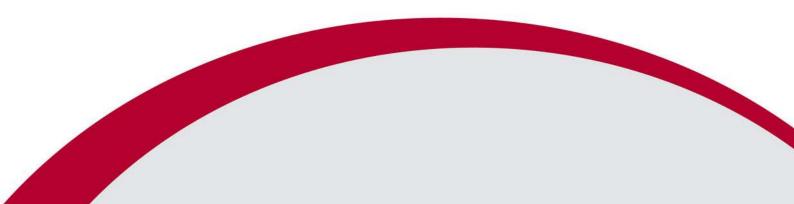


Pearn Kandola disproportionality audit

Recommendation 11 February 2012



Introduction

- 1. The Solicitors Regulation Authority (SRA) commissioned Pearn Kandola, a group of business psychologists specialising in the area of diversity, to research the disproportionality of regulatory actions taken against black and minority ethnicity (BME) solicitors, as reported by Lord Ouseley in 2008.
- 2. In July 2010, Pearn Kandola's findings were published and a number of recommendations made. The SRA's Legal Directorate was instructed to carry out a detailed audit in recommendation 11, which states:

Review of referrals to Solicitors Disciplinary Tribunal (SDT)

'Given that the vast majority of cases referred to, and heard by, the SDT result in some form of punitive action, it is unlikely to be fruitful to review the cases referred to ensure that they are correctly referred. However, it is recommended that a sample of those who are not referred to the SDT are also reviewed, as the consistency with which BME solicitors are disproportionally referred, but white solicitors are not, is noteworthy.

A review of the training given to SRA decision makers regarding when they refer cases for decision at a more senior level is required, in order to ensure that these referrals are made when required, and not simply due to a lack of confidence, or the existence of bias, for example.'

- 3. The full Pearn Kandola report, including recommendations, can be found here.
- 4. This report sets out the work that we have done to audit the cases where the SRA has considered a case for referral to the SDT but has not done so. The review of training for SRA decision makers is being addressed through another piece of work in the SRA.

Background

- 5. Although references are often made to 'decision to refer a solicitor to the SDT', it is more accurate to describe it as 'authorising' disciplinary proceedings. However, for the purposes of this report, in order to be consistent with the terminology used in the Pearn Kandola report, we have continued to use the phrase 'decision to refer'.
- 6. Referrals to the SDT are made either by a Disciplinary and Litigation Adviser/Advocate ('advocate') in the Legal department (where an investigating case worker has formed the view that the case may be suitable to be dealt with by the SDT rather than by internal adjudication) or by adjudicators or an adjudication panel. In 2009 (the period covered by this audit) 28% of all decisions to refer were by the Legal department and 72% by adjudicators. In all cases, the criteria for making the decision to refer is set out in the <u>Code for</u> <u>Referral</u> (see below for more detail about the Code).
- 7. For many years, SDT cases could only be authorised by the equivalent of the adjudication panel. This led to two particular problems. Firstly, there was significant delay because of the need to go through stages of report-writing, disclosure, representation and referral for decision. Originally, there was also an appeal against such decisions. This added much time to the process, to the detriment of prompt public protection and to respondents who wanted cases

concluded as quickly as possible. Secondly, this process is not actually an adjudication involving the determination of allegations but is a 'decision to prosecute'. Not only is such a decision inappropriate for an adjudication process, but also cases authorised by adjudicators were often considered to be lacking in evidence when they reached what is now the Legal department. Since the advocates in the Legal department have the expertise and resource to analyse the evidence in detail, it was decided that they should authorise proceedings by application of the Code for Referral. The power of adjudicators to refer was left in place because there are cases that go to adjudication which might result in referral to the SDT, such as where there are several respondents and some may require internal sanctions.

