



JURISK!

Special Edition 2008 (Mar & Jun)
Risk Management Quarterly

A quarterly publication of Professional Indemnity Insurance Committee, Bar Council Malaysia

ACHIEVING PROFIT AND SUCCESS... Target the Right Practice Tools

In 2008, the PII Committee will focus on increasing members' knowledge and awareness on risk management in your daily practice. Our survey findings, audits of legal firms, roadshows and seminars around peninsular Malaysia show that the Malaysian Bar is hungry for knowledge and information on risk management and good practice management.

In line with this demand,

1. We will be launching a Help Desk based at the Bar Council secretariat this July 2008 for all members. Details of the Help Desk are as follows: a full time officer, Ms. Wong Li Chin, will be on hand to answer any queries members have about practice, including partnership issues, practice support, employee embezzlement, risk management and PII. See page 4 for contact information.
2. The PII & RM Department has developed various *Practice Tools* tailored specifically for the Malaysian lawyer. These tools were developed from claims data analysis, findings from our audit of legal firms, and members' feedback.

The objective in providing these *Practice Tools* to members is simple: to educate and increase members' knowledge and awareness. These efforts can only value-add to members' firms: lawyers and staff alike will become more efficient and effective. This increased efficiency and effectiveness will, in time, translate into more profits for the firm!

It is vital, therefore, for members to continually equip yourselves (and staff) with not only knowledge (publications, seminars, etc.) but also relevant *Practice Tools* to improve the quality of your daily work. It is a proven fact that efficient, effective practices with a strong motivated staff base are more likely to generate increased income; become

WELCOME to 2008 JURISK!

In line with publishing under a new name, the team has in 2008, streamlined and improved on the design and format of the newsletter to ensure its accessibility to members. Also of note is that we have combined the March and June Jurisk! into a special edition issue, packed with risk management tips, articles and, information on PII and SIF.

INSIDE THIS ISSUE

- 1 Editorial
- 5 The Dreaded C – Conflict of Interest: Start Your Own Conflict System
- 10 Employee Fraud – How to Spot a Potential 'Thief'...
- 12 Practice Alert – Employee Embezzlement
- 14 Employee Embezzlement – Is Your Firm at Risk?
- 15 2007 PII & RM Survey Report
- 19 Reinventing Your File Transfer System
- 20 A Self Insured Fund – Our Next Step?
- 24 Highlights

more successful and sustainable in the long run. It also follows that the more income a firm generates, the more it can expand on improving its client base, practice and development of its physical resources and staff.



Practice Tools that the PII & RM Department have developed in the last three (3) years are:

◆ Publication

Jurisk! newsletter, Practice Area Checklists (General Litigation and Conveyancing), Practice Management Guides are ongoing projects for the Bar Council. The first two Guides in the Practice Management Series were launched in December 2007. Both are available for sale at the Bar Council @ RM3.00 a copy. We recently launched the updated and streamlined General Litigation and Conveyancing Checklists, copies will be available to members by July 2008.

We would urge members, especially sole proprietors and medium-sized practices to utilise the Checklists in their daily work. It is a useful guide to ensure that any important steps/dates in the management of our files are **NOT** missed.

◆ Seminars

Back by popular demand in 2008 is the **Getting Started!** Workshop. Our first Workshop for the year was recently held on 23 May 2008 at the Bar Council.

We are hoping to bring the **Getting Started!** Workshop on the road later this year. Target audience for this Workshop are lawyers thinking of setting up a law firm; lawyers who have recently set up a law firm; lawyers joining a partnership; and lawyers who want a refresher course.

◆ Practice Review

The Practice Review Project will continue in 2008 but in a different format – we intend to bring the

Practice Review **online!** This is to ensure the Practice Review receives wider member participation and the project assists us in determining members' risk management needs. Focus areas are office management, accounts management, general litigation and real estate conveyancing.



Other tools we have developed include Practice Alerts for members, wherein members are informed as and when there are emerging trends and/or risks. We feature our very first Practice Alert for 2008 in this issue of Jurisk! Employee dishonesty claims have of late become an emerging risk for Malaysian legal firms. We have seen a steady increase in notifications of dishonesty claims by legal firms to the Insurer of the PII Scheme. Members must be more vigilant in managing your firm's accounts and monitoring your firm's accounting practices. This Practice Alert accordingly provides fraud indicators and common traits of employees who commit fraud, illustrated by way of case studies.

Other articles featured are two (2) risk management articles. One of which is a mini checklist, '*Reinventing Your File Transfer System*' on file transfers. The checklist poses questions you can ask yourself when you take over or "inherit" files from another lawyer or firm. Next, is an article on how to create your very own conflict system with existing tools your firm already has! Train your staff to utilise these tools. We urge you to ask these questions every time a file is opened:

1. Do you have a warrant to act?
2. Have you received instructions in writing?
3. Have you attached a Checklist to the file?

Also included in this issue is the 2007 PII and RM Survey Report. We are pleased to inform that there has been improvement in the level of service of the Scheme Broker and PII & RM Department, as well as awareness on PII and risk management.

For the full details, refer to the Survey Report inside this issue.



Moving on to matters PII, we are pleased to inform that the 2008 Master Policy and Certificate of Insurance have been mailed to all firms and your firm should have received both documents already. For members who have not, please contact our broker, Jardine Lloyd Thompson Sdn. Bhd. (JLT) for your copies. We shall endeavour to ensure that in 2009, the Master Policy and Certificate of Insurance are issued earlier to all members.

The Bar Council is intent on maintaining our ongoing efforts to effectively address both PII and arising risk issues in the Malaysian legal landscape. We will be sure to reflect this intent going forward in initiating negotiations for the 2009 renewals.



Other matters of note in the PII Committee's 2008 Calendar was the Self Insured Fund (SIF) Roadshow in February 2008. The Bar Council, and our (SIF) consultants, Echelon Risk Consulting Asia embarked on a SIF Roadshow to the various State Bars. The objective was to inform members about the proposed SIF project, obtain members' feedback and answer any queries members had on SIF. The result was a list of *Frequently Asked Questions (FAQs)* of "Why? Who? and What?" from members that we have compiled in a short article inside this issue.

We then put forth a motion at the March 2008 Annual General Meeting (AGM) seeking approval from the Malaysian Bar to commission a feasibility study to determine the viability of a SIF as an alternative to the current PII Scheme. The motion was passed and carried by a large majority vote.

The SIF Feasibility Study has now gone into full swing – actuarial studies are underway and various structures suitable for the Malaysian Bar PII Scheme are being explored. Our consultants are also conducting a study on other Schemes that have successfully transitioned to SIF structures. The Bar Council had a follow-up meeting with Bank Negara to keep them informed of SIF developments and possible scheme structures. Bank Negara has thus far not voiced any objections to our proposed SIF plans.

