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INTRODUCTION

The ICAS Investigation Committee is pleased to publish its third public annual report in summary of its work over the preceding year. It sets out information on the complaints received, investigated and determined by ICAS in 2017, summarising outcomes and timescales.

Our aims:
• Improve understanding of our complaints process.
• Promote confidence that matters of concern are dealt with appropriately.
• Increase transparency.

Want to know more?
• Go to icas.com and search for ‘complaints’.
• Speak to the Investigations Team on +44 (0)131 347 0271.
• Email complaints@icas.com

BACKGROUND

What we do
Consider allegations that there has been a failure to meet the standards reasonably expected of our Members, Firms, CA Student Members, or Affiliates.

Who does it
ICAS’ Investigation Committee is responsible for assessing complaints. It is made up of an even mix of Chartered Accountants and Public Interest Members. The Committee is supported by employees in the Investigations Department, including CAs and solicitors.

How we do it
Complaints are investigated through a process set out in ICAS’ Investigation Regulations, which are supported by a range of guidance documents. Full information on the process is available on icas.com
While 2017 saw a decrease in numbers, recent history suggests there are no clear trends with complaints, meaning it is impossible to say what 2018 will bring.

As ever, the number of complaints is proportionately very low, with approximately one complaint for every 300 Members.
The 62 complaints we received in 2017 can be generally broken down as follows:

<table>
<thead>
<tr>
<th>Subject of complaint</th>
<th>Basis of complaint</th>
<th>Area of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member in practice</td>
<td>Conduct (48)</td>
<td>General Practice (22)</td>
</tr>
<tr>
<td>Non-practicing Member/Member in business</td>
<td>Competence (14)</td>
<td>Insolvency (12)</td>
</tr>
<tr>
<td>Firm</td>
<td></td>
<td>Business (7)</td>
</tr>
<tr>
<td>Affiliate</td>
<td></td>
<td>Regulatory (7)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tax (7)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Audit (4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other (3)</td>
</tr>
<tr>
<td>Client or ex-client</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICAS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditor/debtor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other accountant</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The complaints were distributed as follows:

- Member in practice: 15 complaints (16%)
- Non-practicing Member/Member in business: 7 complaints (8%)
- Firm: 3 complaints (3%)
- Affiliate: 1 complaint (1%)
- Client or ex-client: 16 complaints (20%)
- ICAS: 15 complaints (19%)
- Other: 13 complaints (21%)
- Creditor/debtor: 9 complaints (14%)
- Other accountant: 9 complaints (14%)
- Conduct: 48 complaints (77%)
- Competence: 14 complaints (23%)
THE COMPLAINTS WE DETERMINED

THE NUMBER OF INVESTIGATIONS CONCLUDED BY ICAS IN 2017

INVESTIGATIONS CONCLUDED 2013 - 2017

68

2013 2014 2015 2016 2017
100 90 80 70 60 50

12

COMPLAINTS UPHELD

56

COMPLAINTS NOT UPHELD AFTER INVESTIGATION

There are various reasons why complaints are not upheld – including lack of supporting evidence, and complainers who stop responding to correspondence. Complaints which are not upheld are reviewed by at least three members of the Investigation Committee, including Public Interest Members.

Number of disciplinary findings: 2014 - 2017

11 12 11 12

2014 2015 2016 2017
DISCIPLINARY OUTCOMES IN 2017

### Penalties/cost awards: 2014 - 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Exclusion</th>
<th>Severe reprimand</th>
<th>Reprimand</th>
<th>Formal written warning</th>
<th>No sanction applied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>£8,000</td>
</tr>
<tr>
<td>2015</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>£37,000</td>
</tr>
<tr>
<td>2016</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>£17,400</td>
</tr>
<tr>
<td>2017</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>£123,670</td>
</tr>
</tbody>
</table>

- While the significantly increased figure for fines/cost awards is largely due to one case, the figure would be higher than in most recent years, even if that case is discounted.
- No new referrals were made to the Discipline Tribunal – the first time this has happened for several years as Members were willing to accept sanctions offered by the Investigation Committee.
- There were no appeals against any sanctions imposed by the Investigation Committee.
- More details on these findings can be found at: icas.com/regulation/disciplinary-notices

### INVESTIGATION TIMESCALES

ICAS is committed to completing all investigations within a reasonable timescale. Our target timescales are as follows:

- Preliminary enquirers to be completed within 16 weeks
- Investigation Committee investigations to be completed within 12 months

**THE AVERAGE TIME IT TOOK ICAS TO COMPLETE AN INVESTIGATION IN 2017**

- **2014 AVERAGE**: 131 days
- **2015 AVERAGE**: 133 days
- **2016 AVERAGE**: 127 days

At the beginning of 2017, there was one investigation over 12 months’ old.