- 8. It will be evident from this that Legal is effectively deciding whether on the evidence it has received, the evidential and public interest tests in the Code for Referral are fulfilled. It is important to note that if SDT proceedings are not authorised at that point, this is not to say that such proceedings will always be inappropriate. It may be that Legal will advise that further evidence is sought to better assess the position. This is a key distinction from an adjudication, which concludes a matter one way or another. This is important because it is legitimate for Legal to advise on further enquiries and evidence to be sought for public protection reasons and respondents should not be given the impression that by not authorising proceedings at that stage, the SRA has made a final decision.
- 9. Those cases which are not authorised are referred back to the caseworker with a note of advice as to further appropriate action eg further investigation or matter being suitable for adjudication for consideration of whether there has been misconduct and, if so, whether an internal sanction should be imposed.

Audit scope

- 10. The scope of this audit was to:
 - Identify all the matters which were passed to the Legal department to consider referral to the SDT and to highlight and examine all matters where SDT proceedings had not at that stage been authorised;
 - Select a proportionate sample size for audit providing a confidence level of 95%, with an expected error rate of not over 3%;
 - Conduct physical and electronic file audits to ascertain whether advocates had adhered to documented criteria when declining the referral; and
 - Identify any matters where the non-referral was inappropriate and to suggest appropriate recommendations and corrective action.
- 11. Each of the files selected for audit was to be reviewed to identify:
 - whether proper procedures were followed in each case and to note any instances where they were not;
 - any differences between the decisions made by each advocate;
 - evidence of reasons for the advocate not authorising SDT proceedings;

- the unit within the SRA where the file was generated; and
- any reasons given by the caseworker for sending the case to Legal; and
- the ultimate outcome of the cases not authorised.
- 12. The reviewers were also required objectively to assess the quality of decisions made by the advocates on each file and whether or not the advocates had shown confidence in their decision making and to record their comments with reasons.

Purpose

- 13. The purpose of the audit was to investigate whether there was disproportionality between white and BME individuals whose cases were declined for referral and, if so, to establish the reasons for this where possible. Also, if it was found that the relevant criteria were not being adhered to, to implement any appropriate changes.
- 14. The disproportionality is being considered in terms of ethnicity only, given that this is the focus of the Pearn Kandola report.

Population and sample size

- 15. In considering an appropriate pool of cases for this audit, it was not helpful to simply consider the cases which had not been referred to the SDT, as there are many cases at the lower end of the scale that were dealt with internally and would never have been considered for referral to the SDT. We needed to identify a pool of cases where the issues were serious enough for referral to be a possibility, but where the referral was declined at that stage.
- 16. Accordingly, we decided to focus on the cases which the Legal department were asked to consider for referral to the SDT. In these cases, a caseworker in another unit will have assessed the case as being potentially suitable for referral to the SDT and the advocate would be evaluating the case against the Code for Referral and making a decision whether to authorise SDT proceedings or not.
- 17. In this audit, we looked at cases from 2009. The population was identified from manual records kept in a file by the Legal department ie copies of the outcomes of each consideration of each referral request.. We identified a total of 183 individuals who were considered by the Legal department in 2009 of which 133 were referred to the SDT and 50 were not authorised. This group of 50 represents the population for consideration in this audit.
- 18. The audit was based on data relating to individuals rather than data recorded against a firm or against a particular case (referred to as a 'matter'). This is because some matters involved more than one individual and the decisions could be different for those individuals within a single matter.
- 19. To avoid distorting the outcome of the audit, some decisions within the file held by the Legal department were excluded.