We intend to present our proposed SIF structure, with the requisite reports and studies to members at the 2009 AGM. The target date of implementation for the SIF is 2010, subject to a positive outcome of the consultant's SIF Feasibility Study and members' approval. We are quietly positive that the feasibility study will show that such a move will not only be viable but a prudent move forward in the long run for our PII Scheme.

Members will be updated regularly on the SIFs progress by way of FAQs, Q&As and articles throughout the year. Should members have any queries on SIF, do contact either the PII & RM Department or our SIF Consultants. Their contact details are on page 23.

With a proposed move to a SIF, the importance of good practice management will become imperative for the Malaysian legal profession. Why? Member's payments to the SIF will be primarily used to pay for actual member PI claims. Any surplus funds in the SIF can be retained and used for the benefit of members. The amount of surplus funds will however be determined by **OUR** claims. It has been shown that Schemes with very strong risk management cultures generally have better claim histories and tend to be successful to the point where members get rebates and pay minimal premiums.

Hence, to ensure such a state of affairs for the Malaysian legal environment, the PII & RM

Department, in 2008, will focus their efforts on creating greater acceptance and interest in risk management. Existing *Practice Tools* (as above) will be reviewed and improved to ensure continued change in legal practice culture.



The PII Committee is committed to improving our service levels and always welcome members' comments and suggestions. Write in or call the PII & RM Department, our Officers would be happy to assist and answer any queries you have.

Till our next issue, we hope you enjoy the Jurisk! experience.

Ragunath Kesavan
Vice President/ PII Committee Chairman
Malaysian Bar

Got a question on professional indemnity insurance or risk management?

HELPDESK

Call the Bar Council Help Desk and have your queries about legal practice, partnership issues, risk management, and PII answered.

CONTACT US:

Ms. Wong Li Chin

✉ lcwong@malaysianbar.org.my

☎ 03 2032 4511

Ms. Grace Chong

✉ grace.chong@malaysianbar.org.my

☎ 03 2072 1614

Mr. Ragunath Kesavan

✉ ragunath@kesavan.com.my

THE DREADED C – CONFLICT OF INTEREST: START YOUR OWN CONFLICT SYSTEM

by Wong Li Chin and Shyamala Manoharan

Conflict of interest problems rarely discriminate, they affect all law firms, regardless of the firm's size. In the December 2007 issue of Jurisk!, we addressed management of conflicts and provided you with a checklist aimed at reducing conflict of interest risks. In this second instalment of '*The Dreaded C – Conflict of Interest*', focus will be on how to start your own conflict system.

AUTOMATING YOUR CONFLICT SYSTEM

1. Specially Designed Software. Most firms may already have case management or accounting software in place. Utilise what you already own, which is a significant database of your clients. It probably needs some re-working. Talk to an IT person. Find out how your present software can be modified or upgraded to include a conflict check function.

2. Do It Yourself! Create an easily searchable and highly dependable conflict system with Microsoft Office! A simple table will accomplish most goals of your firm in creating your own conflict system.¹

6 Easy Steps to a Conflict System with Microsoft Word

- 1 Open a new file on Microsoft Word.
- 2 Go to '**Table Menu**' and select '**Insert/Table**' from the menu. Indicate the number of rows and columns you want and click '**OK**'.
- 3 Insert Headings per column as desired.
- 4 Key headings should, *inter alia*, include the date the record is created, your client's name, file name/reference, lawyer on record, names of opposing parties, co-plaintiffs or co-defendants,² relationship between parties, etc.
- 5 To add more rows, go to '**Table Menu**' and select '**Insert Rows**'. To insert more columns, do the same by selecting '**Insert Columns**'.
- 6 * Entries must be made each time you are consulted regardless of whether or not you are retained.

4 Easy Steps to a Conflict System with Microsoft Excel

- 1 Open a new file on Microsoft Excel.
- 2 As with the Word file, type in Headings as desired.
- 3 Key headings should, *inter alia*, include the date the record is created, your client's name, file name/reference, lawyer on record, names of opposing parties, co-plaintiffs or co-defendants,³ relationship between parties, etc.
- 4 * Make an entry each time an individual or entity consults your firm whether or not you are retained.

***NB: Information must be updated everytime you are consulted.**





Which one do I pick: Excel or Word?

	Microsoft Excel	Microsoft Word
What Is It?	Spreadsheet software that stores units of information in rows and columns of cells known as worksheets.	Word processing software that provides tools to construct documents quickly.
Search Function	<ul style="list-style-type: none"> Click on the 'Edit' menu and select 'Find', enter your search name or client's name/company. Alternatively, use the shortcut key "Ctrl + F" for the search box. This would enable you to search your client's details in no time at all. 	<ul style="list-style-type: none"> Click on the 'Edit' menu and select 'Find', or press "Ctrl + F" and enter your search name or client's name/company. Alternatively, you can press "Ctrl + G", the 'Go To' function will direct you to any page, section, line, etc. as desired.
Autosort	Entries need NOT be entered in alphabetical order as Excel has an 'Autosort' function.	The 'Table Menu' has an 'Autosort' feature, so entries need NOT be entered in alphabetical order.
Pros	<ul style="list-style-type: none"> Excel will automatically shrink the table to fit an A4. Excel can create multi headers for reference purposes. 	<ul style="list-style-type: none"> Adjustments must be done to fit the content on an A4.
Cons	Excel automatically resizes pages to fit in data. Text may become very small.	Word can only create limited headers due to its page size.
Data Storage	Excel can store up to 65,000 records.	A maximum of 32,767 pages of plain text can be stored.

MANAGING YOUR AUTOMATED CONFLICT SYSTEM

As your practice grows, your conflict database will quickly become (1) very large and (2) a strain on system resources. Ensure that a new document is created annually or between two to five years depending on the number of files opened each year and the number of conflict entries made.⁴

Creating a new "conflict table" every year and storing them as separate documents is not a problem. Today, there are many tools available that will index and quickly search your many documents at once for you! Most of these tools are freely available on the internet, a good example is the *Google Desktop Search*.⁵

The *Google Desktop Search* indexes all the files in your computer and can quickly search through hundreds of documents including your email! **Quickly searching a few dozen conflict tables contained in different folders would be a cinch.** Find out more at <http://desktop.google.com/features.html>

As an alternative, for those of you who are just starting up, or for firms who for various reasons, are going to limit their client base to no more than 300 clients, you can start a manual conflict system.

IS A MANUAL CONFLICT SYSTEM OK?

An index card system is suited for firms that are just starting up (where expense and simplicity is a concern) and the list of clients is manageable.

How Do I Start?

