INTRODUCTION

We are pleased to present our annual report for 2016. As in previous years, this report aims to provide transparency over our work and includes:

• An overview of the activities of ICAS Insolvency Monitoring during 2016;

• Key messages and detailed findings arising from monitoring visits; and

• Additional news and information for 2017.

We hope that you find it useful in considering how effectively you are complying with regulatory requirements. We encourage you to share the report with your colleagues.

If you have any comments or questions, please contact us on insolvencymonitoring@icas.com.
Background: Developmental Regulation

We aim to deliver Developmental Regulation. This means that our Insolvency Monitoring regime is designed to both
• support the work of ICAS licensed insolvency practitioners; and
• uphold standards and provide re-assurance to the public.

Our primary aim is to work with practitioners and their firms and to support practitioners to make any improvements required.
We still need to take regulatory action in the most serious of cases, but we see this as being exceptional.

What we review

ICAS is a Recognised Professional Body (RPB) for insolvency regulation in the UK, and Insolvency Monitoring conducts the
monitoring visits to ICAS licensed Insolvency Practitioners (IPs).

In addition to conducting monitoring of our own authorised IPs, in 2016 we also conducted all of the insolvency monitoring on behalf of the Institute of Chartered Accountants of Ireland. These visits covered their UK licensed practitioners and those operating in the Republic of Ireland. This report does not cover this work.

How we review

ICAS adopts a risk based approach to monitoring. Risk indicators include: the type and size of the portfolio; changes within
a practice; and where there have been higher instances of non-compliance in the previous visit. This risk based approach
determines the time which will elapse between visits in accordance with the requirements of the Principles for Monitoring.

Our visit process is:

The nature and size of the work undertaken by insolvency practitioners authorised by ICAS varies and the monitoring visit approach is tailored to reflect the nature and client base of each practitioner and firm.
Governance changes
From 17 April 2016, ICAS simplified the committee structure that dealt with the various practice licences and now one committee, the Authorisation Committee, is responsible for all regulatory licences and monitoring visits, including the granting of insolvency licenses and the outcome of insolvency monitoring visits. This Committee reports to the Regulation Board which is responsible for setting regulatory policy.

This Committee has operated well during 2016. Reports where no follow up action is needed are now delegated to the monitoring teams to clear, subject to regular oversight by the Committee. This has sped up the closedown process. The Committee reviews, and makes the final decision on, all reports where follow up action is required.

Changes to reporting
During 2016, we altered how we present findings within our monitoring visit report. These are now split between significant matters which require to be addressed, and other matters, in order that practitioners focus their attention on the main areas requiring action.

Given the new governance structure, visits showing satisfactory standards do not require to be placed before the Committee, but this is only possible where practitioners provide substantive responses to their reports, including a clear action plan to address any significant matters.

Anti-money laundering (AML) initiatives
As highlighted in the Key Messages section later in this report, we made a number of important changes to our approach in 2016, as part of our developmental approach to regulation. This has proved successful and firms are demonstrating improvements and clearing our visit process faster. For more information see the Key Messages section.

For more information about the Insolvency Monitoring team, and on our monitoring visit process, please search “insolvency monitoring” at icas.com.

Who we review
In 2016, ICAS authorised 100 IPs (2015: 96) who operate within a variety of business structures from sole practitioners to international firms.

The gender split is: 83 male to 17 female IPs (2015: 81 male, to 15 female).
During 2015, ICAS strengthened its position as a Regulator of Choice, after granting insolvency licences to all IPs previously licensed by the Law Society of Scotland, and a number of solicitors previously authorised by the Solicitors Regulation Authority, after both bodies ceased as RPBs.

In 2016, several first-time insolvency licence applications were granted, and a number of IPs previously regulated by other RPBs moved their insolvency authorisation to ICAS. We also granted our first partial authorisation licence during 2016.

 Licensed Affiliate IPs now constitute a significant and important proportion of our IP community, allowing ICAS to continue maintain its position as the predominant RPB representing IPs based in Scotland, whilst at the same time seeking to support IPs practising throughout the UK, Ireland and internationally.

