



Insolvency Practitioners Association makes improvements following Insolvency Service monitoring

The Insolvency Service (IS), the executive agency responsible for overall authorisation and regulation of the insolvency profession (including supervising the insolvency regulators) conducted its annual monitoring on the Insolvency Practitioners Association (IPA) in April 2019 as is standard protocol in insolvency regulation. The report has now been published and details improvements that the IPA has implemented following the monitoring process. The report builds on the monitoring activity carried out the year before, from which all of the recommendations have been dealt with by the IPA.

The IPA welcomes the report and the findings, which show a significant upturn in its application of its regulatory functions. Over the past year, we have taken significant steps to improve our insolvency regulatory work, agreed and introduced a ground breaking and industry-leading approach for regulating volume providers of Individual Voluntary Arrangements (IVAs), as well as taking on significant new requirements for Anti-Money Laundering (AML) responsibilities. We are grateful to the IS for its support, and we are pleased that it recognises the many positive improvements in our regulatory practices. We are mindful that the IS returned when many of our new processes were only just being adopted or were yet to yield results, and we look forward to a future visit from the IS when the new processes have had the chance to be fully embedded.

People in financial difficulty deserve the best possible service. The IPA works to promote the highest of standards amongst insolvency practitioners (IPs), the vast majority of whom do an outstanding job in difficult circumstances. Equally, we want to ensure that our regulatory environment discourages and pursues thoroughly the very small number of incidents that could bring the profession into disrepute.

Review of regulation and governance

In response to concerns about regulation and changes in the insolvency industry and profession, over the course of this last year, the IPA undertook a complete review of its regulatory and governance structures and has made improvements to procedures to enable more efficient and effective decision-making processes. This review introduced wholesale change that included shorter, targeted monitoring reports, a refined complaints process, and reduced the IPA's number of regulatory committees to enable faster decision-making, so that we are now streamlined and far more efficient.

We have recruited new talented staff and appointed experienced committee members, all of whom have undertaken rigorous training. Furthermore, to increase transparency, warnings are being published on the IPA website when disciplinary outcomes are reached, alongside new powers assigned to inspectors to issue on the spot warnings to IPs. A risk profiling system has

been introduced, and this has allowed us to ensure that all the Recognised Professional Bodies (RPBs) are fully aligned in their monitoring regimes.

Volume providers of Individual Voluntary Arrangements

The report makes reference to the IPA's new regulatory framework for volume providers of IVAs, which was designed and implemented in response to many challenges presented by the dramatic rise in the use of IVAs and how the market responded.

The IPA implemented a new regulatory regime for volume providers, and this is the first example of continuous monitoring in the insolvency industry. The regime, which was specifically designed to address concerns about the IVA providers (many of which were raised in last year's report), features a dedicated inspection team. The IPA has designed the regime to ensure that issues can be addressed as they arise and that regulatory outcomes are delivered swiftly and effectively.

The volume IVA scheme is in its early phase, but is already producing results, and this will be demonstrated later on in the year when our first benchmark reports are produced.

With regard to the recommendations in this year's report, the IPA has fully implemented seven of the nine recommendations, and the remaining two are in progress.

IPA CEO, Michelle Thorp, commented:

"The IPA takes feedback and recommendations seriously, and I am pleased that the report demonstrates that we have already taken action in many areas identified as requiring improvement. I look forward to a further review when many of the changes have had the chance to have had an impact. The IPA is not complacent and will continually look for ways to raise our standards so that regulation stays robust as the market changes."

IPA President, Carrie-Ann James, commented:

"The IS's monitoring of the IPA plays a key part in the regulatory process, and I am pleased that we continue to enjoy a positive and constructive relationship with the IS."

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About the IPA

The IPA is the UK's sole Recognised Professional Body (RPB) dedicated to insolvency. Its principal aim is to promote and maintain excellent performance and professional conduct standards amongst those engaged in insolvency practice. It is the second largest, in terms of the number of licensed insolvency practitioners (IPs), of the RPBs recognised for the purposes of authorising IPs under the Insolvency Act 1986. The IPA currently regulates around 700 IPs in the UK, including those licensed by ACCA. You can find an IPA IP on its website:

www.insolvency-practitioners.org.uk