- | | |
|---|---|
| 1 Prepare an index card. | 5 Place both the index and conflict cards in a card box and file alphabetically. |
| 2 Record the name of your client on top and all conflict names below. (<i>Conflict names would include aliases/alternative spelled names/known former names, names of opposing parties, co-plaintiffs or co-defendants.</i> ⁶) | 6 Appoint one staff who will check any prospective clients against those names contained in the card system. There should also be a backup staff. |
| 3 Prepare a separate conflict card for each conflict name. (<i>This card should contain the name at the top, the relationship of that individual or entity to the client and the client name below.</i>) | 7 If a name is found in the card system, then a partner must determine whether there is a conflict of interest. |
| 4 Prepare an index card and a conflict card each time an individual or entity consults with your firm, whether or not you are retained. | 8 A ledger is normally kept adjacent to the index cards and all completed conflict checks are documented there in handwritten form. ⁷ |

! Recommended only if you plan to have no more than 300 clients!

This manual system **must eventually** be automated if your firm expands, it is simply NOT a viable option in the long run. Refer to our 'Automated vs Manual Conflict System Comparison' on page 9.

WHAT IF I ALREADY HAVE A MANUAL CONFLICT SYSTEM?

Adopt a look forward strategy. Pick a date and start entering data of new clients from that date onwards. Work backwards once your system is up and running but it is not an absolute necessity and may in some circumstances prove counter productive.

IN SUMMARY, an automated system

1. Holds more information.
2. Allows expansion of clientele.
3. Has an easy, convenient and quick search feature – staff are less likely to employ short cuts!
4. Allows a thorough check every time, ensuring more accurate results.
5. Is easily backed up and less prone to data loss.

DESIGNING YOUR AUTOMATED CONFLICT SYSTEM

to display entries automatically in alphabetical order by last name will allow even the most technophobic lawyer to make use of the system.⁸

WHEN TO CONDUCT A CONFLICT CHECK

Conduct conflict checks at the following trigger points:

- 1 The initial request for service.
- 2 After the first meeting when you have obtained more information about the parties involved.
- 3 Just before engagement, IF there is a change in any of the parties involved or even if you just want to double check.

CONCLUSION

Chances are, you already have a conflict system in place, most firms do, and it simply requires fine-tuning for optimum performance – and to protect you against a possible claim.

The ideas and tips in this article hopefully assists you to either fine-tune your existing system or start a system, if you do not have one.

Remember that key to a successful conflict system is to develop one that suits your firm and style of practice.

In our September 2008 issue of Jurisk! we will address the *essentials* of a conflict system: common myths, what data to input and the criteria for a successful conflict system.

1 Jim Calloway, 'Conflict Checking Systems from A – Z', Oklahoma Bar Journal Articles, Published 77 OBJ 3107 (Nov. 4, 2006), pg. 6 (http://www.okbar.org/obj/articles_06/110406calloway.htm) (hereinafter 'Jim Calloway')

2 See 'Conflict of Interest – The Dreaded C' in Jurisk! Dec 2007, Vol 3, Issue 4, pg.7

3 *ibid.*

4 Jim Calloway, pg. 6

5 *ibid.*

6 See 'Conflict of Interest – The Dreaded C' in Jurisk! Dec 2007, Vol 3, Issue 4, pg.7

7 'Selecting a Conflict Checking System', Law Society of Upper Canada. (<http://rc.lsuc.on.ca/pdf/pmg/conflictchecking.pdf>)

8 Jim Calloway, pg. 6

9 Jim Calloway, pg. 4



Automated vs Manual Conflict System

	Automated	Manual
Set-up	<p>IF you are a licensed Microsoft Office user, you are set to go.</p> <p>It has a 'Help' function that assists you with the initial setup.</p>	<p>Decide what information is required on each index card; ensure cards are stored alphabetically in a safe place.</p>
User Friendly/ Conflict Check	<p>Automated system allows for fast, easy inputting and/or retrieval of data/information.</p> <p>Conflict checks can be speedy!</p>	<p>Time consuming to maintain and use.</p> <p>No easy search function, each check is a tedious task for staff and lawyers.</p>
Conflict Data	<p>The 'Find' function in Excel and/or Word searches your entire database – quickly and flawlessly. It can even 'Find' when you enter partial names.</p>	<p>High chance of missing a conflict of interest.</p> <p>As your firm grows, so does the index card system. It will naturally build from one (1) set to many volumes.</p>
Data Storage	<p>All data can be kept in soft copy, backed up regularly in your server/ external drive/on disk.</p>	<p>Voluminous and cumbersome as your clientele grows!</p>
Physical Storage	<p>Easily backed up on firm's server/external drive or on disk.</p>	<p>If an index card goes missing, is removed or misplaced, you have no back-up! System defeated.</p>
Business Continuity Planning	<p>Again, easily backed up regularly and copies kept off site.</p>	<p>Any major disaster can destroy this system forever. Photocopying all of the cards is neither viable nor cost effective.⁹</p>



EMPLOYEE FRAUD HOW TO SPOT A POTENTIAL 'THIEF'...

By Dilsher Singh, Jardine Lloyd Thompson Sdn. Bhd.

Record-setting fuel prices, inflation, world recession and commodity shortages which have financial impact on our day-to-day living are common headlines in newspapers today. During such times statistics reveal a sharp increase in employee fraud which not only relates to direct theft of money but also identity fraud, theft of data, increased expense claims, amongst others.

KPMG in collaboration with the Royal Malaysian Police produced a 2004 Fraud Survey Report. Extracts of statistical information based on 107 responses from corporations were:

83%	Experienced fraud
36%	Experienced fraud losses of between RM10,001.00 to RM100,000.00 whilst 17% experienced losses in excess of RM1 million
87%	Frauds committed internally, of which 69% were by non management staff and 18% by management staff
30%	Respondents that experienced fraud indicated that red flag or warning indicators were ignored

While we do not know whether any legal firms participated in the Survey, the most alarming statistic is the number of corporations which experienced fraud by employees, at 83% of the 107 corporations who responded to the Survey.

It would be safe to say that majority of employees would not commit fraud but against this there is an old saying among fraud prevention circles of the **10-10-80 rule** which is that 10% of staff will never contemplate theft, 10% will steal at anytime and 80% will go either way depending on how they assess the possibility of being identified.

This article is intended to raise awareness of employee fraud, identify fraud indicators and propose a number of preventive measures to minimise the potential of fraud by employees.

