

Welcome to regulation by the IPA

A guide for
licence holders
October 2016



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1. Welcome to the IPA

1.1 Who We Are

The IPA is a membership organisation for those in insolvency practice or involved in insolvency-related work. It has around 2,000 individual and firm members and students; and is the second largest of the five Recognised Professional Bodies (RPBs) recognised by the Secretary of State for Business, Innovation and Skills under the Insolvency Act 1986 for the purposes of licensing and regulating insolvency practitioners (IPs) in the UK in terms of the number of IPs regulated. It is the only one of the bodies solely involved in insolvency.

Our principal aim is to promote and maintain high standards of performance and professional conduct amongst those engaged in insolvency practice. We also look to encourage wider knowledge and understanding of insolvency within and outside the insolvency profession through access to our qualifications and membership and through exposure and discussion of insolvency issues which affect the profession, its stakeholders and the general public, and through our work into insolvency-related areas of activity not covered by statutory regulation.

The IPA maintains a leading role in the development of professional insolvency standards. Our IPs are licensed in relation to formal insolvencies conducted in England, Wales, Scotland and Northern Ireland, on the basis of extensive experience and having passed exacting insolvency and related examinations; and are required to maintain their knowledge and understanding while licensed through continuing professional education programmes. Our IPs are subject to annual review/renewal of their licences and three-yearly inspections focussed on professional standards, quality and value.

The IPA has also been at the forefront in encouraging those involved in case administration and insolvency-related work to acquire and maintain appropriate levels of competence and skills through study and its Certificate of Proficiency in Insolvency examinations.

1.2 What We Do

Authorisation & regulation of insolvency practitioners

We authorise some 578 IPs, of whom around 480 take insolvency appointments. Authorisations are subject to our authorisation criteria. We monitor and regulate our IPs' activities through the processes of licensing and renewal, borderneau (cover schedule returns), self-certification and inspection, and via the work of our regulatory committees of Membership & Authorisation Committee (M&A), Investigation Committee (IC) and Disciplinary (DC) and Appeal Committees (AC), as described in detail below.

Representation in standard setting

The Joint Insolvency Committee (JIC), made up of the five RPBs and The Insolvency Service, is responsible for the development and agreement of profession-wide Statements of Insolvency Practice (SIPs), Code of Ethics and other guidance. The IPA plays an active part in that committee. The IPA has also issued guidance to members regarding compliance with SIPs 1 & 9 in 2016.

Fixed charge receiver registration scheme

We have also developed and jointly administer with the Royal Chartered Institute of Surveyors a fixed charge receiver registration scheme for those specialising in fixed charge receiverships which fall outside the statutory framework for which an insolvency authorisation is required. There are currently around 200 members of the registration scheme.

2. Better Regulation

2.1 The Principles of Better Regulation

The IPA has a continuing commitment to put the principles of Better Regulation into practice:

- **Proportionality**
Regulators should intervene only when necessary. Remedies should be appropriate to the risk posed, and costs identified and minimised;
- **Accountability**
Regulators should be able to justify decisions and be subject to public scrutiny;
- **Consistency**
Rules and standards must be joined up and implemented fairly;

- **Transparency**
Regulators should be open, and keep regulations simple and user-friendly;
- **Targeting**
Regulation should be focused on the problem and minimise side effects.

Our regulatory processes are the mechanisms by which we put these principles into practice within the IPA.

2.2 The Principles of Regulation & Monitoring

The Secretary of State is empowered to recognise certain professional bodies (RPBs) for the purpose of authorising suitable individuals to act as IPs and has agreed a set of principles with those RPBs for the purposes of achieving consistency amongst them.

These are contained within the Memorandum of Understanding, which includes the requirements that we:

-grant authorisations only to suitable applicants and will work to common standards in considering those applications;
-ensure, through monitoring and other activities, that the authorisations it has granted remain valid;
-apply an ethical code or guide to [our] members, and seek to ensure that those members work to common professional standards to enable creditors and others to receive an efficient service at fair cost;
-have in place an accessible, effective, fair and transparent procedures for dealing with complaints against members;
-have in place appropriate mechanisms to ensure that [our] members comply with legislative requirements for security or caution;

We are required to conduct our regulatory activities in accordance with these principles and are monitored and inspected by the Secretary of State for our adherence to them.

We were last visited by the Insolvency Service in May 2016, during which individual files and systems relating to authorisations, monitoring, bonding and complaints were examined.

The Insolvency Service report on this visit will be published in July 2016.

To adhere with the Memorandum, we have put in place various regulatory and monitoring processes. These processes must themselves comply with the [Principles for Monitoring](#).

3. Authorisation Requirements

3.1 Applications for Authorisation

Applications for authorisation and renewal of licences are considered by our M&A Committee, who apply our [Authorisation Criteria](#). The applicant is required to show that he/she:

- is fit and proper to act as an IP;
- meets acceptable requirements as to qualifications and practical training and experience;
- has in place security or caution for the proper performance of their functions; and
- has undertaken relevant continuing professional education.

To examine each in turn:

3.2 Fit & Proper Person Test

The “fit and proper” test is dictated by the [Principles for Monitoring](#) which provide that the purpose of our monitoring activities is to enable us to make:

“...an objective assessment of the conduct and performance of practitioners...and to ascertain whether the practitioner is, and continues to be, fit and proper.”

This requirement is an on-going one, applying equally to licence renewals and initial authorisations. Our Appendix 1 of our [Authorisation Criteria](#) contains a comprehensive list of the matters which the M&A may take into account when considering an applicant’s fitness and probity:

Appendix 1

- Whether the applicant and/or his/her firm/partnership/company has maintained the specified level of professional indemnity insurance.
- Whether the applicant has maintained the required levels of general and specific penalty bonds; has deposited the original general penalty bond with the IPA; and has submitted by the specified time monthly cover schedules to his/her insurers and to the IPA.
- Whether the applicant has submitted by the specified time reports and returns required by The Insolvency Service, the Accountant in Bankruptcy and the Registrar of Companies.
- Whether the applicant has remitted by the specified time sums required to be paid into the Insolvency Services Account (ISA).
- Whether the applicant has paid over promptly unclaimed dividends.
- Whether the applicant has been the subject of proceedings brought by The Insolvency Service or the Accountant in Bankruptcy or the Registrar of Companies for failing to submit or delay in submitting reports and returns, paying estate funds into the ISA or paying over unclaimed dividends.
- Whether the applicant has applied for an authorisation to act as an IP to another recognised professional body or to the Secretary of State which has been refused.
- Whether the applicant has had an authorisation to act as an IP which has been restricted, lapsed or removed.
- Whether the applicant has been refused admission to, or been removed from, any professional body or similar association; or any action is pending.
- Whether the applicant has been the subject of any adverse findings by the IPA or another professional body or any government, statutory or regulatory authority (including The Insolvency Service) in relation to any matters, whether by way of financial penalty or other disciplinary action (including reprimands, warnings and undertakings and suspension/removal from Official Receiver rotas or lists of interim trustees); or any matters (including complaints) are currently being considered by any of them.
- Whether the applicant has been or is the subject of a bankruptcy order, sequestration order, voluntary arrangement, deed, scheme, composition or other form of agreement or debt management plan with his/her creditors; or any proceedings are pending.

- Whether the applicant has been or is a director of, or involved in the management of, a company which has gone into liquidation, administration or administrative receivership or entered into a company voluntary arrangement, scheme, composition or other form of agreement with its creditors; or which has been or is the subject of a statutory or regulatory investigation.
- Whether the applicant has been the proprietor or partner in any business or been a director of or involved in the management of, any company which ceased trading leaving creditors unpaid.
- Whether the applicant has had any judgments entered against him/her; and any are still outstanding.
- Whether the applicant has been or is the subject of proceedings alleging negligence, misconduct or other liability in relation to an insolvency or other professional matter; or any proceedings are pending.
- Whether the applicant has been convicted of any criminal offence, other than a minor motoring offence not resulting in disqualification; or any proceedings are pending.
- Whether the applicant has been or is subject to a disqualification order or undertaking in relation to a company or office or subject to a bankruptcy restriction order or undertaking; or any proceedings are pending.
- Whether the applicant has been removed or dismissed from any form of employment or engagement on grounds of misconduct, incompetence or unfitness or from any fiduciary office or position of trust (whether or not remunerated) including as an insolvency office holder; or any action is pending.
- Whether the applicant has been or is a patient within the meaning of the Mental Health Acts.
- Whether the applicant has committed any breach of any of the IPA Articles, Rules, Regulations or Guidance, including its Ethics Code and Statements of Insolvency Practice adopted by the IPA, or has been or is engaged in any conduct or practice likely to bring discredit upon him/herself, the IPA and its membership or the insolvency profession; or he/she had or has any relationship or dealings with any individual, firm, partnership or company which has been or is the subject of complaint to or investigation by it (the IPA), another professional body or any government, statutory or regulatory authority (including The Insolvency Service).

3.3 Qualifications, Training & Experience

Qualifications

An applicant for authorisation is required to have passed the relevant papers of the Joint Insolvency Examination (JIE) set by the JIEB; or in the case of an eligible applicant from another member state of the European Economic Area, that he/she complies with the requirements of the EC Qualifications Regulations. If the applicant passed the JIE more than ten years before his/her application, he/she may be required to re-sit it unless he/she can show that in the intervening period he/she has maintained his/her knowledge and understanding of insolvency law, procedures and practice at a level and to the extent required by the JIEB. From April 2016, applicants may seek authorisation for partial licences covering personal or corporate work.

Practical training and experience

An applicant for an authorisation is required to show his/her ability to carry out unsupervised the functions and duties of an IP based on having been engaged during the three years immediately before applying in work relating to the administration of estates in respect of which an insolvency practitioner has been appointed involving not less than 600 hours higher experience in insolvency administration. Generally, an applicant will be expected to have been engaged in insolvency administration for not less than 100 hours in each of the three years before applying.

Whilst an licensed IP is legally able to accept any type of insolvency appointment which requires an authorisation under the Insolvency Act, IPs are expected to adhere to the provisions of the Ethics Code with regard to their competence to conduct the type or nature of the appointment concerned. IPs should not accept appointments unless they (or their team) possess or can acquire the competencies necessary to carry out the insolvency appointment with sufficient expertise. Expertise includes appropriate levels of training, technical knowledge, knowledge of the insolvent entity and the business with which the entity is concerned.