- 3 individuals had been referred to the SDT for additional matters where there were already pending disciplinary proceedings, so this was not their first referral and these cases were not counted.
- 2 matters involving 4 individuals were sent back to the caseworker for further investigation twice, and these individuals were only counted once for this audit.
- The conduct of 15 individuals was originally sent back for further investigation but were submitted again to the Legal department for referral after that further investigation had been completed. All 15 were referred to the SDT on the second occasion by the Legal department so they have been included in the table once as having been referred.
- 20. Given that there were only 50 individuals in the population, it was decided to audit the whole population rather than selecting a sample from within the population.
- 21. Tables setting out the ethnicity and age breakdown of these 50 individuals are set out in **Annex 1**. In summary:
 - based on the 39 individuals for whom we had ethnicity data, 33 individuals (85%) are white and 6 (15%) are BME;
 - 12 (24%) of the group are female and 38 (76%) are male;
 - 30 were between the ages of 31 and 50, and this group accounted for 64% of the total for whom we had age data;
 - only 1 person was recorded as having a disability and 12 as having no disability and for the others there was no data held.
- 22. Six individuals were admitted through the Qualified Lawyer Transfer Test (QLTT) but the ethnicity of five of these was recorded as unknown.

The reviewers

- 23. It was agreed that this audit would be conducted within the Legal department by one of the managers of the advocates who deals with the referral decisions as she had the technical knowledge and experience that would be required.
- 24. It was recognised that this was not as such an independent audit, but clear and objective criteria were set for the review.

The advocates

- 25. There were 11 advocates in the Legal department to whom the matters over the period in question were referred. They had varying degrees of experience of between 1 to 9 years in dealing with such matters, preparing and conducting SDT cases in house or managing cases which had been outsourced.
- 26. All were fully conversant with the relevant criteria within the Code for Referral, and human rights issues which may affect the processes leading to SDT proceedings.
- 27. Training records held by the Legal department show that the advocates had all received equality and diversity training at the relevant time: a course headed 'Equality and Diversity training' of 3 hours on 3 June 2008; and a training session headed 'Discrimination in a regulatory context' by a representative of

Bevan Brittan on 2 December 2008. Further, some of the advocates have attended additional optional equality and diversity training sessions provided by the SRA.

28. In March/April 2011 all staff (including the advocates) were required to undertake and achieve a pass in an e learning training package based on the new Equality Act 2010.

The procedure and the Code for Referral criteria

- 29. The procedure to be followed for caseworkers to refer cases to advocates in the Legal department to consider authorising SDT proceedings was incorporated into written guidance in April 2010. The procedure followed in 2009 was:
 - The caseworker would send to Legal a memorandum attaching all relevant information (including as appropriate any investigation report, certificate of conviction, evidence of misconduct or regulatory breach), and copies of correspondence between the SRA and the solicitor including any substantive responses to the allegations.
 - Included in the memorandum there would be a draft decision based on three possible outcomes: referral to the SDT; an advice to send the matter to adjudication; or a referral back to the unit for further investigation.
 - A team manager in the Legal department would allocate the matter to an advocate to consider. Allocation would be on the basis of work capacity and with a view to ensuring all the advocates shared the workload. Since November 2009, the team manager has recorded the matter and date that it was allocated in the departmental file recording referrals.
 - The advocate would consider the evidence against the evidential and public interest tests set out in the <u>Code for Referral</u>. If the tests were satisfied, the advocate would authorise SDT proceedings
 - If the advocate considered that the tests in the Code were not satisfied or that further evidence should be obtained in respect of one or more respondents, he or she would advise the caseworker by e-mail or memo and if further investigation is necessary, would advise on the future conduct of the matter.
 - If there was evidence of misconduct, but serious doubt as to whether it would be in the public interest to refer the case to the SDT or it was not likely that the SDT would impose a greater sanction than the SRA was able to, then the matter would be referred back with advice that it proceeds to adjudication.
 - A copy of the advocate's response is placed in the central Legal department file of referrals and a copy is placed on the matter file.
- 30. The above procedure has not been equality impact assessed. However, the essence of the process is simply to ensure that an advocate in the Legal

department has the required information to apply the criteria in the Code for Referral. We have completed a detailed equality impact assessment of the Code for Referral and accordingly, it is not considered necessary to carry out any additional equality impact assessment of the administrative process leading up to the Code being applied.