COMMON TRAITS OF EMPLOYEES WHO COMMIT FRAUD:

The opportunity to commit fraud arises in most instances due to the lack of supervision, accounting controls and to a larger extent, misplaced trust. Employees committing fraud were found to be

- Aged from **26 to 40 years**
- With an annual income of RM15,000.00 to RM30,000.00
- In employment from **2-5 years**
- Always willing to assist fellow employees
- Taking on more responsibilities
- Having multiple responsibilities
- Employed in a position to
 - Receive cash
 - Issue receipts
 - Prepare bank deposit slips
 - Reconcile bank statements
 - Control cheque books
 - Deal with complaints

FRAUD INDICATORS:

It takes approximately **eighteen months** for an employee fraud to be detected. Ignoring red flag indicators could cost Firms financially. The following are some indicators of employees who commit fraud:

- Works late;
- Does not take annual or medical leave;
- Under stress/marked personality change;
- New staff resigning quickly;
- Suppliers/contractors/clients who insist on dealing with just one individual;
- Change in lifestyle;
- Does not comply with financial deadlines
 - Does not reconcile bank statements
 - Delays payments to suppliers or staff salaries
 - Delays or fails to deposit money into fixed deposit accounts
 - Fails to transfer money from the clients to the office account

Firms should immediately take steps to investigate when they discover:

- I. Receipts are not in sequential order
- II. Missing cheque leafs/books
- III. Complaints are not immediately brought to the attention of Partners

SOME WAYS TO HELP PREVENT EMPLOYEE FRAUD:

The proposals are not exhaustive but are general in nature and may not work for all Firms. Implementation needs to be geared to the size of each firm. Firms should identify potential risk exposures, document and implement checks and controls and consistently ensure compliance with the procedures set in place.

- A. Carry out due diligence when employing staff. Check references and evaluate staff before putting them in positions of trust.
- B. Be clear with employees that there is **ZERO** tolerance for not only theft but such things as taking long lunch/tea breaks, taking sick leave when not sick, coming to work late or leaving early, keeping a messy table, going out of office and returning late. **If employees believe that they will be caught it is less likely that they will steal!**
- C. Separation of duties is critical particularly in the finance department:
 - Different persons receiving cash payments and issuing receipts
 - Deposit slips prepared by staff are signed off by a Partner against the cash register
 - Cheques have to be signed by at least two people
 - The case file must accompany any cheques to be signed
 - Payments to any third party must be accompanied by an invoice and a payment voucher
- D. Carry out surprise audits at irregular intervals. Any irregularity, however small irrespective of whether it involves finances should be taken seriously.
- E. External auditors should be engaged at least once a year.

- F. Insist that staff who handles finances take extended leave of at least 10 days; use the opportunity to conduct an audit.
- G. Ensure that receipt books and cheques are in sequential order. Put in place a procedure to record cancellation of receipts and/or cheques.
- H. Partners should keep cheque books/receipt books which are not in use.
- I. Personally look into complaints and investigate immediately.
- J. Be aware of the list of your suppliers so that fictitious accounts are not created.
- K. Monthly reconciliation of Office and Client accounts giving attention to small withdrawals.
- L. Periodically question staff on the Firm's financial transactions. Even if Partners may not be proficient with accounting matters the mere fact staff are questioned is a deterrent.
- M. Reconcile petty cash regularly.

The reality about prevention of fraud is that there is no magic solution to preventing fraud. The most you can do is to put in place a structure that minimises the opportunity for an employee to commit fraud. Firms should also consider purchasing a **Fidelity Guarantee Insurance Policy** for any financial loss suffered as a result of fraud or dishonesty on the part of an employee.

IS THE EMPLOYEE THE VICTIM?

The obvious answer is "NO". However referring to the **10-10-80 rule** raised earlier, there is a moral duty on an employer to ensure that the 80% of the staff, who **may** commit fraud, do not contemplate such an act. YOU may be doing a great service to your employees, their families and society if the opportunity to commit fraud is minimised by implementing simple **CHECKS** and **CONTROLS**, which are consistently enforced.

This article addresses some of the financial risks facing Firms. Firms should also look into other risks such as theft of clients' personal bio data, safe keeping of confidential information, documents and land titles to mention a few.

PRACTICE ALERT 1/2008

EMPLOYEE EMBEZZLEMENT OF LEGAL FIRM'S FUNDS

Office & Client Accounts

Employee embezzlement is a growing threat to legal firms. Members should be alerted to the fact that in 2007 and 2008, there was an increase in the number of employee embezzlement cases (as reported by several legal firms to the Insurer of the PII Scheme).

In our previous article, we highlighted the means to recognise signs of employee fraud – traits to look out for and indicators that your firm could be a victim of embezzlement. We include here case studies to illustrate some of the reported cases under the PII mandatory scheme.

Case 1: Employees Pocketing Cash Paid In by Clients

Firm's chief conveyancing clerk not only managed the day to day handling of conveyancing files but also collected fees and disbursements from clients. Clerk in question would usually ask for cash payments from clients, issue them receipts and keep the money. This went undetected for 10 months until a client called the lawyer to complain about the slow progress of his file. By this time, approximately RM100,000.00 had already been embezzled.

Case 2: Employees Drawing On Legal Firm's Accounts but Keeping the Monies

Sole proprietor's accounts clerk was his brother-in-law, J. Monitoring and management of all accounts matters were entrusted to J alone. J began to forge vouchers (sometimes using a real file number, other times a fictitious file number). Having secured the lawyer's signature on the voucher he would withdraw the cash and pocket the money.

Case 3: Employees Forging the Lawyer's Signature(s)

Accounts clerk forged cash cheques in small amounts over a period of two (2) years. Approximately RM80,000.00 was withdrawn from both the Office and Client accounts before the partners realised anything was amiss. The accounts clerk had disappeared by then.

Case 4: Employees Transferring Funds Between Accounts to Cover Shortfalls

C, a secretary cum conveyancing clerk, often stayed late at the office on the pretext of finishing work and very rarely took leave. Due to C's seniority, staff did not raise issue with the firm's partners when she told them not to deal with her files without her prior permission. C was in fact forging vouchers (payees listed on vouchers were fictitious).

The misappropriation of funds went undetected for three (3) years as C would track the affected accounts and transfer funds from other accounts to cover shortfalls when payments became due. Discrepancies were only discovered when the partner personally attended to a redemption for a client's charged property. In total, C absconded with RM700,000.00. Investigations revealed that C's husband was a compulsive gambler.

The cases illustrated in this Practice Alert were declined by Insurers as the firms involved had not only breached the terms of the Certificate of Insurance but also the Solicitors' Account Rules 1990.

Case 5: Lack of Supervision and Familiarity

B was the administrator cum accounts executive at X's Firm. Monitoring and management of all accounts matters were entrusted to him. X and his partners trusted B implicitly as he was X's brother-in-law. In 2007, it was discovered that stakeholder monies had not been released to clients despite numerous written requests.

Investigations later revealed that B was a compulsive gambler and began embezzling stakeholder monies in 2001 to fund his gambling habit. Auditors failed to detect the discrepancies as the accounts and reconciliation of accounts was done by B.