3.4 Security or Caution (bonds)

An appointment taker IP is required by the IPA's Professional Indemnity Insurance (PII) Regulations to have PII cover; and by the Insolvency Practitioners Regulations 2005 to have a general penalty bond for £250,000, together with specific penalty bonds in relation to each individual insolvencies to which he/she is appointed.

Security or caution should be evidenced by lodging the original of the general penalty (enabling) bond with the IPA and submitting monthly cover schedules (bordereaux) to the IPA. In the event of a claim being notified to us, the IPA instigates the claim with the bond provider and holds any resulting proceeds on trust for the benefit of the estate which has suffered the loss. Typically, this is then paid by us to the subsequently appointed Insolvency Office Holder.

3.5 Continuing Professional Education (CPE)

Members are expected to take steps to ensure that they keep abreast of developments in statutory and case law, in professional practice and in the commercial environment relevant to the competent performance of insolvency administration.

Members applying for, or applying to renew, an authorisation are required to show that they have undertaken the minimum level of relevant structured CPE as a necessary part of becoming, and continuing to be, fit and proper to be an IP. In addition, the M&A Committee may require an authorisation holder to undertake specific CPE, as part of or additional to the minimum CPE requirement. The minimum level of relevant structured CPE is **25 hours** in the twelve months immediately preceding an application for, or to renew, an authorisation.

CPE should be relevant to the work that the applicant undertakes, or intends to undertake. Detailed guidance on what constitutes relevant, structured CPE can be found in the [IPA Continuing Professional Education Guidance](#).

3.6 Adherence to the Ethics Code and Statements of Insolvency Practice

IPs are **required** to act in accordance with the [Ethics Code for Members](#) and [Statements of Insolvency Practice](#). Our regulatory processes are designed to monitor an IP's compliance with these provisions and failure to comply may result in disciplinary action or our refusal to grant or renew an authorisation.

The fundamental principles of the Code are:

- **Integrity**
An Insolvency Practitioner should be straightforward and honest in all professional and business relationships.
- **Objectivity**
An Insolvency Practitioner should not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- **Professional competence and due care**
An Insolvency Practitioner has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques. An Insolvency Practitioner should act diligently and in accordance with applicable technical and professional standards when providing professional services.

- **Confidentiality**
An Insolvency Practitioner should respect the confidentiality of information acquired as a result of professional and business relationships and should not disclose any such information to third parties without proper and specific authority unless there is a legal or professional right or duty to disclose. Confidential information acquired as a result of professional and business relationships should not be used for the personal advantage of the Insolvency Practitioner or third parties.
- **Professional behaviour**
An Insolvency Practitioner should comply with relevant laws and regulations and should avoid any action that discredits the profession. Insolvency Practitioners should conduct themselves with courtesy and consideration towards all with whom they come into contact when performing their work.

In addition, Insolvency Practitioners should ensure that their acts, dealings and decision making processes are transparent, understandable and readily identifiable, where to do so does not conflict with any legal or professional obligation.

Additional guidance has been provided to supplement the Code's provisions on transparency and confidentiality. We also have an **Ethical & Regulatory Helpline** in order that IPs can pose any questions they may have to us here at the Secretariat: **020 7397 6407**.

4. Regulation in Practice

4.1 A Risk Based Approach

The on-going monitoring of our IPs' work is largely conducted through the processes of bordereau submission, self certification returns and inspection visits, which are described in more detail below, and annual renewal declarations.

In general, an IPs' monitoring regime will be as follows:

Year 1 - Inspection visit.

Year 2 – M&A will issue a letter requesting confirmation that those matters identified during the previous year's inspection visit (if any) have been addressed.

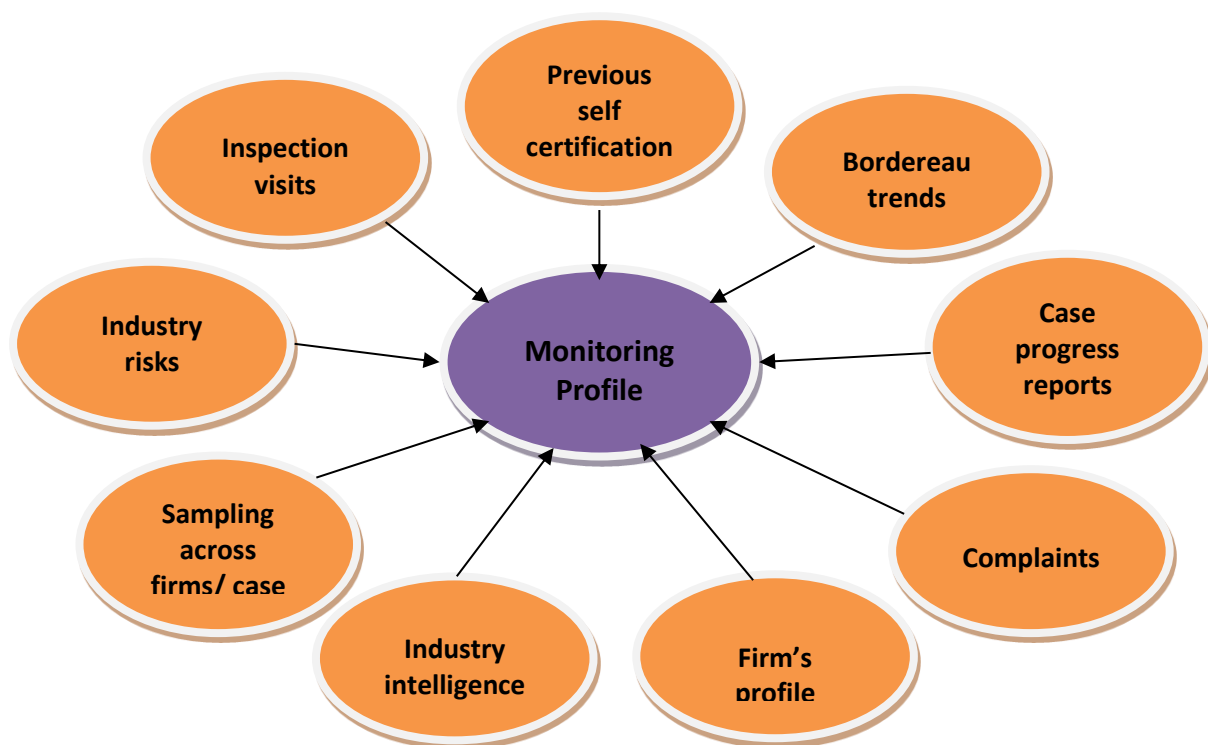
Year 3 - Self-certification request will be issued.

Year 4 - Monitoring inspection visit will take place.

A central tenet of our strategy for achieving the regulatory principles of proportionality and targeting is our risk based approach to the application of these processes.

We take into account all information we hold about an IP and use that to focus our regulatory efforts where they appear to be most needed. In other words, if an IP has a poor regulatory history or is otherwise considered “high risk”, he/she can expect to be subject to a greater degree of regulatory input, for example this may involve more frequent inspection visits than one every 3 years and/or an increased number of self certification requests being made.

In formulating an IP’s monitoring profile, we take into account a wide variety of factors:



The above factors help us to build up a profile of each IP, which in turn helps us to target our regulatory work.

4.2 Monthly Bordereau

Each month, our IPs are required to send us their bordereau return (‘cover schedules’), providing details of the cases opened and closed within the previous month and any increases in the specific penalty paid. IPs should submit a return every month, commencing with the month following the licence being granted, even if the IP has not taken any appointments that month (i.e. a “Nil” return). **A separate return should be completed for each bond the practitioner holds.**

For ease and administrative efficiency, IPs are encouraged to submit this information electronically in the form of a spreadsheet, preferably on the excel template supplied by us. The template has been set up so that it is readily compatible with Turnkey's IPS system, but not all of the information on it is strictly necessary. The template and a user guide are on the CD which accompanies this pack and we are always happy to answer any questions IPs or their cashiers may have about what information is needed and how it should be formatted.

The monthly bordereau return should be made by email to: bordereau@ipa.uk.com. We log this information and it is used to confirm that IPs are bonding cases as required by statute, as well as part of our risk profiling activities. It is also used to assist in selecting cases for self certification and/or inspection (see below). When completing the return, (in addition to providing accurate case information), particular attention should be paid to completing the joint appointment information, as we base our case selection for self certifications and inspection purposes on this data. We do not ordinarily select cases where the IP is not the "lead" practitioner on the case (i.e. have primary day to day responsibility for its supervision). Failing to complete this information correctly can result in an additional administrative burden for both the IP and for our team if inappropriate selections are made. Bordereau data also allows us to track patterns and trends across our membership and thereby provides useful industry intelligence.

IPs should inform us immediately if their contact details (home or work) change or they move firms. We are required to notify the Insolvency Service of any such changes within 7 days of receipt. It is also useful to receive information about any plans to leave firms, i.e. when IPs are working out a notice period, to enable us to take account of those changes in our visit and self certification plans.

If IPs move firms, they will either take their cases with them, have them all transferred to another IP, or have most of them transferred and remain in office on a few cases that are in the process of closing. In the event that cases are transferred en bloc, IPs should email to the above address an excel spreadsheet of the cases transferred and a copy of the court order. If any cases are not being transferred, we would be grateful for details of these also so that we may reconcile our bordereau database. If IPs have cases existing at two different firms, and/or with 2 different bond providers, we will need a separate bordereau return each month for each firm and/or bond holder, (even if they are nil returns), until the final case at that firm is closed.

IPs should also remember that as long as they remain in office, they remain responsible for ensuring that the cases are administered properly. If IPs would like further information on the extent that we would expect them to remain involved in cases left with a former firm, then assistance can be obtained by contacting our Regulation Team.