Analysis of the data

Overview of the cases considered by the advocates in the Legal department

- 31. Table 1 below sets out a breakdown of the individuals who were considered by the advocates in the Legal department for referral to the SDT during the calendar year 2009, setting out the total number of individuals considered and the outcome. The percentage figures in brackets are the proportion of each ethnicity group for each column, based on the individuals whose ethnicity is known. For example, there were 133 referrals made but as we only know the ethnicity of 104 of these, the percentage figures are based on that pool of 104 and not the overall pool of 133. The percentage figures should be read downwards through each column.
- 32. Because the figures have been rounded off to the nearest whole number, they do not necessarily always add up to 100% and this applies equally to the other tables set out below.

Ethnicity	Referred to the SDT by advocates	SDT proceedings not authorised by advocates	Total number of individuals considered by advocates for referral to the SDT
ВМЕ	25 (24%)	6 (15%)	31 (22%)
Asian	9 (9%)	5 (13%)	14 (10%)
Black	15 (14%)	0 (0%)	15 (10%)
Chinese	1 (1%)	1 (3%)	2 (1%)
Mixed	-	-	-
Other	-	-	-
White	79 (76%)	33 (85%)	112 (78%)
Total of known ethnicity	104 (100%)	39 (100%)	143 (100%)
Ethnicity not known	29	11	40
TOTAL	133	50	183

Table 1: SDT referrals by advocates in Legal department for 2009

- 33. The middle column is the population that was subjected to the detailed audit.
- 34. Although there is some variation between the BME and white groups, the numbers are too small to draw any firm conclusions. The variation observed is that a lower proportion of white solicitors were referred to the SDT than BME solicitors. The 112 white individuals make up 78% of the total group (for whom we have ethnicity information) considered by advocates in 2009, but 85% of the group not referred. The 31 BME individuals make up 22% of the total group (for whom we have ethnicity information) but only 6 individuals (15%) were not referred. It can also be seen that all of the 15 individuals in the Black group were referred to the SDT.

Recommendations made in relation to individuals not referred to the SDT

35. Table 2 below sets out the recommendations that were made in relation to the 50 individuals not referred to the SDT by the advocates in the Legal department. They fall into two categories: either advice to refer the individual to adjudication or a referral back to the caseworker for further investigation. The percentage figures in brackets are the proportion of each ethnicity group for each column, based on the individuals whose ethnicity is known. The percentage figures should be read downwards through each column.

Ethnicity	Advised to refer to adjudication	Referred back to caseworker for further investigation	Total of all audited cases where the advocates declined to refer to the SDT in 2009
BME	5 (14%)	1 (20%)	6 (15%)
Asian	4	1	5
Black	-	-	-
Chinese	1	-	1
Mixed	-	-	-
Other	-	-	-
White	30 (86%)	4 (80%)	34 (85%)
Total of known ethnicity	35 (100%)	5 (100%)	40 (100%)
Ethnicity not known	6	4	10
TOTAL	41	9	50

Table 2: Recommendations made in relation to the 50 audited cases

36. The advocates advised that 41 individuals should be referred to adjudication for consideration as to whether there had been misconduct and, if so, whether a sanction should be imposed. In relation to 9 individuals, the advocates advised that there should be further investigation. Although the percentage figures are shown for completeness, the numbers are very small so we are not able to draw firm conclusions about any differences based on these figures.

Findings from the review of the cases

37. Set out in the following paragraphs are the findings drawn from our review of the files relating to the 50 individuals whose cases were not referred.

Compliance with procedure

- 38. There were no cases where it appeared there was a departure from the process ie where the caseworker had not provided a memo with all the relevant information attached.
- 39. There were cases where the advocate formed the view that there was insufficient evidence available to make a referral decision and these cases were sent back for further investigation so that attempts could be made to ascertain if evidence was available. In these cases, the advocate provided some advice as to the issues to be followed up.
- 40. In conclusion, the reviewers were satisfied that procedures were being followed by both caseworkers making the referral requests and the advocates considering these requests.

