

**INDIAN INSTITUTE OF
ARBITRATION & MEDIATION**
institution for dispute resolution & management



International Certification of Legal Audit

for legal & business compliance



Indian Institute of Arbitration & Mediation (IIAM) is one of the pioneer institutions dealing with alternative dispute resolution (ADR) and dispute prevention & management (DPM) in India. As an institution dealing with Alternative Dispute Resolution (ADR), for resolving disputes out of court, it is the vision of IIAM that “Prevention is always better than cure”. IIAM believes that an effective dispute management practice and risk management tool will avoid 50 – 70% of the litigation.

An independent audit is one of the foundations for establishing trust and enhances the compliance reputation. IIAM has developed the process of Legal auditing, which would act as a legal compliance verification system, a risk management tool and dispute management practice. Law is probably the most important external factor affecting business and community relationships. Legal audit and compliance regulate behaviour, allowing organisations and individuals to plan and conduct their affairs with a greater degree of certainty than might otherwise be impossible. Audit helps to achieve their goals and objectives more efficiently through the implementation of a legal compliance framework to better manage its legal compliance risks. IIAM’s mission is to ensure integrity in legal auditing by establishing and maintaining high professional standards of ethics, recommended best practices, and qualification.

iCLA Legal & Business compliance auditing, is an independent appraisal and evaluation process, which provides an opportunity to eliminate latches in legal non-compliance and perfect the legal and business compliance systems. Audit and Risk Management facilitates good governance and identify recommendations for improvement. The audit is intended to mitigate risk and non-compliance, improve performance, and create value and reputation. It is a system designed for better business and legal environment in the organisation and the society.



Certified Legal Auditors

iCLA Legal and Business Compliance audit has placed effective system to establish, evaluate, demonstrate and maintain the quality of the audit and the competence of the people involved in its entire process. Strict adherence principles are maintained in the audit process and in the professionalism of the auditors, to make the iCLA legal audit system an effective and reliable process.

The entire audit process and procedure is done using iCLA software by Certified Legal Auditors (CLA). CLA’s are basically law graduates, chartered accountants or company secretaries qualified from recognized institutions, who are given customized CLA Training program, which enables them to be a professional who understands the standards and principles of auditing and the auditing techniques of examining, questioning, evaluating and reporting to determine a quality system’s adequacy and deficiencies. To maintain the quality of Auditor certification, IIAM requires that legal auditors recertify every three years. The purpose of recertifying is to ensure that, as a CLA, the auditor maintain the same level of knowledge originally demonstrated. The Audit authority may suspend the certification of a CLA for any proved unethical or unprofessional behaviour, either before or during the process of audit or on repeated complaints or negative feedbacks received from the audit clients.

Process of Audit

The Audit process is designed to make the iCLA Legal and Business Compliance Audit a systematic, effective, independent, impartial and reliable tool to evaluate and assess the legal requirements and compliance and evaluate the business commitment and compliance and which provides effective data and recommendation for improving the clients performance and create value, credibility, trust and acceptance for the business and corporate world. The process not only improves the quality of operations, reduces the litigation costs and optimizes the compliance schedules, but also helps to enhance the business compliance standard and enhances the reputation of the client. The adherence of this process also conform that the standard of audit outcome and certification is the same for all auditors, in identical situations, thereby ensuring the consistency of appraisal ratings.

The audit process and changes to it and the certified legal auditor training procedures are approved by the Process and Certification Control Board (PCCB), comprised of eminent jurists and academicians. The PCCB ensures integrity, professionalism and accuracy of the audit process. The audit process may depend on the size, nature and complexity of the organization.

CERTIFICATION :

The audit process shall end up in issuing the iCLA Legal and Business Compliance Certificate or the Audit Report Recommendation for improving the compliance level within a time frame for issuance of the certificate. The Registrar on verification and evaluation of the Audit Report, finds that there is more than the requisite point compliance (as evolved by the iCLA software), issue the certificate signed by the Registrar General. If the compliance level is less than the requisite point compliance, an Audit Report recommendation shall be issued pointing out the deficiencies in compliance on the various phases and points for improving compliance level. On successful audit and certification, the audit client will be able to use the “iCLA Legal and Business Compliance” logo for GPS or SPS Audit to demonstrate to the customer and business world that the organization is in compliance with international standards of legal and business management.



K.G. BALAKRISHNAN

Chief Justice of India

I would like to whole heartedly endorse the efforts of IIAM for promoting Alternative Dispute Resolution methods. The credentials of this institution are further bolstered by the presence of eminent jurists, experts and academics on its Advisory Board as well as its tie-ups with academic institutions and other private bodies that promote ADR techniques.

'International Certification of Legal Audit' (ICLA) is designed to meet the needs of business interests. It involves an independent appraisal and evaluation process in order to ensure that individuals, corporations, institutions and other forms of business entities adequately comply with applicable laws and regulations. Compliance with existing laws is important at various stages of business processes. In many instances - especially with relatively smaller business that cannot afford the services of specialised commercial law firms, there is not enough awareness about applicable regulations. In such a scenario, an independent audit by a credible institution can go a long way in not only preventing litigation but also enhancing the reputation of the concerned business. The adoption of such best practices for legal compliance can also have a significant impact on the overall climate for attracting investment.



Application of Audit

iCLA Legal and Business Compliance

Certification is applicable for organizations, to ensure legal compliance, improve performance and create value and reputation.

This is called iCLA GPS (General Practice Standard) Audit.

iCLA certification is also possible for individual project / scheme / product of an organization to ensure that such project / scheme / product complies with legal requirements. This is called iCLA SPS (Specific Practice Standard) Audit.



Role of IIAM

IIAM, as the Audit authority, would be responsible for managing the audit.

The responsibility for managing the audit program would be assigned to the Audit Registrar, who shall coordinate with the Auditor or the Audit team, in ensuring that the audit criteria are enforced, that the audit is done and completed strictly in accordance with the Audit Manual and that appropriate audit records are maintained as per the standards.



For more details about
iCLA Audit

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