The Crucial Role of Audit Trails in Compliance

My experience tells me that most firms are putting into practice the requirements for compliance. However, what crops up regularly is how difficult it is to keep on top of systems to prove it!

It's absolutely necessary – we've all seen that one of the common issues being raised by the SRA during AML audits is the lack of evidence of client/matter risk assessments. Although you may be complying, if you can't show it, it can be very costly. It's the same with many other areas of compliance, for example, producing records of previous data protection training if you have to make a report to the ICO after a data breach.

Evidencing your compliance doesn't have to be complicated or involve lengthy documents. That said, neither can it be a tick-box exercise – that is definitely NOT what compliance is about. Think of it as demonstrating the care you take over your work and in making sure that you and your firm operate in a reputable way, in which clients and regulators can be confident.

Here are some top tips for helping with audit trails:

🟠 Make it easy! Add template forms to your case management system, so they are easy to access. Templates also help people add all information that is needed.

🟠 Make sure everyone knows what is expected! Sounds like common sense, but if you have someone who hasn't had it explained as part of their induction or because they were off when a system was introduced, they can't know what they should be doing.

🟠 Keep reminding your teams! It's so easy for anyone with a busy workload or clients to drop their audit trails to the bottom of the to-do list. It has to be done, so it's best to remind everyone to keep on top of it.

🟠 Review your processes! What worked once may not work now. There might be a process for evidencing something that has never worked well. Take feedback from your teams who are having to use the systems and make changes if you need to.

🟠 Make the evidence easy to access! When you need to provide evidence (and you definitely will at some point), you need to be able to access it promptly and in a way that makes sense to whichever regulator is reviewing it.

In summary, it's about looking at your individual caseloads, client base and firm, and making systems that work for you. It doesn't have to be complicated or fancy – it should be simple, but useful. I can help with any of these elements, so contact me for more information.