Any differences between the decisions made by each advocate

- 41. 10 of the advocates declined 1 or more referrals.1 advocate is not recorded as having declined a referral.
- 42. 1 advocate was involved in a larger share of matters that were not authorised. It is not clear precisely why this occurred, but this advocate is one of the most experienced in the team and it is likely that this advocate was allocated the more complex matters requiring in depth analysis of the merits of the case ie whether there was sufficient evidence to refer the case to the SDT in accordance with the Code for Referral. However, having identified this pattern, the reviewers considered these cases further and concluded that in all matters declined for referral by that advocate, the ultimate outcomes were appropriate and this would support a view that it was proper that the individuals were not referred to the SDT.
- 43. In conclusion, the reviewers had no concerns about the observed differences between the decisions made by the individual advocates.

Reasons recorded by the advocates

44. See paragraph 8 above for an explanation of the distinction between the referral process and an adjudication.

- 45. When the advocates declined to authorise a referral to the SDT because the matter required further investigation, the advocate typically provided some advice to the caseworker as to the issues to be followed up. This was done in the form of explanatory e-mails or memos from the advocate to the caseworker setting out some explanation or advice as to any further evidence required and this was found on several files. This was not found on files which were only available electronically, since the advice was often provided by e-mail which was not typically kept on the electronic files at that time.
- 46. When the advocates did not authorise proceedings because they considered it was more suitable for adjudication, reasons were apparent for only 2 of the 41 individuals considered.
- 47. This was not unexpected as it has generally been the accepted practice not to record formal reasons when declining to refer a matter to the SDT when the case is likely to be considered by an adjudicator. This is because it has been considered to be appropriate for the adjudicator to form his or her own view of the merits of a case as the adjudicator will have to decide the outcome and may still determine that the case should be referred to the SDT.

The source of the referrals to the Legal department

- 48. 30 individuals were referred from the Regulatory Investigations Unit and 20 from the Casework Investigation and Operations Unit, which deals with more complex misconduct issues.
- 49. The reviewers drew no conclusions from the source of the referrals. The two units which were referring these cases were the units dealing with the cases most likely to require referral and there were no surprising patterns that required further investigation.

Reasons given by the caseworker for the referral

- 50. The procedure is for the caseworker to send a brief outline of the circumstances in a covering memo with all the evidence. There is no requirement in the procedure or expectation for the caseworker to offer their opinion. It is seen as being implicit in the referral request to the Legal department that the caseworker has assessed the case as potentially meeting the criteria for referral as set out in the Code for Referral.
- 51. The reviewers drew no conclusions from the lack of reasons provided by caseworkers as the giving of reasons was not part of the standard procedure.

The ultimate outcome of cases not referred

- 52. Table 3 below sets out the final outcomes for the 50 individuals considered in the audit who were not initially referred to the SDT by the advocates.
- 53. All of them went to adjudication and for 38 individuals, their cases were concluded by that adjudication decision, which was consistent with the advocates' view that the cases could be concluded internally. 31 individuals were given a Finding and Warning, and/or had no further action taken against them and 7 individuals were given reprimands or severe reprimands.
- 54. The reviewers looked into the reasons why 12 individuals were referred by adjudicators to the SDT even though advocates had advised earlier that they

should not be referred. The reviewers sought to understand whether the advocate and the adjudicator had the same information and if there was any other reason for the apparent difference of view as to an appropriate outcome. 2 of the 10 whose ethnicity was known were from a BME background.

