



## Higher National Unit Specification

### General information for centres

**Unit title:** Ethics and Cash Handling in the Legal Office Environment

**Unit code:** F19N 35

**Unit purpose:** This Unit is designed to make the candidate aware of the regulations imposed on the legal profession, particularly with regard to clients' money, and to enable the candidate to process straightforward recording of financial transactions which would include, for example, use of the Cash Book and Client's Ledger.

On completion of the Unit the candidate will have basic cash handling skills and understand the need for and the methods employed in protecting the public in relation to the legal profession as follows:

- 1 Explain how the public is protected by rules laid down and governed by the Law Society of Scotland and any other statutory bodies.
- 2 Describe the main provisions of the Solicitors (Scotland) Accounts Rules and the Money Laundering Regulations.
- 3 Record business transactions in the cash book and ledgers in a legal office.

**Credit points and level:** 1 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

**Recommended prior knowledge and skills:** Access to this Unit is at the discretion of the Centre. However, candidates would normally be expected to have competence in communication at SCQF level 6 or equivalent.

**Core Skills:** There are opportunities to develop the Core Skills of Problem Solving and Numeracy at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

**Context for delivery:** If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

## **General information for centres (cont)**

**Assessment:** The Outcomes in this Unit could be assessed holistically, with one assessment for all three Outcomes. The assessment may take the form of one assessment consisting of written and/or oral responses to either a set of restricted response questions or multiple choice questions which will sample the knowledge and skills required in Outcomes 1 and 2, together with a case study with structured questions on the knowledge and skills in Outcome 3. The sampling of knowledge for Outcomes 1 and 2 could be achieved by including sampling questions covering any three of the seven items in Knowledge and/or Skills for Outcome 1 and 2 of the four items in Knowledge and/or Skills for Outcome 2. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion. The assessment should be carried out under supervision and may be open-book.

**Centres will have discretion in designing assessments so that they can assess outcomes individually or combine outcomes where they consider it appropriate.**

## **Higher National Unit specification: statement of standards**

**Unit title:** Ethics and Cash Handling in the Legal Office Environment

**Unit code:** F19N 35

The sections of the Unit stating the Outcomes, knowledge and/or skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

### **Outcome 1**

Explain how the public is protected by rules laid down and governed by the Law Society of Scotland and any other statutory bodies

#### **Knowledge and/or skills**

- ◆ Standards of conduct
- ◆ Control over solicitors by the Law Society and/or any other statutory bodies
- ◆ How those guilty of professional misconduct are punished
- ◆ Function of the Scottish Solicitors' Guarantee Fund in relation to protecting the public in their dealings with solicitors
- ◆ The difference between professional misconduct and negligence in relation to professional services
- ◆ Client confidentiality and conflict of interest
- ◆ The procedure for securing compensation for professional negligence
- ◆ The purpose of the Solicitors (Scotland) Account Rules

### **Outcome 2**

Describe the main provisions of the Solicitors (Scotland) Account Rules and the Money Laundering Regulations

#### **Knowledge and/or skills**

- ◆ The main requirements of the Account Rules
- ◆ The methods of monitoring compliance with the rules
- ◆ The need for the Money Laundering Regulations
- ◆ The basic steps necessary to comply with the Money Laundering Regulations

### **Outcome 3**

Record business transactions in the cash book and ledgers in a legal office

#### **Knowledge and/or skills**

- ◆ Double entry book-keeping
- ◆ Use of the Cash Book, Clients' Ledger and Firm's Ledger in a legal office accounting system
- ◆ Record transactions in a Cash Book and post to the correct ledger accounts

## **Higher National Unit specification: statement of standards (cont)**

**Unit title:** Ethics and Cash Handling in the Legal Office Environment

### **Evidence Requirements for the Unit**

In respect of Outcomes 1 and 2, the candidate will be required to demonstrate his/her knowledge of the provisions designed to protect the public relating to cash handling by showing they can produce written or oral evidence from a sample of three of the seven items in Knowledge and/or Skills for Outcome 1, and 2 of the four items in Knowledge and/or Skills for Outcome 2. This could be approximately 500 words in length in total.

In respect of Outcome 3, written evidence will be required which demonstrates that a candidate can:

- ◆ produce a minimum of one Cash Book recording at least 25 typical transactions and post these to the correct accounts in the Firm and Clients' Ledger
- ◆ illustrate whether the above transactions are made by cash, firm cheque or clients' cheque
- ◆ at least half of the above entries must be on behalf of clients

This evidence must be produced under controlled conditions and may be open-book in one assessment lasting no more than 2 hours.