**IPs: members and affiliates**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliate</td>
<td>29</td>
<td>25</td>
</tr>
<tr>
<td>CA Member</td>
<td>71</td>
<td>71</td>
</tr>
</tbody>
</table>

Overall the number of insolvency authorisations has remained fairly static, with the number of practitioners retiring being offset by new licences being granted.

**Location of IPs**

<table>
<thead>
<tr>
<th>Location</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>England</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ireland</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Overseas</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

2016 2015
**2016 MONITORING RESULTS**

**Visits**
In 2016 we conducted 28 ICAS Insolvency Monitoring visits (2015: 22), covering our full range of practitioners and firms. There were 26 routine visits and 2 follow up visits.

**Visit outcomes**
The results for the 26 routine full scope visits in 2016 were:

<table>
<thead>
<tr>
<th></th>
<th>2015 visits</th>
<th>2016 visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>No follow up</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>Systemic Issues</td>
<td>82%</td>
<td>84%</td>
</tr>
<tr>
<td>Serious issues</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

It is difficult to make comparisons year-on-year as different practitioners are visited. It is encouraging that over 80% of IPs visited in both 2015 and 2016 achieved satisfactory standards of compliance and required no follow up action.

Most IPs continue to demonstrate good standards of practice. Most issues identified in case reviews, and reported as findings, were:

- incidents of late compliance with statutory timescales;
- inadvertent omissions in the provision of information; and
- failure to fully complete checklists and procedures already in place.

Where there are only a relatively small number of such procedural findings, no follow up action is usually necessary. Follow up action arises where the extent of issues are more widespread or more significant in nature. Only 8% of IPs visited fell into this “systemic issues” category during 2016.

Visits falling into the “serious issues” category tend to include:

- serious clients’ money issues;
- serious ethical issues; or
- serious issues in the management of insolvency cases, in some cases leading to creditor detriment.

Whilst there were no such visits last year, two 2016 visits identified serious issues. Such reports are always decided upon by the full Committee.

The Committee can take a range of follow up and regulatory actions. IPs may have conditions or restrictions placed upon their licence; they may require to submit information to the Committee; or they may require to submit to a follow-up visit. Other, more serious, regulatory interventions include: referral to the Investigation Committee; regulatory penalties or licence withdrawal. The more serious regulatory interventions are exceptional.
Most IPs continue to demonstrate good standards of practice. Nevertheless, there are always learning points on monitoring visits and our detailed 2016 findings can be found in Appendix One to this report.

The section below focuses on the key ‘take-away’ messages for firms.

**General improvement in standards**
As in previous years we continue to see:

- realisation strategies well-considered;
- well-structured and easy to follow files; and
- IPs achieving good outcomes in challenging markets for the benefit of creditors.

Many IPs seek to have a strong compliance culture and invest significant time and effort into standardising procedures and training staff on those procedures.

Whilst many of the report issues are familiar to IPs, having been raised in previous years, it is pleasing to note that their occurrence is reducing. In many cases, the issues noted were isolated rather than systemic issues.

Notwithstanding this, a number of the common findings are easily addressed by changes to documentation and procedures, meaning that the outcome of any future monitoring visits could be improved. Consequently, Appendix One highlights these “quick wins”.

**Anti-Money Laundering (AML)**
There has been significantly increased interest by HM Treasury and the Insolvency Service in the past few years requiring RPBs to ensure that firms have robust and risk-based AML procedures. The regulatory landscape has been fast-changing.

Consequently, there has been a greater focus on this area in insolvency monitoring visits, which has resulted in an increase in the number of AML findings.

**AML Findings**
Whilst IPs are carrying out AML checks, and obtaining identification, there is still a lack of risk-based due diligence or evidence that checks had been conducted within the required time.

The main 2016 findings were:

- the checklists used did not demonstrate a risk-based approach to customer due diligence as required by the legislation;
- the checklists were not dated or were dated post-appointment, rather than being evidenced as completed prior to acceptance or within 5 days thereof; and
- when reliance was placed on an appointment by a bank or court, this reliance was not documented on a completed checklist in the file.