4.3 Case Selection for Self Certification & Inspection

We use the information obtained through IP profiling to inform the basis on which we select cases for self certification. In doing so, we consider the following factors:

- **Bordereau trends**

We maintain a record of the bordereau returns we receive. This is used to explore changing trends in an IP's work load; the number and types of cases they are managing and the rate at which they are closed. For example, if an IP who had previously taken on mostly corporate cases began to take on personal appointments (or vice versa), we would shift the focus of our self certification selections. We are also conscious of the risk that an IP who only takes on the odd one or two of a particular type of insolvency may be less skilled at administering those compared with his/her bread-and-butter work.

- **The IP's case portfolio**

Over a three year regulatory cycle, we aim to cover each of the case types handled by the IP by means of self certifications and cases reviewed on an inspection visit. This means that, if all other things are equal, an IP who administers cases of various types will be asked to submit more self certifications than an IP who specialises in just one or two. We also take account of IPs who have cases spread across different firms; this usually happens when an IP retains appointments after he/she has left a firm, but we do license a few IPs who work with more than one firm on an on-going basis. We select self certifications to explore the standards of practice at these different firms.

- **Self certification review**

Usually, a minimum of two cases previously selected for self certification will be reviewed on the following inspection visit.

- **Case progress reports**

The M&A Committee may require an IP to submit action plans, if it feels that case progression is an issue. Those action plans usually take the form of a quarterly schedule of all aged open cases with a sentence or two explaining why the case cannot yet be closed. We may select cases from these reports to test whether case progression has improved; we take particular note of cases where the explanation provided as to why closure is not yet possible has not changed from quarter to quarter.

- **Complaints**

We do not target cases that are the subject of complaints, but we do consider the events that gave rise to any disciplinary action and we may select a similar type of case to explore whether the issue is systemic or a one-off.

- **The firm's profile**

Although licences are individual and to an extent the IP's own skills and character will determine the quality of his/her work, usually IPs working in the same firm, or at the very least in the same office, will be using the same systems, procedures and templates and perhaps even the same staff.

Where this is seen to be the case (via previous inspection visits), we usually view the IPs as a "team" rather than as individuals with distinct practice standards that need to be reviewed and measured by self certifications. Consequently, if four self certifications seem appropriate for the IP team taking all their case portfolios into consideration, we will ask for four self certifications in total, rather than four from each IP.

- **Industry risks**

Some types of work simply bring greater risks. In general, Administrations, with regulators' focus still squarely on pre-packs and complex statute that seems to generate new case precedent by the month, are viewed as relatively high risk. Therefore, if an IP has any Administration appointments, he/she can expect at least one to be selected for self certification. IVAs also attract a relative degree of industry risk given the downward pressure on fees and costs exerted by some creditors, which brings with it the risk that some IPs may be tempted to cut costs in regulatory compliance.

4.4 Self-Certification Process

The self certification process was introduced in 2005 with the aims of providing a framework for IPs to demonstrate effective self-reviews and assisting the IPA in implementing a risk-based approach to regulation.

Self certification provides continuing assurance about conformity and in a way that encourages a positive approach to the issue on the part of IPs and their staff to identify where systems and procedures might be improved or where there have been shortcomings; and to take remedial steps and implement improvements and changes.

The disclosures made give us a useful indication of current standards of practice and how active an IP is in changing systems and processes to mitigate the risk that similar issues will occur in the future. Self certifications are generally requested in the year prior to an inspection visit.

In some circumstances, it may be beneficial for us to agree in advance when we plan to issue a self certification request, for example where you intend to seek the help of external consultants or internal compliance staff to complete the self certifications, or to time them in with requests to other IPA IPs within your practice. If you are with a firm that has a compliance team, you will probably find that a rough schedule is agreed at the start of each year with the compliance manager. If you are instructing external consultants to assist with the self certifications, the more notice you can provide to us of the time of their review visit, the better.

Number of cases selected

The number of self certifications requested from each IP varies considerably according to the IP's monitoring profile. The average number of cases is currently three, selected in accordance with the criteria detailed above.

What information is requested from you

Whilst we have not specified a particular format for self certification declarations, we have produced a template which IPs may find of assistance. This is supplied when we make a self certification request.

In a proportion of the cases selected for self certification (typically around 50%, depending upon the IPs risk profile) we will ask that the declarations are accompanied by the following supporting documentation:

- a copy of the first report (e.g. s.98 report in a CVL case or statement of proposals in an ADM case) and of the latest report to creditors with relevant attachments (including any notice of a meeting of creditors and proxy form issued);
- a summary of receipts and payments to date;
- the value of time spent on the case to date;
- a copy of the SIP16 disclosure, (where relevant); and
- for voluntary arrangements, copies of the proposal document and the nominee and chairman's reports.

The self certifications and supporting documentation may be returned to the IPA by post at the above address or by email to regulation@ipa.uk.com

Assistance with completing the self certification returns

In terms of the scope of the self certification, IPs may find the [IPA Checklist of Essential Facts and Technical Help Sheets](#) helpful. These are available on our website and are also reproduced in our Insolvency Practitioners' Handbook. Please note that the checklist and help sheets are intended to provide guidance only in respect of the IPs own review of the cases and that IPs are not required to detail in their self certifications each item identified in those documents.

Disclosure of departures from statutes or regulation

In making the self certification, you are expected to certify that:-

- you have reviewed your administration of each of the selected cases for conformity with the Insolvency Act 1986 and other insolvency legislation as well as other applicable statutes (referred to collectively as the Statutes) and relevant Statements of Insolvency Practice (SIPs) together with the regulations and ethics code issued by the IPA;
- you have listed in the self certification any matters where the statutes, SIPs, regulations and code have not been followed - errors, omissions and areas of concern or failings identified;
- you have provided in the self certification any explanations or details which you consider to be of relevance in the individual case and generally in any or all other cases;

- you have indicated any remedial steps taken or proposed to be taken (and the timescale for doing so) in relation to failures to follow the statutes, SIPs, regulations and/or code.

**The knowing provision of false or misleading information to the IPA
is a matter likely to lead to disciplinary action.**

Deadline for return of self certifications

You should return your self certifications within one month of the request being made. Given that the M&A Committee views seriously IPs' submission of honest and thorough self certifications, we are more than happy to allow IPs a reasonable time to complete the process; we also appreciate that you have a business to run. Therefore, if you feel you need more time than the standard one month to complete the self certifications, please contact the IPA to agree an extension.

Failing to respond to a self certification request and certainly to subsequent chasing letters likely will impact on your risk profile; our immediate reaction, on receiving silence from our request and chaser letters, is to worry that this may reflect the IP's standard of care in case administration.

Review of self certification returns

On receipt, our Regulation Officers review your disclosures. They may then simply acknowledge that the return has been received or point out issues for the IP to address ahead of the next visit or, if necessary, ask for further information or explanations.

Outcome of self certification process

Disclosure of departures within a self certification will not of itself give rise to disciplinary action by the IPA. However:

- We may refer matters to relevant committees for further consideration or disciplinary measures where we have concerns about the lack of any remedial steps taken or proposed to be taken in relation to failures to follow the statutes, SIPs, regulations and/or code;
- We expect IPs to take all such remedial steps as are necessary and capable of being taken to regularise the position so that those who have been deprived/denied by the transgressions are, so far as possible, put back in the position that they would have otherwise have been in, and to address any systemic issues; and

- For the purposes of enabling us to verify whether such remedial steps have been taken or proposed to be taken, we may require additional information and explanations in respect of the matters disclosed and generally, and the M&A Committee may order an accelerated or targeted inspection visit in order to obtain and/or verify such information and explanations.

4.5 Monitoring/Inspection Visits

Timing of visits

Routine visits operate on a three-year cycle. In accordance with the Principles for Monitoring, the IPA tries to ensure that a monitoring visit to new appointment takers is undertaken during the twelve to eighteen months following their first appointment.

This may not always be the case; for example if a monitoring visit has been scheduled to see other IPs at your firm, a new appointment taker may be included within the visit even if the number of appointments held is relatively small. Alternatively, your first visit may be postponed to coincide with a visit to the other IPs in your practice scheduled for the next cycle.

There are also exceptions to this; if a visit discloses matters of concern which need to be addressed sooner rather than later, the M&A Committee can request that your next routine monitoring visit be brought forward or that a targeted/focussed visit be undertaken. A targeted/focussed visit may only examine and review those issues which initially caused concern on the routine visit. Whilst the costs of a routine visit are included within the licence fees you pay, a targeted visit is one for which we expect you to bear the additional costs. A focussed visit takes a similar format to a targeted visit, but does not carry an additional cost to you.

Routine monitoring visits have an average duration of three days, but again, this varies depending upon the IP's circumstances. Targeted/focussed visits may be shorter as their remit is more limited.

Pre-visit

The IPA endeavours to provide as much notice as possible to IPs when scheduling visits. Typically 6-8 weeks' notice is provided and we will, wherever possible, work around IPs' existing holiday or other commitments. One of our inspectors will make an initial contact by telephone or email and the actual dates for the visit are arranged between the IP and the inspector. A confirmation letter is then dispatched along with our pre-visit questionnaire and our qualitative

issues. If the inspection is being held concurrently with another licence holder in the practice, we are happy for the IPs to submit a combined response.

Overview of the inspection process

Inspections are generally conducted by either one or two of our inspectors and you will generally be told in advance how many personnel to expect.

The inspection will commence with an opening meeting with you. You will be asked questions about your practice, the office systems used, complaint procedures, staff and their level of training, management of estate funds, case administration and generally the processes used. The purpose of the initial meeting is to gain an understanding of your business and procedures, your caseload and your professional background. We use this information to assist in planning the remainder of the actual visit and the subsequent report writing process.

A selection of your cases will then be reviewed. Unless the visit is targeted, you will normally have been advised a few days in advance of the cases selected for review. The selection will aim to reflect the range of case types and sizes administered by you and may include closed and open cases. Also, if you have undertaken a self-certification prior to the visit, a minimum of two cases identified for self certification will usually be selected and reviewed during the visit. If the firm has more than one office, we may also select a sample of cases administered at other locations or visit those offices. During the visit the inspector/inspection team may also ask to speak with your managers, case administrators and cashiers.

To ensure the smooth and expeditious running of the inspection, please provide the inspector/inspection team with a suitable space in which to work and ask your staff to extend their courtesy to them. The process is intended to be a collaborative and helpful one, for the IP and his/her team.