Case 6: Sole Signatory to Cheques

V was the sole signatory in a partnership. V found out that their accounts staff had misappropriated up to RM600,000.00 of client monies. Firm had also inadvertently overpaid a client by RM300,00.00 from another client account.

Unbeknownst to his partner K, V began to mitigate the losses by utilising new client monies to cover the shortfall of approximately RM1 million.

K only found out about the embezzlement after V stopped turning up for work.

Tools for Thought

- 1** Partners must adopt a proactive approach towards their firm's accounts management!
- 2** However well-versed your accountants and accounts staff are, ultimately it is the partners who are accountable for the firm's accounts and financial position!
- 3** If you allow staff too much freedom with no separation of duties and supervision, it is safe to say that temptation may lead to theft.

Case 7: Pre-Signed Cheques

Firm was a partnership founded by Z. Firm's accounts had two signatories, Z and his brother, T (non-lawyer). Z's partner was a "salaried" partner and not made a signatory. Firm's administration was left to T. D, the accounts clerk was given sole responsibility for the firm's accounts. When Z went on sabbatical, T became the sole signatory to the firm's cheques.

As he was not at the office every day, T pre-signed Office and Client accounts cheques for the day to day running of the firm. By the time Z returned from sabbatical a year later, D, utilising the pre-signed blank cheques had embezzled RM800,000.00 from the Office and Client accounts.

Tools for Thought

Under Clause 12(e), Certificate of Insurance 2008, Insurers will indemnify a firm and its employees for claims involving misconduct

providing the following risk management procedures are satisfied:

- 1** Entries in the client cashbook and client ledger of each branch maintained pursuant to Rule 11(2) of the Solicitors' Account Rules were copied and exchanged;
- 2** Bank statements of client accounts and office account of each branch office are sent by its bank direct to the principal office as well as the branch office;
- 3** Withdrawals, transfers and cheques on client bank accounts must have two (2) signatories. To stop operation of an account or the cancellation of any transaction, one (1) signatory will suffice; and
- 4** In all other respects the Firm complies with the Solicitors' Account Rules 1990 and the Accountants' Report Rules (as amended from time to time).

EMPLOYEE EMBEZZLEMENT – IS YOUR FIRM AT RISK?

The list of questions below are non-exhaustive, they are basic safeguards that all firms should implement, if they have not already.

DO YOU:

1 Request for status reports periodically from your accounts staff?

* Status reports should include, *inter alia*, overdue invoice reports, cash journal, profit/loss report, variance report, etc.

2 Request for status reports periodically from staff who are overseeing files?

* Status reports may be daily/weekly/monthly, depending on the firm's size.

3 Maintain strict segregation of duties for staff?

* For example, issuance of receipts must NOT be by the same staff receiving payment.

4 Have a policy against pre-signing blank cheques?

* Pre-signing blank cheques is very dangerous and should be forbidden in any legal firm!

5 Cross-check payment of cheques and vouchers against the relevant file?

* This is to ensure that all cheques and vouchers are for genuine reasons!

6 Monitor frequency of requests for cheque books and cheques issued?

DOES YOUR FIRM HAVE A POLICY OF:

7 Issuing receipts for ALL payments received from clients?

8 Reconciling receipts with bank statements at least once a month?

9 “Two to sign”? (if you are in a partnership)

* Refer to provision on “Claims Involving Misconduct” in Clause 12 of your Certificate of Insurance.

10 Only allowing partners to keep the firm's cheque books?

11 Storing away the firm's cheque books in the firm's safe at the end of every working day?

12 Ensuring that partners in charge of files review and “sign off” on their files before a file can be closed?

! If you have answered “NO” to *any one* of these questions, your firm is at risk!

2007 PII & RM SURVEY REPORT

By Wong Li Chin, PII & RM Department

The Bar Council annually conducts a Professional Indemnity Insurance (PII) and Risk Management (RM) Survey (the Survey) as a means to monitor the progress and development of the PII Scheme. The Survey was conducted from August – November 2007.

A copy of the Survey was sent to all members in the May/June 2007 Praxis and circulated via e-mail. The initial deadline of 31 October 2007 was extended to 30 November 2007 due to poor response.

NB: All costs involved in the printing and distribution of the Survey was funded by the Risk Management Fund, and not the Bar Council Main Fund.

AIMS

The annual PII & RM Survey serves to monitor and review the PII Scheme. Its aims are to:

- Gauge the level of awareness and knowledge members have of the PII Scheme, specifically policy terms and conditions, renewals, and claims management;
- Determine the efficiency of the PII Scheme service providers;
- Ascertain members' satisfaction with risk management projects;
- Assist the PII Committee in determining areas for improvement and the success of the PII & RM Department's endeavours.

Findings from the Survey allows the Bar Council to effectively chart the PII Scheme's progress and remedy any shortcomings.

FORMAT

The Survey consisted of four (4) sections with 32 questions. The Survey questions were designed as simple yes/no/don't know questions to ensure that it could be completed in less than three (3) minutes.

Questions spanned various aspects of the 2007 PII Scheme, in particular its purpose, coverage and terms, and RM Programme. Also included were questions to gauge members' satisfaction with the service provided by the

- 1 PII & RM Department,
- 2 Scheme Broker, Jardine Lloyd Thompson Sdn. Bhd. (JLT), and
- 3 Third Party Claims Administrator, Echelon Claims Consultants Sdn. Bhd. (Echelon).

RESULTS

12,300 copies of the Survey was sent to all members. In total, the PII & RM Department received **only 69 responses**.

Kuala Lumpur had the most responses (26), whilst Perak yielded the least with only one (1) response. This is a big step backwards from the 215 responses that were received during the 2006 Survey.

This dismal response, **a mere 0.56%** will definitely hamper any efforts to develop the Scheme and improve its service providers. Any findings will provide limited insight into the profession's mindset on both PII and risk management.

PII SCHEME: GENERAL

Responses received under this section showed a positive trend in members' awareness and knowledge on matters PII.

- ✓ An encouraging 60.9% of respondents felt that the 2007 PII Scheme served its purpose in protecting them against professional liability.
- ✓ 67.2% of respondents KNEW the PII Scheme for 2007 had been revamped, and 45.2% felt that the revamp would positively affect their law firm in the event of a claim.

PII SCHEME: TERMS & CONDITIONS

It is assumed that members would be familiar with the Scheme's terms and conditions in two (2) circumstances: (1) If they read their Schedule and Certificate of Insurance before filing it away for the year, or (2) In the event of a claim.

This it would seem, is **NOT** the case for the Malaysian Bar.