### **Assessment guidelines for the Unit**

The whole of the Unit will be assessed holistically, with one assessment for all three Outcomes. The assessment may take the form of one assessment consisting of written and/or oral responses to either a set of restricted response questions or multiple choice questions which will sample the knowledge and skills required in Outcomes 1 and 2 together with a case study with structured questions which covers all of the criteria in Outcome 3. The sampling of knowledge for Outcomes 1 and 2 could be achieved by including sampling questions covering any three of the seven items in Knowledge and/or Skills for Outcome 1, and two of the four items in Knowledge and/or Skills for Outcome 2.

Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion. The assessment should be carried out under supervision, may be open-book and should be approximately 500 words in length.

## Administrative Information

<b>Unit code:</b>	F19N 35
<b>Unit title:</b>	Ethics and Cash Handling in the Legal Office Environment
<b>Superclass category:</b>	EC
<b>Original date of publication:</b>	March 2007
<b>Version:</b>	03 (October 2009)

### History of Changes:

Version	Description of change	Date
02	Assessment guidelines amended to allow centres greater discretion in designing assessments.	26/08/09
	Wording revised relating to guidance for candidates with additional support needs.	
03	Outcome 1 — ‘standards of conduct’ added to Knowledge and Skills Support notes amended to reflect current legal environment	13/10/09

**Source:** SQA

© Scottish Qualifications Authority 2007, 2009

This publication may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged.

SQA acknowledges the valuable contribution that Scotland’s colleges have made to the development of Higher National qualifications.

Additional copies of this Unit specification can be purchased from the Scottish Qualifications Authority. Please contact the Customer Contact Centre for further details, telephone 0845 279 1000.

## Higher National Unit specification: support notes

### Unit title: Ethics and Cash Handling in the Legal Office Environment

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

### Guidance on the content and context for this Unit

Increasingly complex and comprehensive regulations are being imposed on solicitors and it is important that candidates appreciate that these regulations are part of the Society's attempts to fulfil their statutory duty in terms of S1 of the Solicitors (Scotland) Act 1980 to promote the interests of the public in relation to the solicitors' profession. The Law Society Code of Conduct should be researched and discussed in relation to the legal, moral and professional obligations of the solicitor to:

- 1 the clients;
- 2 the courts and other authorities before whom a lawyer pleads his client's cause or acts on his behalf;
- 3 the public; and
- 4 the legal profession in general and each fellow member of it in particular.

The Law Society also:

- ◆ Regulates who can be admitted as a solicitor.
- ◆ Operates the Solicitors' Guarantee Fund which reimburses anyone who loses money as a result of a solicitor's dishonesty.
- ◆ Refuses to grant a practising certificate to any solicitor who is not adequately insured against professional negligence.

Additionally, an independent tribunal, whose members are appointed by the Lord President and Scottish Ministers, can have a solicitor struck off for professional misconduct. Candidates should be aware of the difference between professional misconduct, where a claim may be made to the Society for compensation, and negligence, where the client must raise court proceedings against the solicitor involved, and not the Law Society. Law Society leaflets may be helpful here.

Candidates working in legal offices must particularly know about the main provisions of the Solicitors' Account Rules and the Money Laundering Regulations. It is recommended that centres include in their courses at least the following points:

- ◆ All clients' money should be paid into a separate account known as the Clients' Account which cannot be attached by the solicitor's creditors should he go bankrupt.
- ◆ The credit balance in the Clients' Account must always be sufficient to meet the sum of the credit balances on all individual client accounts within the Client's Ledger.
- ◆ If a payment is made on behalf of a client who has no funds, then the payment must be made using the solicitor's own funds.
- ◆ It is not permitted to use one client's money to make a payment for another client.
- ◆ Proper books of account must be kept, so they disclose all transactions the solicitor has made with clients' money.

## **Higher National Unit specification: support notes (cont)**

### **Unit title:** Ethics and Cash Handling in the Legal Office Environment

Mention should also be made of the Society's right to audit any firm's books (currently approximately every 2/3 years) and of the requirement of the Solicitors (Scotland) Account Certificate Rules to submit certificates every six months to confirm that the requirements of the Accounts Rules have been met.

The third Outcome is more practical in nature, as any candidate employed as a paralegal will be required to look after or transact with clients' money. The candidates should be asked to operate a simple hand written system so that they can understand clearly how the system works, and so have a greater understanding of the processes used by computerised systems.

The Law Society of Scotland will provide copies of the Account Rules and Money Laundering Regulations and any other current regulations which apply. A charge may be made for this. The Society also regularly hold seminars on these topics, and the course papers may be obtained from the Society for a modest fee.