Some IP firms operate or are considering moving towards a 'paperless' office. On such inspection visits, it is important that the inspector is provided with suitable equipment, e.g. laptop, printer, to enable the inspector to review cases on the actual systems used by the IP and staff. IPs are asked not to print off the case files for the inspector's benefit – not only would this be time-consuming and costly for the IP but the inspector needs to be able to assess the effectiveness of the systems in use. The inspectors' experience to date is that visits to paperless offices may take longer than visits to firms with hard files. Consequently, IPs are asked to highlight to the inspector in advance of the visit where the IP operates a paperless approach so that appropriate time may be allocated.

Any queries arising from the cases selected or processes are usually dealt with as and when they arise during the visit. At the end of the visit the inspector/inspection team will then conduct a closing meeting with the IP and will discuss their main findings during the visit, both positive and negative. **The IP should make every effort to attend the closing meeting in person.**

Issues considered by the Inspectors

In advance of your visit, you will also be supplied with a schedule of qualitative issues identifying the matters to which our inspectors pay particular attention (in addition to the IP's compliance with Statute, the Code of Ethics and SIPs). The schedule lists some of the qualitative aspects of the work of practitioners which are likely to be examined during inspection visits. It is not intended to be definitive or comprehensive and is a summary which may be subject to updating and amendment.

It is not anticipated that all of the qualitative aspects summarised in the schedule will be addressed in depth during each inspection visit. Our approach to these issues during a visit will evolve over time and will reflect any current industry trends or practices that are considered to be of particular concern. You should also note that the qualitative aspects on which our inspectors may focus will vary in individual inspection visits and the emphasis of our inquiries may change between visits.

IPA Schedule of Qualitative Issues

1. Maintenance of records, including notes of strategies identified, advice given and key decisions taken

1. Focus on the extent to which IPs make file notes of significant decisions & events in cases, as a matter of good / standard professional practice and as a means of:-
 - demonstrating the strategy and risks identified, the priorities applied, the efficiency and the actual direction of the management of individual cases.
 - commercial reality of accepting appointments
 - recording departures from normal practice (e.g. decision not to advertise assets for sale)
 - providing evidence of the estimate made at the commencement of a case of the likely realisations, the strategy developed and the time taken to close it
 - reasons for trading at a loss in administration
2. Review notes and records (including those retained electronically) of significant meetings and telephone conversations.
3. Notes are sufficiently detailed and made contemporaneously.

2. The quality of communications with creditors and other stakeholders

1. Communications are clear, concise and in plain English. Membership of RPB clearly shown on the initial correspondence.
2. Procedure for handling complaints – check the quality of the procedure and speed of response.
3. Are complaints given prompt attention at a senior level?
4. Quality (and existence) of letters of advice following engagement meetings.
5. Quality of reporting to creditors (this will also be looked at in the desktop monitoring process).
6. Quality of communications with creditors, in terms of clarity/lack of jargon and promptness of response to enquiries.
7. The extent of consultation with creditors, for example before taking action to realise additional assets where the cost/ benefit is not clear cut.
8. Explanations given to creditors of the reasons for proposing to close a case.
9. Explanations to creditors of action taken to investigate directors' conduct, particularly in cases where concern has been expressed in this respect.
10. 'Bedside manner' (e.g. in dealing with bankrupts and their spouses, IVAs etc.).

3. Estate Funds – management of funds/ dividends paid

1. Evidence of and the accuracy of bank reconciliations.
2. The investment of estate funds (i.e. return achieved).
3. Dividends paid vs. assets realised.
4. The calculation of dividends (i.e. the method of calculation, correctness of admission of claims &/or of rejection).
5. The validity of claims admitted or rejected.
6. The claim amounts used in the calculation of dividends.
7. Commissions and inducements paid from a firm's internal accounts which we have the power to inspect under our Constitution.
8. 'Flexibility' in the valuation of goodwill on sales.
9. Apportionment of sales proceeds to favour particular creditors or groups.
10. The proportion of cases where no dividends are paid (also a desktop monitoring issue).
11. The extent of internal controls over e.g. the signing of cheques, bank transfers and posting of entries.

4. Case progression / unclosed cases, age analysis

1. Explanations may be sought:-
 - where cases are open longer than 'normal' (e.g. generally agreed 18 months max required for CVL).
 - where there are a large number of unclosed cases – why have they not been closed?
2. Consider:-
 - speed of recovery/disposal of chattels.
 - extent of asset recovery in relation to time spent (taking into account complexity of individual cases).
 - proactive action taken (e.g. telephoning, visits made to obtain information, locate assets).

5. Staff & systems support and control

1. The quality of staff within the firm.
2. The extent of staff training arranged with particular reference to CPE.
3. The overall caseload & resource available to deal with it.
4. The quality of systems in operation (i.e. that systems are in place and used, so as to enable the IP to operate on a fit & proper basis).
5. Check IP has systems to monitor ethical standards including conflicts of interest, independence, money laundering, terms of engagement, quality of team working on each case.
6. The level of control exercised over in-house and outsourced work.
7. The level of compliance awareness among staff.
8. The systems and controls in place to inform the IP of the extent of any losses incurred in trading under administration.
9. The extent to which there is a formalised protocol within the firm on matters to be delegated to staff and the extent of the authority of those to whom the licence holder has delegated work.
10. Conversely, confirmation that the licence holder sees and signs off case progress reports and deals with significant/ 'serious' matters personally.
11. The extent to which systems are in place to ensure that incoming and outgoing post is monitored by a responsible person.

6. Remuneration – fees charged vs. work done / dividends paid etc.

1. Authority obtained for remuneration drawn and that such authority was properly approved.
2. Fee rates & nature of costs charged and their justification in individual cases and in different types of insolvency work.
3. The quality of time spent on cases and the nature of costs passed on (as opposed to quantum, for example).
4. The amount of work actually done vs. what appears on the time sheet/ has been charged to the case.
5. The level of fees drawn pre & post appointments.
6. The level of professional fees in relation to original estimate / total costs / outcome.

7. Sources of work, phoenix operations, investigation of directors

1. The extent & nature of involvement pre appointment.
2. Appointment following advice given to directors. Any introductory fees paid?
3. Objectivity of advice given to debtor (e.g. re IVA route).
4. Sale of assets to directors / independent valuation agent used.
5. Submission of D returns – failure to submit or % of adverse reports submitted.
6. Correct & adequate proxies obtained for appointment. Any misuse of proxies?
7. Apportionment of sale proceeds to favour particular creditors.
8. 'Flexibility' in the valuation of goodwill in a sale.
9. Large numbers of cases with no assets.
10. Regular sources of work – any introductory fee paid.

8. Asset recovery – asset identification, realisation, value obtained

1. Check that all assets have been realised (or interests noted).
2. Was the best price obtained for the assets?
3. Compare the estimate made at the commencement of the case as to likely realisations, strategy and the time to closure with the outcome.
4. The extent of investigation of directors' conduct in relation to asset recovery.
5. Willingness of IP to litigate against directors in order to recover assets.
6. Finding hidden assets (e.g. assets not disclosed in statement of affairs) for the benefit of creditors; identifying inventive/ bespoke solutions in individual cases.

7. Examine the process followed in the sale of assets/ businesses.
8. Consider the extent to which creditors benefit from the proceeds of asset sales in administrations.

9. Particular issues re: IVAs & CVAs

1. The quality of advice given to the debtor pre appointment (particularly re options available).
2. The clarity and quality of information provided to debtors post appointment.
3. Extent of monitoring by supervisor.
4. Adherence to the terms of the agreement by the supervisor.
5. Volume of VAs supervised, number failed within 6-12 months and numbers continuing whilst in arrears.

After the visit

You will be provided with a copy of the inspectors' report within 15 working days of the visit end. There should be no major issues identified within the report which were not brought to your attention either during the visit or at the closing meeting. You are then provided 15 working days in which to submit a written response to the inspectors' report.

The inspectors' report plus your response will be placed before the next M&A Committee meeting. These meetings are normally held every six to eight weeks throughout the year. It is this committee which determines the impact of the information collected during the visit and is ultimately responsible for deciding whether the report is satisfactory, or if not, what regulatory action should be taken.

After the meeting, the minutes need to be agreed with the Chairman before the outcomes can be notified. So, depending upon the timing of your visit with the meeting calendar, you can expect to receive confirmation of the outcome of your visit 3-4 months from when the visit took place.

5. Membership & Authorisation Committee (M&A)

The Membership and Authorisation Committee (M&A) considers applications for, and makes recommendations to, Council for individual and firm membership. In its authorisation capacity, it has power to:

- To grant (with or without conditions) or reject applications for IP licences;
- To renew (with or without conditions), withdraw or suspend licences;

- To impose restrictions or prohibitions on licence holders;
- To issue warning letters about licence holders' and other members' future conduct;
- To inform the Investigation Committee of any matter which it considers appropriate for investigation as a disciplinary matter.
- To order a targeted inspection of a licence holder's practice

For these purposes, the Committee can require information and explanations from, and can call before it for examination, applicants, members and licence holders; and can review members' and licence holders' books, papers, documents and other records. The [M&A Committee Rules](#) set out its remit and powers, and the rights and responsibilities of members in relation to it.

IP licences are issued for a period of not more than one year ending 31 December and are renewable. All licence holders who take insolvency appointments are subject to inspection on a three-yearly cycle, undertaken by the IPA's inspectors.

The Committee is required to consist of not less than five:

- At least four IPA members; and
- At least one and no more than four lay members.

Meetings are held 7-8 times throughout the year and in addition to considering applications for membership of the IPA, the M&A Committee considers all inspection reports and any self-certification issues which are considered to warrant its attention.

Following its review of these reports, the M&A Committee may conclude the report to be satisfactory. If, however, it concludes that there are matters which should be followed up, it may request that we bring forward future visits or conduct further targeted visits. Additionally, it may request additional self-certifications of cases types where specific concerns have been encountered.

The M&A Committee will then issue an outcome letter informing the IP whether it was a satisfactory inspection or whether further action is necessary. M&A aims to ensure that its responses are proportionate and reasonable and wherever possible, will seek to highlight areas where the IP's practice could be improved.