Paragraph 5.58 of the CCAB Anti-Money Laundering Guidance for the Accountancy Sector states, “in insolvency appointments, customer due diligence may not be possible prior to appointment and should be completed as soon as practicable after appointment (if possible, usually within 5 working days.)”

**Tips:**
- IPs must ensure that there is appropriate documentary evidence of consideration of a risk based approach to customer due diligence for each appointment, including cases where reliance has been placed on the appointment being made by a bank, court or the Accountant in Bankruptcy.
- We recommend, in addition to reviewing standard documentation to ensure that it reflects a fully risk based approach, that procedures are reviewed to ensure prompt completion of the relevant documentation.
- There is a dedicated money laundering area of the ICAS website which provides guidance on this area.
- For more information on anti-money laundering please search “anti-money laundering” on icas.com.
Follow-up checks
The 2015 Insolvency Monitoring and Practice Monitoring annual reports highlighted that AML had become a significant focus for the Government and that we were about to make some important changes to:

- the way in which we conducted follow up checks to firms with AML issues; and
- how we supported such firms.

As part of developmental regulation approach ICAS made the following changes during 2016:

- **Three-month follow up checks**: Where AML issues are considered sufficient to warrant a follow up check the firm will now receive this visit within a three month timeframe (previously six months).

- **Practice Support**: Firms on follow-up are offered free support from our Practice Support team before they receive their follow-up.

- **Regulatory sanctions**: Firms failing to improve quickly may be faced with regulatory penalties or referrals to the Investigation Committee. But this is exceptional and usually relates to a serious case. There were no such cases this year.

Whilst most follow-up checks are conducted to the firm, through our Practice Monitoring regime, we reserve the right to conduct follow-up checks to IPs. Such visits are particularly important where the insolvency issues may be different from those of the general practice, or persistent, or where the firm is not AML supervised by ICAS, but nevertheless there are ICAS IPs in the firm. No IP-centric follow-up checks have taken place to date but there are some scheduled for 2017.

The Practice Monitoring report shows details of the results of our AML follow-up checks. So far, our new regime is operating well and firms are showing a good level of improvement by the time of the follow-up check.

Another very important tool in driving up an improvement in compliance has been making the General Practice Procedures Manual (GPPM) freely available to firms. All eligible firms have had full free access since 1 April 2014. During 2016 we also made the AML sections available to IPs licensed by ICAS.

We have a number of other AML initiatives. Search “AML” on the ICAS website or contact Practice Support.
We take a developmental approach to regulation, and we have a number of initiatives to assist our practitioners and firms in complying with Insolvency Regulations.

**Advice and support on monitoring and licences**

Insolvency Monitoring sits within the Professional Standards Division at ICAS. We act in the public interest to promote and maintain the highest standards of practice and professional behaviour. The division is responsible for discharging ICAS’ regulatory duties and responsibilities, many of which are statutory in nature.

In addition to licencing ICAS Members and Non-Members (Affiliates) as IPs, the division is also responsible for the granting of practicing certificates, DPB and Audit Licences.

For more information on the Professional Standards Division please search “regulation” on icas.com.

For queries please phone +44 (0)131 347 0288 or email – insolvencymonitoring@icas.com

**The General Practice Procedures Manual (GPPM)**

If your firm has a majority of CA principals, it is eligible to use the full GPPM for free. If your firm does not have a majority of CA principals, as an ICAS IP, you are still eligible to access the AML section of GPPM for free. If you have not already registered to use GPPM and you would like to, please go to [https://www.icas.com/member-benefits/general-practice-procedures-manual](https://www.icas.com/member-benefits/general-practice-procedures-manual) (you require to first log in) or contact Practice Support.

**Anti-Money Laundering (AML) Resources**

There are a significant number of AML articles and resources on icas.com which can be found by searching “AML”.

**Practice Management Course**

Practising Certificate Holders are reminded of the need to attend this course once in the five-year period from 1 April 2014 to 31 March 2019. For more details search “Practice Management” at icas.com. This course includes an AML update.

**Insolvency Technical**

David Menzies, ICAS Director of Insolvency, continues to represent members’ views to legislators, regulators and standard setters. The technical team responds to consultations across a wide range of subject areas and undertakes proactive initiatives to contribute to and influence policy development in all these areas. The development and delivery of products and services, as part of members’ subscriptions and on a commercial basis to members and others, fall within their scope and the team continues to play a key role in member engagement.