### **Guidance on the delivery and assessment of this Unit**

Wherever possible, links should be drawn which will enable candidates to understand the connection between knowledge and its application in the context of familiar situations relating to ethics and cash handling in the legal office environment. Actual cases reported in the press can be used to demonstrate how the Law Society implements its statutory duty.

#### ***Opportunities for developing Core Skills***

Elements of the Core Skill of Problem Solving, that is, planning and organising, critical thinking, and reviewing and evaluating, will be naturally developed and enhanced in the Unit, which requires an application of theoretical knowledge to a complex practical task. Identifying and analysing all factors impacting on the preparation of a Cash Book will involve a high level of analytical, strategic business thinking. Accuracy in interpreting, calculating, applying and presenting complex financial data underpins the competencies developed in the Unit. Candidates should have formative opportunities to enhance skills in the interpretation and presentation of financial data with an emphasis on Numeracy as a tool to be applied efficiently and critically in practical contexts. Discussion of current case studies and exemplar materials could support skills development. Knowledge of current legislation and regulatory requirements for the protection of the public is integral to the practical task. Although candidates must independently demonstrate skills in managing the records for typical business transactions, group and individual discussions with the assessor would offer opportunities to reinforce analytical evaluation of completed work as appropriate.

## **Higher National Unit specification: support notes (cont)**

**Unit title:** Ethics and Cash Handling in the Legal Office Environment

### **Open learning**

This Unit is suitable for open and distance learning delivery. The assessment strategy and guidelines described in this specification must still be applied if this method of delivery is chosen.

### **Disabled candidates and/or those with additional support needs**

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website

**[www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements)**



## General information for candidates

### Unit title: Ethics and Cash Handling in the Legal Office Environment

In common with lawyers in most parts of the world, solicitors in Scotland have always been expected, by the general public and by their professional colleagues and others, to observe certain standards of professional conduct. The standards are required in order to establish the essential relationship of trust between lawyer and client, between lawyer and court, and between lawyer and other members of the legal profession.

All solicitors in Scotland require to be members of the Law Society of Scotland and are bound by their rules. Some of these rules have been included in Acts of Parliament and are binding upon solicitors. They stem from and have the force of statutory authority.

The Law of Scotland is founded upon principles which have the same validity and authority as Acts of Parliament. In the same way, in addition to the written rules governing solicitors in Scotland, there are other commonly accepted standards of conduct which solicitors are expected to meet.

All the standards of professional conduct, whether contained in Acts of Parliament or in practice rules (written or unwritten) which are binding upon solicitors in Scotland are based upon certain values and principles which form the foundation of the profession and reflect the legal, moral and professional obligations of the solicitor to:

- ◆ the clients
- ◆ the courts and other authorities before whom a lawyer pleads his client's cause or acts on his behalf
- ◆ the public
- ◆ the legal profession in general and each fellow member of it in particular

Should any solicitor break any of these rules, then such this may give rise to disciplinary proceedings and amount to professional misconduct or some lesser finding.

Rules of professional conduct are designed to ensure the proper performance by the lawyer of a function which is recognised as essential in all civilised societies. The failure of the lawyer to observe these rules must in the last resort result in a disciplinary sanction. The willing acceptance of those rules and of the need for disciplinary sanction ensures the highest possible standards.

Solicitors are under a professional obligation to provide adequate professional services to their clients. An adequate professional service requires the legal knowledge, skill, thoroughness and preparation necessary to the matter in hand. Solicitors should not accept instructions unless they can adequately discharge these. This means that as well as being liable for damages assessable by a court of law for any act of negligence in dealing with a client's affairs, a solicitor may face sanctions by the Law Society or the Scottish Legal Complaints Commission which is a body that has been set up by the Scottish Executive in conjunction with the Law Society in respect of a service to a client which is held to be an inadequate professional service.

Solicitors' actions and personal behaviour must be consistent with the need for mutual trust and confidence among clients, the courts, the public and fellow lawyers. For example, solicitors must observe the Accounts Rules which govern the manner in which clients' funds may be held by solicitors and which are designed to ensure that clients' monies are safeguarded. Solicitors who are dishonest in a matter not directly affecting their clients are nonetheless guilty of professional misconduct.

## **General information for candidates (cont)**

### **Unit title:** Ethics and Cash Handling in the Legal Office Environment

This Unit is designed to make you aware of all the above regulations imposed by the Law Society of Scotland, to be able to understand the account rules and money laundering regulations. On completion of this Unit, you will also be able to have an understanding of, the procedures for recording transactions in a legal office.