Outcomes from M&A

Around three-quarters of the inspection reports it receives are considered satisfactory at their first consideration (although, suggestion for areas of potential improvements may still be made).

In the remainder, a variety of actions may be taken, ranging from requesting further information or explanations, issuing reminders and imposing additional CPE requirements to imposing licence restrictions or ultimately, the removal of a licence.

Even where a report is considered satisfactory, M&A's outcome letters very often make recommendations regarding areas of potential improvement, even when the outcome of the visit is considered satisfactory, and does so in around 30% of cases. These suggested improvements are not necessarily intended as direct criticisms of the IP, rather constructive comments about areas where improvements could or should be made to ensure the highest standards of practice are maintained by our members.

The M&A committee places considerable weight on the self certification process and expects practitioners to be honest and thorough in their approach. A consistent failure to make any adverse self certification disclosures is likely to be a cause for concern.

It also anticipates that IPs will take a constructive approach in their responses to reports. During 2012, the most commonly encountered areas of concern for M&A in considering inspection reports were:

- minor incidents and/or multiple errors, (each approx. 20% of reports);
- poor case progression (occurring in approx. 18% of reports considered);
- breaches of SIPs 7, 9 or 3 (17%, 15% and 14% of reports considered, respectively);
- bonding deficiencies (13%).

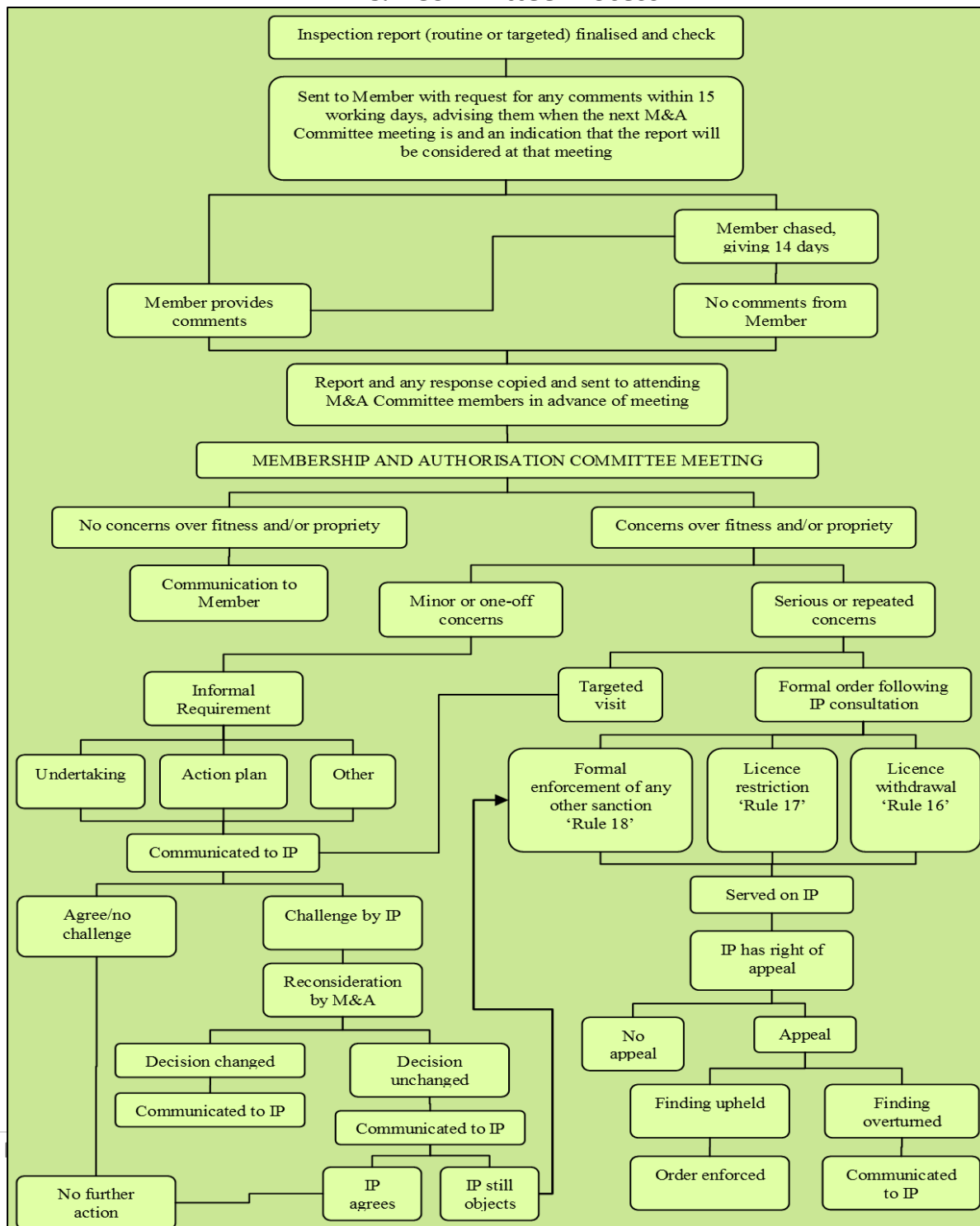
[It should be noted that inspection reports will cover a variable number of cases, so these percentages do not represent the proportion of total cases where these issues were identified, which will be significantly lower.]

When M&A imposes the ultimate sanction of withdrawing a practitioner's licence, this is published in the [Regulatory Notices](#) page of our website, and elsewhere at the IPA's discretion. Other regulatory actions imposed, such as reminders or additional CPE requirements are not publicised.

A new system of centralised publication of Regulatory Notices will shortly come into effect, whereby the notices relating to all IPs will be published on the Insolvency Service website.

In the year following the inspection visit, you will receive a letter from the M&A committee requesting confirmation that those matters identified during the previous year’s inspection visit (if any) have been addressed.

M&A Committee Process



6. Complaints Process

Information for practitioners

The IPA is committed to promoting and maintaining the standards of professional conduct of its authorised IPs, and will carry out a full investigation of any complaints about their professional conduct and of any information about unprofessional, unethical, improper or unfair practices.

There is an Insolvency Guidance Paper (IGP) for practitioners on [Dealing with Complaints](#). This notes that the following steps are generally appropriate upon receipt by an IP of a complaint:

- A complaint should be acknowledged promptly;
- The IP should ascertain the background facts as quickly as possible and seek additional information from the complainant as required;
- If the IP concludes that a complaint is unjustified, the complainant should be provided with a full and clear explanation of the reasons for that conclusion;
- If an error has been made, the IP should rectify the error promptly and offer an apology;
- The complainant should always be notified that a complaint can be referred to the IP's authorising body at any time.

The complainant should be kept aware of the steps that are being taken by the IP to review and respond to the complaint, the likely timetable for the response and the reasons for any delay.

The IGP also note that when responding to a complaint, an IP should provide where appropriate a clear explanation of the matters affecting the duties of an office holder, including the relevant legislation.

More generally, it notes that an IP should consider:

- The desirability of establishing a formal complaints procedure within the firm, set out in writing, which can be communicated to complainants;
- Whether complaints should be reviewed by another principal in the firm (where possible) or by an independent practitioner; and
- Early resolution of complaints by telephone conversations and meetings.

Information to complainants

A new system was implemented in 2013 whereby all complaints are initially directed via a gateway operated by the Insolvency Service, which will then forward those that merit further consideration to the appropriate RPB.

Details of how to make a complaint and how it will be dealt with can be found at:

[Complaints Process 2013](#). A guidance leaflet for complainants is also available at: [Complaints Leaflet](#).

A further leaflet is available in relation to complaints about the advice received from an IP or his/her firm when entering into an IVA: [Information relating to consumer indebtedness complaints](#) [note: this leaflet is currently being revised as at the date of publication of this Guide to take account of changes to the Consumer Credit Licensing regime.]

What happens when we receive a complaint

When a complaint is received by us, it is initially assessed to determine whether the complaint, in whole or in part, raises grounds for us to commence a disciplinary investigation. This process will continue under the new complaints gateway, save that some initial filtering will have been conducted by the Insolvency Service.

We aim to provide a response to complainants within 10 days of receipt of their complaint, which outlines those aspects of the complaint that we intend to investigate and those aspects that cannot be dealt with by the IPA. Complainants may be asked to clarify certain issues or to provide documentary evidence before a decision can be made as to whether the IPA should investigate. A significant number of complaints we receive do not proceed past this stage as the complaint was not within our remit to investigate. Complaints are commonly made about the law itself or relate to matters where the proper recourse for the complainant in respect of the office holders actions is via the Courts, pursuant to the Insolvency Act 1986. The IP may be unaware of the complaint at this stage as we do not notify the IP unless we make a decision to investigate further.

Investigation and report by a Regulation Officer (RO)

Once a decision has been made to investigate, a Regulation Officer (RO) will commence an investigation. Usually, the first stage of an investigation is to send a copy of the complaint to the IP for his/her comments following which he/she will be asked to provide any additional information and documents from his case files that we consider need to be inspected. If the IP refuses to cooperate with an investigation, this can form the basis of a separate complaint.

The RO will keep the complainant informed of progress and may paraphrase any explanation that you have provided. Your response to the allegation(s) should be made primarily for the purpose of facilitating our investigation, and in due course the consideration of the complaint by the Investigation Committee. You should endeavour to address the complainant's concerns as fully as possible. In the interests of transparency, your reply to this letter (and, should we deem it appropriate, relevant attachments to your letter also) will ordinarily be provided to the complainant. We will not routinely provide the complainant with further items of correspondence during the course of our enquiries, but we reserve the right to do so where we consider it necessary to establish the facts and for the proper performance of our regulatory role. Where there are compelling and exceptional reasons for confidentiality (e.g. where disclosure would conflict with a legal or professional obligation), you should advise us in your reply; we will then consider whether and if so in what terms we may share all or part of the response. Your attention is drawn to the Association's guidance note on transparency and confidentiality; this can be found in the IPA's Insolvency Practitioners' Handbook and on our website

In order to be able to process complaints as quickly as possible we rely on IPA members and complainants to give their time to the case and answer fully and as promptly as possible our correspondence. We ask for a response to letters within a reasonable time, generally 15 business days, but ask IPA members to let us know if this is not possible.

