) which meets the Board's requirements as set out in these guidelines prior to applying for a grant of a principal practising certificate. This requirement applies to the grant of a principal practising certificate which is to commence in operation on or after 1 January 2019.

Reporting

Providers of a PMC's will notify participants of their results within 14 business days of the completion of all modules and assessments. Providers will subsequently notify the Board, within 2 further business days, of those who have successfully completed the course.

Acknowledgements

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