- ✓ Respondents were generally aware of basic information pertaining to PII such as their amount of coverage, 95.5%.
- ✓ A remarkable 91.0% knew the amount of premium payable.
- ✓ 64.2% of respondents feel that the coverage afforded them under the mandatory scheme is adequate.
- ✓ 59.7% of respondents stated that they were familiar with the terms and conditions of the PII Policy.

However, only

- ✓ 43.1% knew what circumstances/liabilities were excluded from their PII, and
- ✓ 49.2% found the Certificate of Insurance easily understood.

A majority of respondents were not briefed on the 2007 PII terms and conditions but they were open to either the Scheme Broker (46.4%) or Bar Council (40.1%) briefing them on the above terms.

PII & RM DEPARTMENT

The PII & RM Department's performance in 2007 was rated quite favourably. 27.3% of respondents contacted the PII & RM Department (in 2007) and a majority felt that the Department's Officers responded promptly and competently to their queries. A further 23.3% were also of the opinion that issues were followed through in a competent manner.

SCHEME BROKER - JARDINE LLOYD THOMPSON SDN. BHD. (JLT)

JLT received mixed reviews in 2007. Respondents found their level of service, accuracy and timeliness **SATISFACTORY** when it came to issuance of their PII Certificates (58.1%) and, in their management of general queries (53.2%).

However, when it came to specific queries on premium and, terms and conditions, respondents found JLT to be lacking. Only 37.5% were happy with the timeliness of JLT's responses to their 2007 premium queries whilst 31.3% felt that JLT could not sufficiently answer their queries on terms and conditions.

Most respondents were unable to rate JLT's performance in relation to their ability to (1) Adequately answer respondent's queries on premium in a timely fashion (43.75%) and, (2) Sufficiently answer queries on the 2007 terms and conditions (50.0%).

THIRD PARTY CLAIMS ADMINISTRATOR – ECHELON CLAIMS CONSULTANTS SDN. BHD. (ECHELON)

Echelon took over management of claims made under the PII Scheme in 2006, however, 76.9% of respondents are still **NOT** aware that Echelon currently manages the PII Scheme's claims. A big majority of respondents could not say whether Echelon can properly and adequately answer their queries on potential claims (74.4%) and the claim process (81.5%).

This is not surprising considering that only 185¹ claims were reported in 2007.

Respondents did not fare too well either when it came to questions relating to claims:

- ✓ Only 40.3% of respondents knew that notification of a claim was to be made to the Scheme Broker and not Echelon or the Insurer.
- ✓ Only a small minority, 28.12% are aware that they can notify their claims online.
- ✓ A majority (54.6%) also did not know how a claim is managed after notification.

On a positive note, 53.7% of respondents were aware that circumstances have to be notified within a set time period.

¹ As at 16 June 2008

RISK MANAGEMENT

Findings from this section were very encouraging. Respondents had heard of the risk management tools listed and were aware of risk management projects by the Bar Council. More importantly, these tools were rated favourably and respondents showed interest in attending future risk management endeavours.

- ✓ The risk management newsletter, RMQ (now Jurisk!) has a thriving readership with 78.5% of respondents having read it.
- ✓ 78.7% felt that the 2007 newsletter contents were both useful and practical! 86.4% were of the opinion that the newsletter was an effective method of disseminating risk management information.
- ✓ 34.1% and 29.7% of respondents respectively found the Litigation and Conveyancing Checklists useful in their daily work whilst the 2007 RM Calendar (15.2%) and File Transfer brochure (21.0%) were less well received. Nevertheless, 96.8% of respondents would welcome more of such publications.
- ✓ In terms of attending risk management seminars, 47.1% had attended the **Risk Management for Practitioners** sessions and

41.2% attended the **Getting Started!** Workshops in 2007.

- ✓ 72.3% of respondents expressed an interest in attending future risk management seminars.
- ✓ Respondents also welcomed the idea of presentations by solution providers on knowledge management (40.5%), accounting systems (31.1%) and IT (25.7%).

Interestingly, the idea of a legal audit did not appeal to respondents. 45.5% emphatically said they would NOT welcome an audit by the PII & RM Department. The PII Scheme's website, www.mypii.com.my was not viewed favourably either. 79.1% respondents had never visited it or heard of it! Of those who visited the website, only 26.9% found it informative and 19.6% rated it as user-friendly.

✓ OBSERVATIONS

Member Apathy The Survey demonstrates that member apathy is still an ongoing problem for the Malaysian Bar PII Scheme. Only **0.56% of the Malaysian Bar** took the time to complete a three (3) minute survey!

This apathy is not a desired state for a Scheme that is in its 16th year. Although still a young scheme, the Malaysian Bar PII Scheme is a mandatory scheme where lawyers are **not** stand-alone risks. The profession is viewed in its entirety and one member's actions affects other members.

For this reason, member apathy must be discouraged and managed. Apathy can in the long run hinder the Scheme's growth as focus will remain only on reiteration/revisiting the basics of PII and, assisting members in understanding and incorporating PII into their firm's culture.

Fewer resources will be available to ensure the Scheme's continued evolution in terms of improved coverage, claims management, risk management, etc.

PII Scheme Although responses were few, the Survey affirms, to an extent, the Bar Council's efforts to keep members regularly informed and updated on the Scheme. Most respondents were well informed and knowledgeable about the PII Scheme especially risk management endeavours.

PII & RM Department There appears to be demand for risk management tools and information. There were requests for risk management endeavours to be brought to other states.

This is a promising development for the Scheme. The findings on risk management tools, albeit only from a small pool of the Malaysian Bar, provides the PII & RM Department live feedback that our endeavours are so far effective and focus should turn to fine tuning (for the present) to ensure sustained interest from the Malaysian Bar and change in the legal practice environment.

A point to note is that most respondents have a misconception about the Department's legal audits. Most are wary that the exercise is a fault-finding exercise. It is in fact the very opposite of that. The legal audits are designed to simply review the firm and its processes as is. The Department then makes practical and constructive suggestions for improvement to the firm.

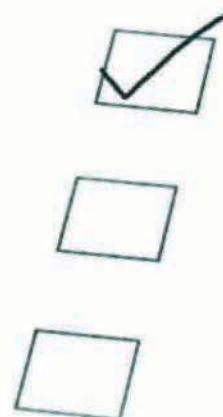
✓ CONCLUSION

The 2007 Survey shows that the Bar Council faces an uphill task in educating and increasing member awareness on PII and risk management. The poor response of **0.56%** derails the Survey's aim which is to accurately determine shortcomings and areas for improvement.

The Malaysian Bar PII Scheme will continue to evolve and can either be shaped by members' needs or external factors, e.g. politics, national economy, global market.