For more information on Insolvency Technical matters at ICAS please search “insolvency technical” on icas.com.

David Menzies, Director of Insolvency
Phone – +44 (0)131 347 0242
Email – dmenzies@icas.com

The Insolvency Technical Department are happy to receive any technical queries you may have on any technical insolvency issue. IPs should submit their queries via e-mail to: icasinolvency@icas.com.
Insolvency specific help and support
A range of information and guidance is available to ICAS IPs on icas.com.
For information on specific guidance please search “insolvency legislation, guidance and checklists” on icas.com.
If you would like more information in relation to Consumer Credit please search on “consumer credit” at icas.com to access the consumer credit section of our website.

Community Communication
To provide a more timely and extended content of information and articles on current topics relevant to the Insolvency and Restructuring community, Impecunias, our quarterly publication was produced for the final time in May 2016 with content moved to multiple digital communication channels.
Content relevant to the Insolvency and Restructuring Community is available from the ICAS website via www.icas.com/insolvency and a monthly Insolvency and Restructuring Update is issued by email. The email is sent automatically to all IPs and ICAS members who have indicated an interest in this practice area. The email can also be subscribed to (free of charge) by anyone else through registration. Search for “insolvency news” on icas.com
More immediate updates are also available through social media by following @DavidMenziesCA on twitter or connecting with David Menzies on LinkedIn (https://www.linkedin.com/in/davidmenziesca).

Insolvency Discussion Groups
There are four Insolvency Discussion Groups at which members of the profession meet regularly to discuss topical issues.

Edinburgh Insolvency Discussion Group
Further information can be obtained from Laura Borland at Brodies LLP on +44 (0)131 656 0108 or email: laura.borland@brodies.com

Grampian Area Insolvency Practitioners’ Group
Further information can be obtained from Malcolm Gunnyeon at Maclay Murray & Spens on +44 (0)330 222 1774 or email: malcolm.gunnyeon@mms.co.uk

Fife & Tayside Insolvency Discussion Group
Further information can be obtained from John Clarke at CCW Legal - email: John.Clarke@ccwlegal.co.uk

West of Scotland Insolvency Forum
Further information can be obtained from Alan McKee at Macdonald Henderson on +44 (0)141 222 5800 or email: alan@macdonaldhenderson.co.uk
SIP 16 Pre Pack Pool Review
Since November 2015, the Insolvency Service has required each RPB to monitor and review the SIP 16 information provided to creditors for pre pack sales of business or assets from companies entering administration. ICAS is responsible for carrying this out where the lead appointee is an ICAS licensed IP.

All RPBs have been requested to provide the Insolvency Service with details of the SIP 16 reports reviewed during 2016. The Insolvency Service, in conjunction with the Pre Pack Pool, are currently analysing the information submitted. ICAS Insolvency Technical will ensure that IPs are notified of the outcome of the review and any action which you may be required to take.

In the meantime, copies of SIP 16 documentation issued, together with a copy of any covering letter confirming the date notice of the prepack sale was given to creditors, should continue to be sent to sip16@icas.com.

Anti Money Laundering (AML)
IPs should expect significant developments in this area over the coming practice year.

Government focus in this area is increasing. The UK is about to receive its Financial Action Task Force (FATF) mutual evaluation. This means the UK will shortly be assessed for its effectiveness in combating money laundering and terrorist financing. The evaluation will commence in the summer of 2017 and complete during 2018.

The Government has been requiring, and will continue to require, AML data in the lead up to the assessment. Whilst ICAS collects and provides this information directly to the Government, we expect the amount of information and data to increase and ICAS may be required to obtain additional information from firms at very short notice. ICAS will try to minimise the burden on firms but there will inevitably be an impact on our firms. This means that:

- **We have been expanding our AML monitoring on Practice Monitoring visits.** Our monitoring has been expanded in areas such as Trust and Company Service Provision and in reviewing Suspicious Activity Reports in particular (see below)
- **We may have to ask your firm for short notice information requests.** Such as by questionnaire or by direct information request.