	Referred to the SDT by adjudicator	Severe reprimand	Reprimand	Finding and warning or no further action	No further action	Total number of individuals where the Legal department initially declined to refer to the SDT
ВМЕ	2	0	1	1	2	6
Asian	1	-	1	1	2	5
Black	-	-	-	-	-	-
Chinese	1	-	-	-	-	1
Mixed	-	-	-	-	-	-
Other	-	-	-	-	-	-
White	8	1	1	7	16	33
Total of known ethnicity	10	1	2	8	18	39
Ethnicity not known	2	0	4	4	1	11
TOTAL	12	1	6	12	19	50

Table 3: Final outcomes of all audited cases considered for referral to the SDT by advocates in the Legal department in 2009

- 55. None of the physical files in respect of the 12 individuals were available as they were with external solicitors for the purpose of dealing with the SDT proceedings. However, after enquiries of the caseworkers and consideration of the electronic files, it emerged that:
 - In relation to 3 individuals, additional matters had come to light since the advocate had considered the case.
 - In one matter involving 2 individuals, further investigation as to culpability and consideration of a novel issue was undertaken and this resulted in the referral to the SDT of 1 individual but not the other.
 - One matter involving 6 individuals had been reviewed again and further investigated by the caseworker after the referral was declined and it appears that the issues may have been explained differently to the adjudicator. The adjudicator referred all 6. When the matter was sent to the Legal department for proceedings to be commenced, after consideration, the decision to refer 2 of the individuals was rescinded. Of the 4 individuals then referred to the SDT, 2 of them were fined, 1 was reprimanded and no order was made against the fourth.

- In another matter involving 2 individuals, the reviewers were not clear why the advocate had declined to refer their conduct to the SDT as the issues before the advocate at the time appeared to the reviewers to be serious enough to justify a referral under the Code for Referral. The advocate may not have appreciated the seriousness of the issues. At the conclusion of the SDT hearing, both individuals were fined. The ethnicity of the individuals is not known they had qualified through the QLTT but this could either be an indication of entry from another jurisdiction or from another profession.
- 56. Apart from the 2 individuals referred to in the final bulleted paragraph above, the reviewers were satisfied that the advocates on the information then available to them had acted properly in not making referrals to the SDT.

The reviewers' objective judgement on the quality of the decisions made

- 57. The reviewers were satisfied from this audit that overall, appropriate decisions were made by the advocates and that the decisions were made on the basis of the criteria in the Code for Referral. The only exception was in relation to the 2 individuals referred to above.
- 58. As the majority of the final outcomes were consistent with the advocate's decision not to refer the case to the SDT and as most of the other eventual referrals were made after further additional matters had come to light, the reviewers were satisfied with the overall quality of the advocates' decisions

Conclusions

- 59. This area of the SRA's decision making involves a straight forward administrative procedure which provides for caseworkers to ask the Legal department whether the evidential and public interest tests are met so that the conduct of particular individuals should be dealt with by the SDT. There was no evidence that this procedure had been not followed properly nor that the criteria in the Code for Referral were not being considered properly by the advocates.
- 60. The procedure does not require written reasons to be provided because it is either an authorisation of disciplinary proceedings or results in advice to the referring unit. It is therefore not surprising that in almost all cases, neither the advocates' decisions nor the caseworkers' requests for the Legal department to consider a referral were accompanied by written reasons. Advice was normally given if a matter was referred back to the caseworker for further consideration.
- 61. One aspect of the rationale for not giving reasons when proceedings are not authorised is that they constitute advice that is not disclosable. In addition, the views of the advocate are provisional and should not be allowed to influence the adjudicator making the final decision which should be made on the evidence alone.
- 62. Having reviewed the ultimate outcome of the 50 cases in which the advocates did not authorise SDT proceedings, 76% (38) of the individual cases were concluded by adjudications. However, 24% (involving 12 individuals) were referred to the SDT by adjudicators. Most of these later referrals were

explained by there having been further developments following the advocates' decisions, but there was one case (involving 2 individuals) where it is not clear why the advocate had not referred the individuals' conduct to the SDT.