The time it will take to investigate a complaint will vary and will depend on the complexity of the case, whether we need to contact witnesses and the number of cases we are dealing with at the time. We aim to have substantially completed the investigation stage within six months. . . IPs and complainants can expect to receive details of the progress of the investigation on a quarterly basis and when the investigation has concluded, the parties are provided with an outline of the RO's preliminary findings and are given the opportunity to adduce any further information or evidence before the complaint is referred to the IC.

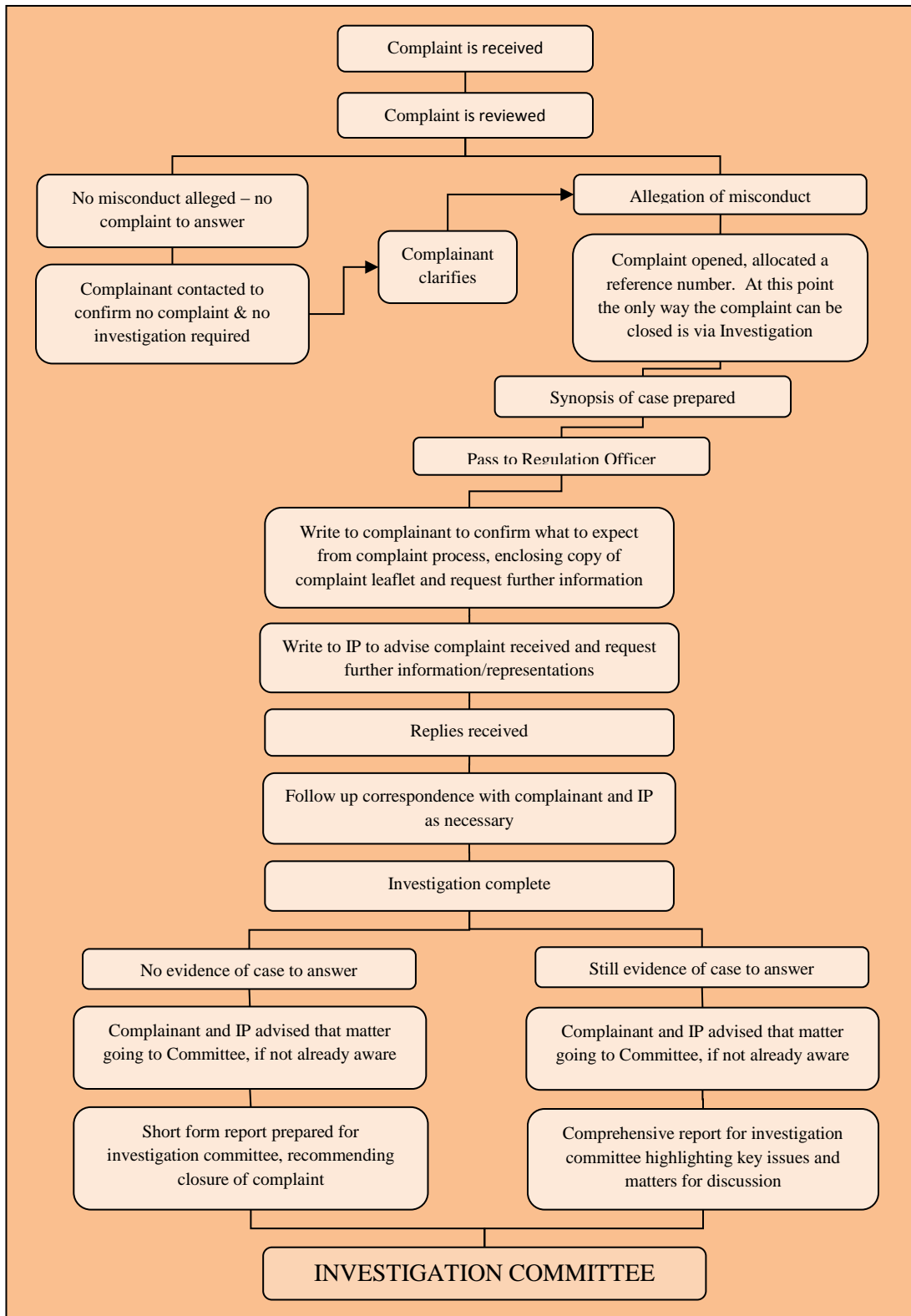
If the investigation finds no evidence of a case to answer, the parties are notified accordingly and a recommendation will be made to the IC in a short form of report that the case be closed with no further action. If the investigation produces evidence that there may be a case to answer, the Regulation Officer will produce a comprehensive report for consideration by IC. Neither you nor the complainant receives this report, although it is largely factual, based upon the documents and explanations you have provided and will be accompanied by them.

Complaints are often received from parties with little knowledge about insolvency law or practice. In preparing a report, one of the primary tasks of the RO is to examine the basis of the complaint and frame it with reference to possible breaches of statute, regulation or guidance in

a more formalised form. The IP will be notified of the terms of the allegations prior to the matter being considered by the IC and given an opportunity to respond to them.

The RO's report will be reviewed by the IC when it next meets in order to make a determination of whether the allegations are proven and conduct complained of amounts to a prima facie case of misconduct. The IC meets every 6-8 weeks and the IP and complainant will be advised when the case is to be considered.

Complaints Process



7. Investigation Committee (IC)

The IC is responsible for the investigation of complaints made against members by the general public or by other members, or of matters notified to it by the M&A Committee. It receives the investigation reports prepared by the ROs and reaches a determination as to whether a prima facie case of misconduct is made out.

The Investigation Committee Rules and Regulations set out its remit and powers, and the rights and responsibilities of members in relation to it. These provide that the IC has powers, in the event that a prima facie case is made out:

- To issue a warning letter about the member's future conduct;
- To invite the member to consent to an order by which he/she is severely reprimanded or reprimanded with or without a fine and costs and/or provide an undertaking as to remedial action;
- Where the member declines a consent order, to refer the complaint to the Disciplinary Committee;
- Where it bears on whether the member is fit and proper to continue to be licensed, to refer the matter to the M&A Committee;
- To take no further action.

If the IC finds that no prima facie complaint has been made out, it is dismissed, subject to the complainant being entitled to ask for the matter to be referred to the Reviewer of Complaints (RoC).

Where the IC is of the view that the member's practice management and performance is inefficient, it may require the member to obtain advice on his/her practice.

For the purposes of carrying out its investigations, the IC can require information and explanations from the member as well as his/her books, papers and records; and is required to consider representations from the member.

The IC is required to consist of not less than five:

- At least four IPA members; and
- At least five lay members.

As with the M&A Committee, the IC meets 10 times per year.

Outcomes from IC

In around two thirds of cases, the IC determines that there is no case for the IP to answer. In the remainder, they may determine that a reminder or informal warning is appropriate or, if the matter is more serious, that reprimand or severe reprimand may be warranted. A reprimand (of either type) may be accompanied by a fine and/or the imposition of an award for costs.

The IP is then invited to accept the IC's determination, by consent, or if necessary make further representations. If the practitioner declines to consent to the determination, then the matter will proceed to the Disciplinary Committee (DC). IPs should be aware that whilst the IC's determination represents what it considers would be the outcome were the matter to proceed to a full disciplinary hearing, the DC remains at liberty to impose a different sanction, where it considers it appropriate. If the IC considers the matter to be too serious for it to be dealt with by consent, it may refer the matter directly to the DC.

The complainant receives notification of the outcome of matter once the IC has determined there is no case to answer or once the IP has consented to the IC's determination. Where no case has been found, the complainant can request that this determination be reviewed by the RoC (an independent QC). Where the matter is to proceed to a Disciplinary Tribunal, the complainant is not notified of an outcome until those proceedings have been concluded. Where the IC or DC concludes that there is a case to answer, the complainant has no right to appeal or seek a review of its findings (other than by way of Judicial Review).

The sanctions imposed and levels of fines and costs sought are currently subject to the application of our internal precedents. This ensures the like-for-like treatment of comparable cases. Regulatory outcomes (reprimands, severe reprimands and awards of fines and costs) are published on the public area of our website and in our quarterly magazine, *Insolvency Practitioner*.

Changes to the complaints process

Following a report by the Office of Fair Trading into (amongst other matters) the manner in which complaints against IPs are handled, steps are being taken to improve the transparency of the process for complainants and to ensure a greater consistency of outcomes as between the RPBs. These changes came into effect in June 2013.

The changes take the following form (although some of these measures are being introduced before others, and some may apply to certain RPBs before they become uniform across the whole profession):

- **Single gateway for complaints**

The Insolvency Service acts as a single entry point for complainants, providing guidance on the complaints process and filtering complaints that are in fact perhaps merely requests for information (e.g. about creditors' rights). They will then direct the complaint to the appropriate RPB. This will enhance accessibility and enable the Service to count the complaints in and out.

- **Common sanctions guidance**

To ensure greater consistency of complaints outcomes, the RPBs have agreed a common set of sanctions guidance to be applied by the Regulatory Committees in cases where a complaint is found to have been proven.

- **Common reviewer of complaints**

The RoC is used where the regulatory committee of first instance (in the IPA's case, the IC) has found there to be no case to answer and the complainant seeks a review of this decision. The RPBs have agreed that they will use the same panel for this process.

- **Joint chair of appeal committees**

The role and function of the IPA's Appeal Committee is explained below. The other RPBs have similar committees and it has been agreed that they will work towards a common Chairperson.