Other changes ahead
The accountancy sector has been assessed as the second highest national risk sector, despite our firms not being party to transactions. It is expected that there will be increased regulation of the sector, and oversight. We will inform you of any changes as they happen.
This appendix provides further detail on the level of compliance noted on visits and where the most common findings were identified during our file reviews.

**Five year visit history**

The table below shows the monitoring visit outcomes in the last five years.

<table>
<thead>
<tr>
<th>Insolvency Monitoring visit outcomes</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory reports - IP to submit evidence of action if required</td>
<td>27 (77%)</td>
<td>21 (84%)</td>
<td>20 (83%)</td>
<td>18 (82%)</td>
<td>22 (84%)</td>
</tr>
<tr>
<td>More systemic issues - IP to submit evidence of action and follow up visits where appropriate</td>
<td>8 (23%)</td>
<td>4 (16%)</td>
<td>4 (17%)</td>
<td>4 (18%)</td>
<td>2 (8%)</td>
</tr>
<tr>
<td>Serious issues – requiring follow up or other regulatory actions</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>2 (8%)</td>
</tr>
<tr>
<td>Total routine visits</td>
<td>35</td>
<td>25</td>
<td>24</td>
<td>22</td>
<td>26</td>
</tr>
</tbody>
</table>

A direct year on year comparison is difficult as the visits carried out each year are across a mix of types and sizes of practice in which IPs carry out their business.

It is pleasing to note that number of visits resulting in satisfactory outcome continues to sit above 80%.

The majority of IPs visited during 2016 demonstrated an improvement or maintenance of quality and compliance from their previous visit. However, the type of findings which occur most frequently continue to remain largely unchanged, albeit with a reduction in the frequency of instances of non-compliance.

During the visit process the reviewer will discuss the findings identified and usually provides useful suggestions as to how the IP may implement an effective plan to address them where appropriate.

In order to improve and encourage good practice amongst all ICAS IPs we have summarised the most frequent findings of 2016 visits below.

**Anti-Money Laundering**

The most common visit finding is covered in the Key Messages section.

**Evidence of Conflict Checks and Consideration of Ethical Matters**

This is an area where the number of findings had increased significantly over the last two years in comparison with previous years.

**Tips:**
- Ensure that an appropriate conflict and ethics checklist is completed to record and document considerations and it is completed prior to the commencement of each appointment.
  
  - Ensure ethical matters are considered and signed by the IP as well as the case manager. In the case of a joint appointment, the checklist should be signed by all appointees or appropriate evidence be place on the file of the joint appointees consideration of conflict and ethical matters.
  
  - We recommend, in addition to reviewing standard documentation to ensure that it reflects full consideration of ethical matters, that procedures are reviewed to ensure prompt completion of the relevant documentation.
  
  - Ensure that standard documentation is updated to reflect the requirements of the revised SIP1, effective from 1 October 2015, and that required intimation is given to creditors in the first correspondence.
Remuneration and Compliance with SIP 9 (Scotland)

There continues to be very few issues relating to the actual approval and disclosure of remuneration, however several reports noted that the basis of Category 2 disbursement had not been fully disclosed.

There were a significant number of findings in reports where creditors had not been provided with a copy of an appropriate creditors guide to remuneration or advised how to obtain a copy in all relevant communication as required.

The issues tended to be a lack of consistency in providing the information, rather than not observing the requirement to provide the information.

Information on how to find a suitable explanatory note, setting out the rights of creditors, should be given in the first communication with creditors following appointment, and with each subsequent report to creditors.

This information may be provided by way of hard copy, or by provision of an appropriate electronic link, with an offer that a hard copy will be provided free of charge upon receipt of a written request.

Whilst the information was regularly provided at the outset of an appointment, the revision to SIP9 in May 2012 requires this information to be provided with each report.

Tips:

• We recommend that standard documentation is reviewed to ensure that the required information is provided in each instance.

• Remember to update your standard documentation for English and Welsh appointments to reflect the changes introduced by the revised SIP 9 England and Wales effective from 1 December 2015, and the changes in the legislation which includes a requirement to provide a fee estimate.