Whilst the Bar Council can push for more control of the Scheme, implement changes/improvements to the Scheme, and negotiate for terms that offset external factors, ultimately members have to do their part. Members must want to (1) Change their mindsets and (2) Make the Scheme their own, as opposed to viewing PII and risk management as a burden, an added expenditure to their firm's yearly budget.

The Bar Council's continued efforts can only be relevant and significant if members are equally committed. If members respond to the Bar Council's efforts, our PII Scheme's potential can be maximised to ensure concrete benefits to members in the long run.



REINVENTING YOUR FILE TRANSFER SYSTEM

File management takes many forms, and one important area of file management that is often overlooked is file transfers! In any firm that you work in, there are procedures for file opening, file closing, KIV systems, etc. because files are constantly moving – from partner to legal assistant; legal assistant to legal assistant; legal assistant to staff; staff to staff. However, what happens when a file is transferred or when you inherit files? Does your firm have a file transfer system in place?

These are some questions you should ask yourself when you take over a file:

- ☐ Why is the file being transferred to me?
- ☐ If the file transfer is due to another lawyer leaving, how long do I have to ask them questions on the file before they leave?
- ☐ What information do I need from the previous lawyer in charge of the file?
- ☐ Does the information in the file allow me to reconstruct the previous lawyer's actions thus far?
- ☐ Do I have enough time to do the work on this file?
- ☐ What stage is the file at?
- ☐ What information is in the file?
- ☐ Has the client been notified that their file has been transferred?
- ☐ Have future actions, and deadlines, that my client and I must take been diarised?
- ☐ What tasks remain outstanding on the file?
- ☐ Is there any imminent danger of limitation setting in?
- ☐ What are the immediate deadlines on the file?
- ☐ Have the relevant limitation, KIV, hearing and mention dates been diarised as well as highlighted on the file?
- ☐ Have all decisions and results thus far been documented?
- ☐ Have any documents been removed from the file?
If so, am I able to locate them?
- ☐ Are all time and billing records in order? Have they been filed in timely fashion?



A SELF INSURED FUND – OUR NEXT STEP?

Our PII Scheme turns 16 this year, and the PII Committee is proposing a move to a Self Insured Fund (SIF). Ragunath Kesavan, the PII Committee Chairman has to date been very upbeat and positive about this move, explaining that (1) It is a natural step forward in our Scheme's evolution; (2) This proposed move to a SIF is neither sudden nor is it radical; it has been contemplated and envisaged since 1992.

This proposal to move to a SIF was first mooted in 2006. Since then, it has become an integral part of the PII Committee's 3-year plan in driving the Malaysian Bar PII Scheme forward to becoming sustainable, equitable and affordable.

At the 15 March 2008 Annual General Meeting (AGM), the Bar Council presented a Motion to determine the viability of a SIF as an alternative to the current PII Scheme.

In anticipation of presenting the said Motion, the PII Committee and the SIF Consultants, Echelon Risk Consulting Asia Pte Ltd (Echelon Risk Asia) embarked on a Roadshow to the various State Bars to inform members of the background and recent developments in relation to the SIF.

These visits gave members an opportunity to raise their concerns/questions and they are summarised below.



1 Why is the Bar Council looking at SIF now?

In short, the Bar Council is looking for more control over our PII Scheme. Under the present Scheme, insurers dictate terms at renewal each year and the Bar Council has no control over the premium that is imposed. Due to the fluctuating nature of the insurance market, higher premiums are imposed due to external factors (e.g. post 9/11 Terrorist attacks in US). Moving to a SIF scheme will provide more stable and affordable premiums for members, as these external factors will be less important in determining our PII premiums.

The Bar Council feels that as the current PII Scheme has been running for 16 years, it has reached maturity and needs to continue evolving to best serve the interest of members. The experience of the PII Scheme since 1992 will provide our SIF Consultants with enough statistical data to make confident recommendations on the viability of moving to a SIF scheme with effect from 2010.

2 What other precedents are there and what can we learn from them?

Many other Law Societies for example Australia, United Kingdom, Canada, Ireland, Hong Kong have historically practised a self insured model in one form or another. The exact form and structure differs in accordance with statutory requirements in each territory and our SIF Consultants will develop a model best suited to the legal and compliance regulations of Malaysia.

The integral foundation of these schemes revolve around the need to institute rigorous corporate governance protocols as part of the SIF scheme and the necessity of protecting the SIF from the financial consequences of unexpectedly high levels of claims, through insurance arrangements with a financially secure partner.

3 What potential problems could the SIF face and how could this impact members?

The experience of other schemes show that the areas of challenge are in the claims administration structure and the determination of appropriate levels of risk retention and insurance under the SIF scheme. Therefore the need to ensure adequacy of the premiums collected and the support of financially strong insurance partners are those that require particular attention.

It is important to note that the Bar Council engaged specialist SIF Consultants for the SIF feasibility and transition project. Echelon Risk Asia was chosen after an open tender, during which they demonstrated tangible experience in those areas relevant to the SIF scheme and the resources required to deliver the project. As consultants, Echelon Risk Asia have the experience to foresee areas of potential trouble and ensure that all necessary preventative measures are put in place from the onset to protect the interests of the Malaysian Bar.

4 Will the SIF reduce PII premiums for members?

It is important to note that the primary purpose of the transition to a SIF scheme is not to reduce the premium. Rather than promising dramatic premium reductions, the Bar Council prefers to focus on “value for money”, which we believe will be greatly enhanced under the SIF scheme.

Under the current PII Scheme, the insurance companies and its shareholders benefit from the surplus of the premium paid by members. The SIF scheme would utilise the said monies for reinvestment into the scheme to benefit members and enhance the tools that the Bar Council has made available to members.

Examples include the establishment of comprehensive risk management programmes

such as seminars and publications; enhancement of the PII & RM Department to promptly and efficiently address problems faced by the members with regard to PII issues.

Ultimately, we expect that PII premiums will reduce under the SIF scheme, however it is unlikely that premiums will drop drastically from “Day One”.

5 Will members notice any major administrative changes once the SIF is established?

Whilst the final administrative procedures are still to be determined, it is anticipated that there will be little change in the main areas that impact members – premium collection and claims. Although there will now be two (2) aspects of the scheme – the SIF aspect and the insurance aspect. It is anticipated that members will still receive only one (1) bill for the combined premium from the scheme broker, whose responsibility will be to allocate that premium between the two (2) aspects of the scheme.

Claims would be notified and managed in the same way, although for those falling within the SIF layer, the claims review and settlement would be carried out by a committee acting on behalf of the SIF, rather than by the insurer (see next question below).