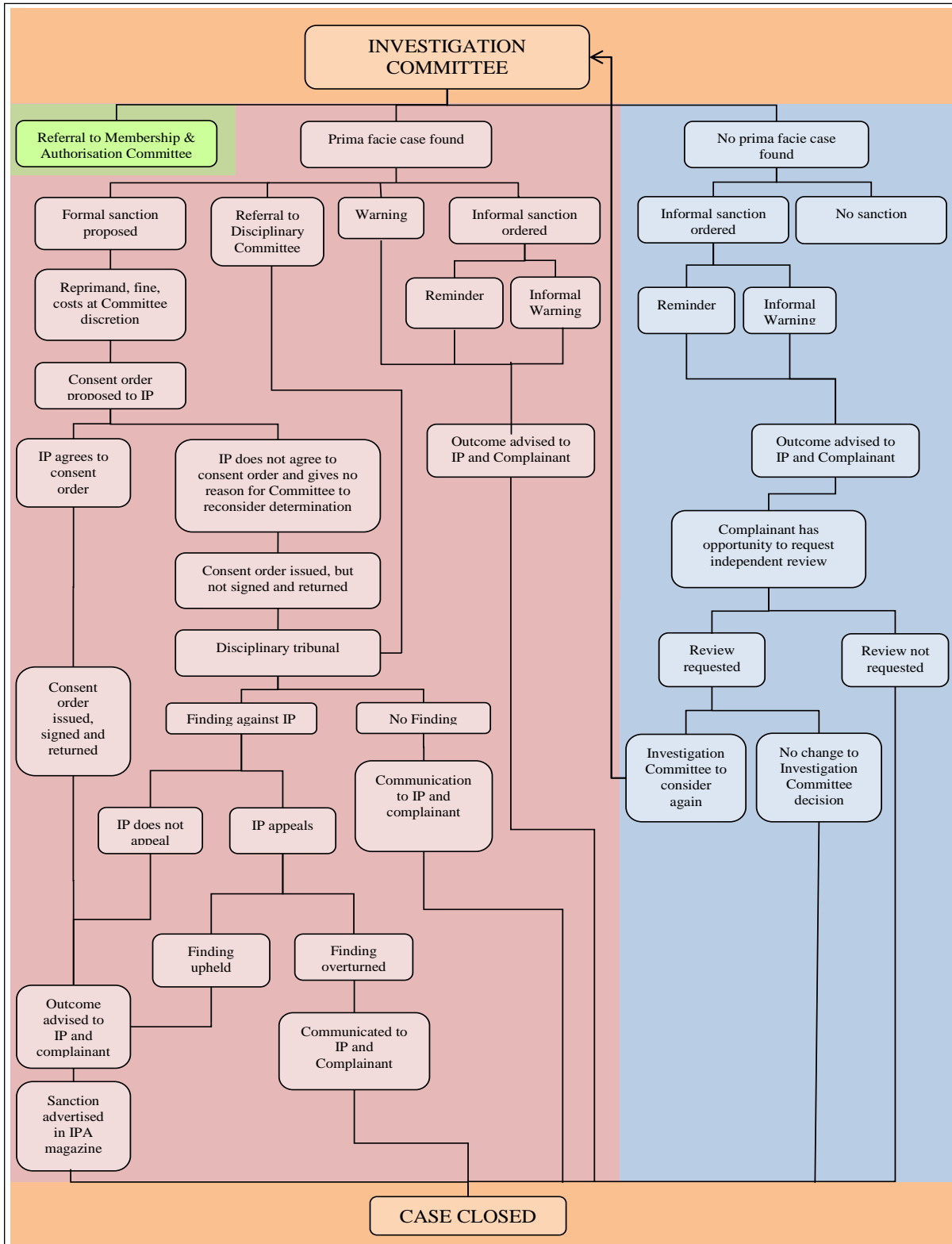
- **Publicity on Insolvency Service website**

Our Regulatory Notices are published on our website and in our quarterly magazine. The other RPBs have similar processes. In order to improve transparency about the process and its outcomes, the notices of all of the RPBs will be published together on the Insolvency Service website, once the changes come into force.

- **Complaints about fees**

We are considering with the Insolvency Service and other RPBs how it may be possible to accommodate complaints about fees within the complaints process. The Service will apply some barriers to complainants (e.g. where time limits under the 2010 Insolvency Rules changes have expired) and generally the RPBs will look at fees issues in the context of conduct rather than quantum. A review of IP fees has been commissioned by the Insolvency Service and it is unlikely that significant developments will be made until the outcome of that review has been published.

IC Committee Process



8. Other Regulatory Committees

8.1 Disciplinary Committee (and Disciplinary Tribunal)

The Disciplinary Committee (DC) considers complaints referred to it by the IC where the member (including a student member) has declined a consent order or for other reasons the IC consider it appropriate to refer the matter. It is required to consist of not less than seven members:

- At least five IPA members; and
- At least two lay members.

It does not meet regularly, but on an ad hoc basis.

When a matter is referred to DC, the Committee Chairman or Vice-Chairman of DC is required to appoint a Tribunal to hear the complaint. The Disciplinary Tribunal must consist of not less than three DC members, of whom one must be a Lay Member and a Chairman of the Tribunal must also be appointed. No member or former member of the Investigation Committee who has been concerned with the complaint which is the subject of the Hearing is eligible for appointment as a member of the Tribunal. Disciplinary Tribunal hearings are held in public.

The Disciplinary Committee Rules set out the Tribunal's remit and powers and the rights and responsibilities of members in relation to it. It has powers in relation to a member in the event of finding the complaint is proved in whole or in part:

- To exclude or suspend from membership;
- To revoke a licence and direct that he/she be ineligible for a licence for a specified period;
- To issue a severe reprimand or reprimand;
- To impose a fine;
- To require the payment of costs;
- To require an undertaking as to remedial action;
- To take no further action.

The Tribunal may also direct that the Member obtains advice in relation to his competence, practice management or health and undertakes training.

8.2 Appeal Committee (and Appeal Tribunal)

The Appeal Committee (AC) hears appeals against findings or orders of a Disciplinary Tribunal and decisions and orders of the M&A Committee; and the AC Rules provide it with powers to affirm, vary or rescind them.

AC is required to consist of not less than eight members:

- At least four IPA members; and
- At least four lay members.

As with DC, AC only meets as and when required.

When a notice of appeal is received, Council (acting by any two of the President, the Vice-President and the Immediate Past President) must appoint a Chairman of an Appeal Tribunal (who shall be a retired Judge, or a barrister or solicitor of not less than ten years' standing who is not also a member of the IPA) to hear the appeal. The Chairman must then appoint a Tribunal consisting of four additional persons to be chosen from the Appeal Committee; comprising two lay members and two individual members. Appeal Tribunal hearings are held in public.

No serving member of any other Committee of the IPA, nor former member of the Investigation Committee or Disciplinary Committee who has been concerned with the complaint which is the subject of the appeal, is eligible for appointment as a member of the Tribunal.

9. Beyond Regulation

In addition to our regulatory activities, the IPA supports its members in their work through a broad spectrum of activities:

9.1 Education & Training

Joint Insolvency Examination

We are one of the entry bodies for the Joint Insolvency Examination (JIE), a degree standard qualification which is required for those who wish to become an IP. Over 160 of our student members sat the JIE examination via the IPA in 2013.

CPI / CPPI / CPCI Examinations

The IPA has developed and administers the Certificate of Proficiency in Insolvency (CPI), the Certificate of Proficiency in Personal Insolvency (CPPI) and the Certificate of Proficiency in Corporate Insolvency (CPCI) examinations, aimed at those involved in insolvency administration

or insolvency related work, leading to a qualification which is recognised throughout the insolvency profession and now more widely in related fields of work. They are set at a level equivalent to an A-level.

Provision for students

We support our students in their efforts to progress their careers with networking events and courses: the [CPI+](#) course is a short skills based course for those who have successfully completed the CPI, CPPI or CPCI.

Roadshows and Conferences

We hold an [Annual Members Conference](#) in April each year and a [Personal Insolvency Conference](#) in December at which we examine current technical and regulatory issues. We also hold half-day [Regional Roadshows](#) around the country to broaden the reach of our conference provision and provide a forum for discussion of regulatory, procedural and practice issues.

9.2 Member Services

Membership

We endeavour to support the work of our 2,000+ individual and firm members and students with a broad spectrum of provision, appropriate to their membership type and stage of their career. We have recently widened access to affiliate membership (AIPA) and introduced a new category of affiliate firm membership for those practices, businesses and organisations which are involved in insolvency related work. Member firms receive discounts on our events and courses. Members are subject to our [membership criteria](#).

Publications

We publish the quarterly [Insolvency Practitioner Newsletter](#), focussed on current issues and developments in the IPA and the profession. We also publish an annual Insolvency Practitioners' Handbook, which draws together the Ethics Code, SIPs and other regulatory guidance to which our IPs are expected to adhere into one convenient volume (an electronic copy of which is included on the disc which accompanies this Guide).

Resources

Our website, www.insolvency-practitioners.org.uk incorporates a members' area in which IPs can access a variety of resources, including our publications, professional guidance, regulatory notices and links to other relevant organisations. You will also find there an online-learning platform developed by the Insolvency Practitioners Association, called The Excellent IP. This was developed to meet the training needs of our IP's. We also publish [Technical Help Sheets](#) to assist our practitioners in the performance of their functions, which can be found on our website and within the Insolvency Practitioners' Handbook.

Events

In addition to our conferences and training provision, we organise or support a number of networking events each year for insolvency professionals, including our Annual lecture, providing an opportunity for our members to meet and exchange their views.

9.3 Council, Committees and the Secretariat

Council

Council is responsible for directing policy and strategy and setting business and financial plans and programmes. It also approves the IPA's Annual Report and Accounts, subscriptions and licensing fees and applications for membership; and it appoints committees through which the detailed work of developing and putting forward proposals and implementing its decisions is undertaken; it also appoints committees to consider membership, licensing and disciplinary matters, but Council members are not permitted to sit on those committees. Council usually meets five times a year.

Council Members

Council consists of 16 elected individual members; elected at Annual General Meetings for a term of four years. Each year one-quarter of those elected retire by rotation, but may be re-elected for one further term. Council may also co-opt up to seven further members, who serve for a term, determined by Council, of up to four years.

Each year, Council selects a future President from serving Council members via a ballot process. The elected person then serves for one year as Deputy Vice-President, before taking office the following year as Vice-President, then the year after as President. The immediate past-President remains on Council for the year following his presidency and then must retire from Council for at least one year. A list of our past Presidents is available on our website.

Committees

Committees are established by Council, which appoints Committee chairmen and members. Committee members are not subject to any fixed term of appointment, but those on regulatory committees may serve for a period of no more than six years.