- 63. These outcomes can be taken as a measure of the quality of the decisions. In relation to the two individuals in the case referred to above, it may be said that it is better for an advocate to err on the side of caution. However it would normally be expected that an advocate has the competence and confidence to make these decisions and on all other occasions, the reviewers determined that the advocates showed both competence and confidence.
- 64. The data (in Table 1 above) indicates some discrepancy between white and BME individuals who are not referred to the SDT. The 112 white individuals who were considered by the advocates in 2009, made up 78% of the total group (for whom we have ethnicity information), but 85% of the group not referred. The 31 BME individuals considered in 2009, made up 22% of the total group (for whom we have ethnicity information) but only made up 15% of the group not referred. All of the 15 individuals in the Black group were referred to the SDT.
- 65. However, having carried out this audit, there is nothing to suggest that the advocates in the Legal department were referring individuals to the SDT that should not have been referred. Nor is there any evidence to suggest that the advocates were inappropriately declining to authorise proceedings other than perhaps the case highlighted above where 2 individuals were declined for referral by an advocate and subsequently referred by an adjudicator.
- 66. Whilst this audit has involved us looking in detail at the process and outcomes of decisions made by advocates in the Legal department, it should be noted that we have not through this audit, looked at the decisions made by adjudicators, which accounted for over 70% of the referral decisions made in 2009.

Recommendations

- 67. The following recommendations are made:
 - 1. To consider whether the legal department should retain centrally copies of each advocate's advice when not authorising SDT proceedings to enable them more easily to be reviewed or audited.
 - 2. To consider whether caseworkers should expressly address the tests in the Code for Referral in their memo to Legal.
 - 3. It should always be clear which documents were considered rather than reference to 'a bundle of documents' as stated on some decisions. This would be more transparent and avoid any uncertainty about whether certain documents had been considered. The bundle provided to Legal should be page numbered with an index to facilitate this.

Looking to the future

- 68. As explained earlier in this report, the drive to minimise delay in the SRA's investigatory and referral processes had resulted in cases being able to be referred directly to advocates in the Legal department where appropriate rather than to adjudication. It may be worth considering whether to embed Legal as an advice-giving function by changing the process so that the investigatory function within the new Supervision unit of the SRA is empowered to authorise SDT proceedings; if this were to occur, such authorisation would be on the basis of an advice from Legal that (in authorised cases) the tests in the Code are fulfilled.
- 69. The SRA's ability to impose fines up to £2,000 on law firms and solicitors may well have a significant effect in the future on the numbers and types of matters which will be referred to the SDT, as there are likely to be fewer matters referred to the Legal department for consideration and more dealt with by adjudication. It is also possible that eventually the SRA may have power to impose substantially greater fines on law firms and solicitors commensurate with its powers to fine alternative business structures; if this happens, most cases where a solicitor's conduct is referred to the SDT will be those where a suspension or strike off is a likely outcome.
- 70. Firm based regulation will also bring about changes to the cases referred for consideration to Legal. The SRA has published criteria on the factors which determine the focus of an investigation; the primary responsibility for ensuring compliance with a firm's regulatory obligations rests with the firm itself but if there is evidence of personal culpability the individual concerned may be referred either with or without the firm.
- 71. As outcomes-focused regulation becomes embedded, the processes and decisions made should be periodically reviewed to ensure compatibility with the new regulatory landscape.

Annex 1: The ethnicity and age breakdown of the audit population

Ethnicity		
BME	6	
Asian / Bangladeshi	1	
Asian / Chinese	1	
Asian / Indian	2	
Asian / Pakistani	1	
Asian/Other	1	
White	33	
British	6	
British - English	4	
Other	1	
White / European	21	
White other	1	
Total of known ethnicity	39	
Total of unknown ethnicity	11	
Total	50	

Age	
31 - 40	17
41 - 50	13
51 - 60	7
61 - 65	5
65+	5
Age known	47
Age not known	3
Total	50