6 How will the claims be administered and who decides whether or not to pay?

Under the SIF, claims would continue to be reported to and managed by the current PII Scheme Claims Administrator, Echelon Claims Consultants Sdn. Bhd. An independent Claims Management Committee appointed by the SIF will approve those claims falling within the SIF layer for settlement. For larger losses that extend into the insurance layer, the insurer will still have settlement authority, but there will be far fewer

of these cases, as we expect most claims to be dealt by the SIF.

7 What happens if the SIF runs out of funds?

The only way that the SIF can run out of funds is if there is a sudden increase in claims, which has not been anticipated under the actuarial models. In this extremely unlikely event, the insurance protection would kick-in and protect the SIF, so any shortfall would be a fairly nominal amount. If the SIF needs to be “topped-up”, funds may be collected from members.

It is worth noting that if this happened under the current PII Scheme, it is certain that insurers would increase premiums to cover for higher claims costs, so the situation under the SIF is really no different in this respect. The SIF Consultants will be preparing a study that includes extensive claims analysis and will recommend a “conservative” level of funding to allow for any unexpected claims developments, so we would not anticipate that the SIF would need to be topped-up.

8 What services does the SIF need and how will they be provided?

The Bar Council anticipates that most of the services required to support the operation of the SIF will be outsourced to third-party specialists on a contract for service basis. It is not intended that large numbers of administrative staff will need to be hired to manage the SIF, although supervision and oversight of the service providers would be co-ordinated by the Bar Council. The primary services required by the SIF will be in the areas of claims and financial management; actuarial analysis and insurance broking.

9 Will the SIF incur large administrative expenses to set-up and run?

As noted above, the intention is for the SIF to outsource the majority of services required to support its ongoing operations.

The Bar Council has established a PII Fund (derived from the residual premium collection of 2008 PII Premium Pool and surplus monies from capping the 2008 PII Scheme Broker’s fees), which will be used to cover the expenses involved in the feasibility review and transition arrangements, hence there will be no incremental charge to members for the establishment of the SIF.

10 What safeguards will be put in place to protect the SIF from being utilised for other areas of Bar Council operations?

The SIF is governed by S.78A of the Legal Profession Act 1976, hence there is a statutory obligation for the funds only to be used for the payment of Professional Indemnity claims.

In addition, there will be strict protocols put in place on the establishment of the SIF that will govern the use and management of the funds and these protocols will ensure that the funds are invested appropriately and are available when needed to meet claims.



11 Why do we need insurance at all?

Insurance will play a vital role in protecting the SIF against both large individual claims and an accumulation of claims in any one year. Buying this insurance lessens the risk to the Fund, particularly in its early years before significant reserves have been accumulated.

In the absence of any insurance protection, the Fund would be exposed to losses up to the mandatory limit of RM2.0 million and to an infinite amount of smaller losses, potentially resulting in the exhaustion of the Fund and the need to collect additional funds from members.

12 Who will the insurers be and how can we guarantee that they will support the SIF scheme?

In the past the PII Scheme was solely dependent on London Market insurers who dictated the terms and conditions of cover. Due to the improvements made to the PII Scheme over the past few years, the said Scheme is now in demand amongst insurers. The increased focus on risk management, which has been driven by the Bar Council through the establishment of a dedicated PII & RM Department, means that we are now able to partner with major global insurance companies such as Swiss Re on a long-term basis and from a position of equality.

Swiss Re have already expressed their willingness to continue working with the Bar Council in support of the SIF scheme and their financial strength and flexibility will greatly enhance the entire PII Scheme.

13 How long will it take for the SIF to grow to the point where the mandatory scheme needs no insurance protection?

It is not advisable to set specific time frames and the Bar Council would prefer to take a cautious approach as the SIF builds its financial base.

We are in no hurry to replace the entire insurance protection with the SIF and do not want to take on too much risk too early. We will constantly review the structure and operation of the SIF with our Consultants, who will use their specialist resources to advise when the Fund is sufficiently strong to accept higher levels of risk.



If you have any queries about SIF, please do not hesitate to

**Speak to our SIF Consultants:
03 272 333 88**

**Contact the PII & RM Department:
03 2031 3003 ext 190/150 or**

Email: ragunath@kesavan.com.my



**Law Practice Management.
Increasing Productivity
and Profit.**

**Time Management
for Lawyers.**

Making the most of your time?
Need to increase your firm's profit & productivity?
Cash flow management?
Dealing with staff?

**GET THE PRACTICE MANAGEMENT
GUIDE SERIES!**

The Guides provide:

- Useful illustrations and guidance on productivity levels, profit tracking and time management
- Tips on managing your practice in a practical and cost-effective manner

Traps that Trip • Staying In Step • Doing the Work • File Management • Tools for Thought • At Your Finger Tips
Everyday Risk Management for Lawyers

**Effective File Management
At Your Fingertips!**

- Step by step guide on file management from start to finish
- Avoiding file management 'traps'
- Practical and easy to implement practice tips

All this and more in the 'Everyday Risk Management E-Guide'. Now available online FOR FREE!

Visit www.mypii.com.my or
www.malaysianbar.org.my/resource_centre.html

HAVE YOUR SAY

We'd like to hear your thoughts and share
your take on practice management, best
practices and liability insurance
with everyone.

CONTACT US @ PII & RM DEPARTMENT:

Wong Li Chin, Executive Officer

Tel: 03 2031 3003 ext 150
Direct: 03 2032 4511
Email: lcwong@malaysianbar.org.my
Fax: 03 2031 6124

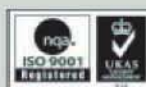
Grace Chong, Officer

Tel: 03 2031 3003 ext 190
Direct: 03 2072 1614
Email: grace.chong@malaysianbar.org.my
Fax: 03 2031 6124



BAR COUNCIL MALAYSIA

No. 13, 15 & 17, Leboh Pasar Besar
50050 Kuala Lumpur, Malaysia
Peti Surat 12478,
50780 Kuala Lumpur, Malaysia
Tel: 03 2031 3003 (Hunting Line)
Fax: 03 2034 2825 / 2026 1313 / 2072 5818
Email: council@malaysianbar.org.my



Certificate No. 22470

Disclaimer In compiling this newsletter, Bar Council Malaysia and Jardine Lloyd Thompson Sdn. Bhd. have used their best endeavours to ensure that the information is correct and current at the time of publication. We do not accept responsibility for any error, omission or deficiency as all references are not meant to be exhaustive. Material in this newsletter is not intended to be legal advice. The information, which includes techniques aimed at preventing claims does not create the standard of care for lawyers. Lawyers should conduct their own legal research. PII information is to provide general information and should not be considered a substitute for the applicable PII Master Policy and Certificate of Insurance together with its Schedule. We strongly advise that you refer to the applicable Master Policy and Certificate for the full terms and conditions.

We are always looking for ways to improve this newsletter and work towards ensuring that all areas related to PII and risk management is highlighted as appropriately.