Regulatory Committees oversee licensing and the monitoring and investigation of our members' conduct. The principal Regulatory Committees are Membership & Authorisation (M&A) and Investigation (IC), supported by Disciplinary (DC) and Appeal (AC) committees. The work of these committees is detailed above. Council members may not sit on a regulatory Committee.

Non-Regulatory Committees direct the other aspects of our operation as a members' organisation:

- **Constitution Committee** has oversight of the [IPA's Constitutional Documents](#) (its Memorandum and Articles of Association), together with its various Committee Rules; and recommends to Council any necessary or appropriate changes to them.
- **Finance & General Purposes Committee** is responsible for preparing annual budgets and making recommendations to Council on subscriptions and fees; for monitoring in-year spending and submitting for approval to Council the IPA's Annual Accounts.
- **Practice Guidance, Ethics and Standards Committee** deals with practice, ethics and standards issues (including approval of SIPs), and is responsible for overseeing advice to members on an individual basis through the ethics helpline.
- **Examinations & Training Committee** is responsible for advising Council on regulations relating to student members; for arrangements in relation to setting, holding and marking the IPA's CPI and CPPI examinations; for liaising with the Joint Insolvency Examination Board in relation to the JIE; and for oversight of provisions for training and development of student and other members.
- **Member Services Committee** provides advice and recommendations to Council on presentational and public relations issues, including communications with Members, and oversees the development of the IPA website and the publications. It also considers new initiatives for members.
- **Corporate Consultation Committee** prepares responses upon the behalf of the IPA to government consultations on proposals for corporate insolvency legislation, regulation and reform.
- **Personal Insolvency Committee** promotes the IPA's involvement in developments within the personal insolvency and debt management sectors and also prepares responses upon the behalf of the IPA to related government consultations. This committee also provides a link with the IVA Standing Committee on which the IPA is represented.

Our practitioner committee members are volunteers who give up their time freely to improve and promote the industry in which they work. Our regulatory committees also include suitably experienced lay membership, to ensure that they adopt a balanced and not overly practitioner-centric approach.

The Secretariat

The work of the Committees is supported by the IPA's permanent Secretariat, consisting of over 20 staff. This provides our members with continuity of administration and ensures the smooth running of our membership and regulatory operations.

Our CEO, **David Kerr**, is supported by teams divided into Membership & Student Services, Regulatory Operations & Monitoring and Regulatory Standards & Support.

Richard Allsop heads our membership team, which deals with applications for general or student membership, examination entries, course bookings and member resources. Our Membership and Student secretaries will be well known to our members, having served for 17 and 13 years, respectively.

Andrew Kerr heads our regulatory operations, which includes a team of four Regulation Officers and five support staff, who between them review the self-certification submissions and complaints and prepare reports for consideration by the Investigation and Membership & Authorisation committees.

Alison Curry heads our regulatory standards and related support functions, including our ethical and regulatory helpline, which is manned by JIE-qualified staff and is free to members.

Our four Inspectors conduct monitoring visits and produce reports on their outcomes. Our senior monitoring manager is Shelley Bullman, who liaises with firm's central compliance personnel regarding the timing of self-certification requests and visits.

10. Contact Us

If you have any questions about any of the material contained in this guide, please do not hesitate to contact us:

WHO?	WHAT FOR?	HOW?	
David Kerr <i>Chief Executive</i>	General and press enquiries, policy and regulatory reform	dak@ipa.uk.com	020 7397 6404
Andrew Kerr <i>Head of Regulation Operations</i>	Complaints made against you, or complaints against other members	andrewk@ipa.uk.com	020 7397 6408
Alison Curry <i>Head of Regulation and Standards</i>	Queries about ethics and SIPs, regulatory guidance and standards	alisonc@ipa.uk.com	020 7397 6407
Richard Allsop <i>Business Support Manager</i>	Member services and events, including conferences and road-shows	richarda@ipa.uk.com	020 7397 6432
Shelley Bullman <i>Senior Monitoring Manager</i>	Inspection visit planning and monitoring queries	shelleyb@ipa.uk.com	07803 004557
Maria Weemes <i>Student Officer and Authorisation Secretary</i>	Licence and student applications, exam entries, and change notifications	mariaw@ipa.uk.com	020 7397 6400
Jo Burns <i>Senior Member Liaison</i>	Other regulatory queries re: self-certifications, visits and other monitoring matters	joannb@ipa.uk.com	020 7397 6439

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11. Glossary of Abbreviations

AC	Appeal Committee
Code	Ethics Code for Members
CPI	Certificate of Proficiency in Insolvency
CPPI	Certificate of Proficiency in Personal Insolvency
DC	Disciplinary Committee
IC	Investigation Committee
IGP	Insolvency Guidance Paper
IP	Insolvency Practitioner
IS	The Insolvency Service
JIC	Joint Insolvency Committee
JIE	Joint Insolvency Examination
M&A	Membership & Authorisation Committee
PII	Professional Indemnity Insurance
RO	Regulation Officer
RPB	Recognised Professional Body
SIP	Statement of Insolvency Practice

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User Instructions

You must send us your bordereau data each month. You are not required to use the attached template, but it assists us greatly if you do. **If you have more than one bond (e.g. because you have cases with more than one practice) you need to complete a separate sheet for each bond provider you use.**

For the convenience of our practitioners, this spreadsheet has been designed to follow the format of the IPS system. IPS users can easily export their bordereau data to excel and the columns will appear in the same order as appear in this template, enabling you to simply copy it to this template. **If you or your cashier are unclear how to use this spreadsheet, we will be happy to help you.**

If you are completing the spreadsheet manually, or by exporting data from another case management system, please note that not all of the data is mandatory. The list below indicates which fields are required and which are optional. Optional [grey] fields need not be completed unless it is more convenient for you to do so. **Fields shown in red MUST be completed in every case, and those shown in orange MUST be completed, where applicable.**

Please take particular care to complete the JointType field correctly. We use this information to select cases for your Self Certification. We do not select cases where the Office Holder is not the lead or joint lead practitioner. If this field is not completed, or completed incorrectly, we may not be able to select cases appropriately, which will cause administrative inconvenience to both your practice and to our Self Certification team.

To ensure the consistency and uniformity in the data we receive, some of the fields have been restricted so that you may only enter one of the values contained in the drop down list. We have indicated below where a field is "list limited", and details of the values that may be entered can be found on the next page.

Field Name	Description	Required / Optional	List Limited	Notes
Nominee	Name of IP	Required	NO	Please ensure the IP's full name is provided.
EntryType	Whether the case is an addition, increase of penalty or a release.	Optional	YES	List limited. See attached "Codes" for further information.
EntryDate	Date entered onto IPS	Optional	NO	May also be used to indicate the date of an increase in cover.
CaseCode	IPS case code	Optional	NO	
CaseName	Name of Case	Required	NO	Please endeavour to use the same format as previously used for that case. e.g. where increasing a penalty or moving from Administration to CVL.
AppDate	Date of appointment	Required	NO	
CourtRef	Court number (where applicable)	Required, where applicable	NO	Please use in bankruptcy and compulsory liquidation cases.
OrigDec	Date of original bond submission	Required, where applicable	NO	Use when increasing or releasing an existing bond.

NatApp	Nature of appointment (e.g. Liquidator, Trustee, Supervisor)	Required	YES	List limited. See attached "Codes" for further information.
AppType	Type of insolvency proceedings	Required	YES	List limited. See attached "Codes" for further information.
SARef	Statement of Affairs reference	Optional	NO	
AuthBody	Practitioner's authorising body	Optional	No	The default value is Insolvency Practitioners Association
SpecPen	The specific penalty band in which the case has been bonded	Required	NO	
Prem	The premium paid	Optional	NO	
ReleaseDate	Release date (where applicable)	Required, where applicable	NO	Failing to complete this field, where it applies, will result in the case remaining open on our system. This may adversely affect your risk profile.
JointType	Where a sole or joint appointment, and if joint, whether the lead IP.	Required	YES	See attached "Codes" for further information on how to complete this field. Failing to correctly complete this field may result in inappropriate selection of cases for Self Certification.
Comments	Comments from IPS	Optional	NO	
Name of Surety	Name of bond provider	Required	NO	Bond reference will suffice.
Job Code	Internal job code	Optional	NO	

Your completed sheet should be sent to: bordereau@ipa.uk.com

If you require any assistance with the completion of the spreadsheet or the submission of your return, please contact Hillary Smith: **020 7397 6409** / hillarys@ipa.uk.com

List Limited Fields

Please use the following descriptions and codes in the indicated fields:

Entry Type

Addition
Increase (in penalty/premium)
Release

Field: **EntryType**
ADD
INC
REL

Nature of Appointment:

Administration
Administrative Receivership
Voluntary or Compulsory Liquidation
IVA / CVA / PVA
IVA / CVA / PVA
Bankruptcy
Sequestration
Protected Trust Deed
Provisional Liquidator
Receivership (Scotland)

Field: **NatApp**
Administrator
Administrative Receive
Liquidator
Nominee
Supervisor
Trustee in Bankruptcy
Permanent Trustee
Trustee
Provisional Liquidator
Receiver

Appointment Type:

Administration
Administrative Receivership
Company Voluntary Arrangement
Compulsory Winding Up
Creditors Voluntary Liquidation
Members Voluntary Liquidation
Partnership Voluntary Liquidation
Partnership Voluntary Arrangement
Bankruptcy
Individual Voluntary Arrangement
Sequestration
Protected Trust Deed
Receivership (Scotland)

Field: **AppType**
ADM
ADR
CVA
WUC
CVL
MVL
PVL
PVA
BKY
IVA
SEQ
PTD
REC

Sole/Joint:

Sole Appointment
Joint Appointment (No Lead IP / Shared primary responsibility)
Joint Appointment (Lead IP with primary responsibility)
Joint Appointment (2nd IP)
Joint Appointment (3rd IP)
Joint Appointment (4th IP)
Joint Appointment (5th IP)

Field: **JointType**
S
J
J(1)
J(2)
J(3)
J(4)
J(5)

N.B. 2nd, 3rd, 4th and 5th IP appointments will not generally be selected for Self Certification or Inspection purposes.