Further information on forthcoming changes to Rules in England & Wales can be found in recent articles on icas.com

Bonding

Due to the nature and importance of bonding even a one-off instance of late or under-bonding will be a report finding. We are pleased to report that the number of issues identified in relation to bonds has continued to decrease, with a significant reduction of instances noted in comparison with the previous two years.

Most practitioners now have robust procedures in place to ensure that cases are correctly bonded on appointment. The most common instances of under-bonding arise from delays in increasing the level of the bond when the estimated or known value of additional assets has been determined.

Tips:

• Ensure the bond level is reviewed as part of periodic file reviews.

• Have procedures in place which ensure the bond level is reviewed upon any change in estimated valuation of an asset and when funds are received.

• If a decision is taken not to increase the bonding level due to any uncertainty over the amount to be realised for any assets, insert an appropriate file note detailing considerations in the bonding section and periodic reviews.

Whilst over-bonding is not as much of a concern, care should still be taken, as a substantial over-bonding may result in an increased charge to the insolvent estate.

The purpose of the specific bond is to safeguard creditors. It is therefore the total amount of the anticipated funds in a case, which requires to be bonded at the outset. Floating and fixed charges should be deducted from the value of the assets for the purposes of the bond calculation, to calculate the net assets. The amount of the specific penalty shall be at least equal to the net value of the assets, or the amount due to preferential creditors and any sum due to unsecured creditors, including under the prescribed part, if this amount is greater.
During the year, there were a number of instances where there has been a failure to bond upon appointment which has been identified during the review of the monthly bordereaux submissions. It is important to regularly check procedures to ensure all new appointments are captured.

S120 Qualifying Pension Schemes

There continued to be instances where there was no or incomplete evidence that the IP had carried out a search to confirm that there was no Qualifying Pension Scheme. This area was highlighted in last year’s report. Whilst a number of practitioners had taken steps to confirm this, they had not retained a copy of the search, or recorded the work done.

S120 Protection Fund (Entry Rules) Regulations 2005 requires notification of an insolvent event within 14 days of the occurrence of the insolvency event or the IP becoming aware of the pension scheme.

Tips:

• In order to confirm that no such scheme exists, it is considered prudent to carry out a search under both the company name and the company number and retain the search results to provide evidence of the date the search was carried out.

• Better late than never. At the next periodic review confirm that a copy of the searches outlined above are in the file, and if not carry out the searches and insert an appropriate file note.

• Ensure that the need to carry out s120 searches is included in diary prompts.

Further guidance on this matter can be found on the Pension Protection Fund website.

Receipts and Payments and Reports to Creditors

The 2015 report noted that there had been a reduction in the instances of late submissions of Receipts and Payments Accounts across all procedures. During 2016, the number of instances remained relatively low.

Tips:

• The content and accuracy of diaries utilised and the standing data for each appointment should be reviewed and updated on a regular basis where required, particularly after any software updates which may affect customised diary lines.

• Ensure that the diary prompts give sufficient time to complete the returns, allowing for short term absences from the office due to work commitments, holidays and illness.

• IPs are reminded that the Accountant in Bankruptcy no longer accepts accounts which are submitted late without a prior application to the Court which is at the practitioner’s own expense.

Late Statutory Filing and Statutory Matters

Instances of late filing were identified, which in some cases, due to confusion in relation to filing dates, where the meetings of members and creditors were held on different days in creditors voluntary liquidations.

Tips:

• Review checklists and diary prompts regularly to ensure they are complaint with current legislation.

• Be aware of the legislation under which the appointment is administered and adhere to the appropriate statutory timescales.

• If holding meetings of creditors and members on different dates in creditors voluntary liquidations, hold the meetings as close together as possible, otherwise additional filing and notices may be required.
Evidence of Investigations

An increased number of findings have been identified in 2015 and 2016 where:

- There were instances identified where there was no apparent investigation carried out in respect of certain aspects of cases.
- There were also several instances noted where there was insufficient documentation in the file to evidence areas investigated and to support any conclusions reached that no further action was required.

Tips:

- Matters requiring investigation should be identified and recorded in a manner appropriate to the appointment.
- Record and document investigations into any matter including pre-appointment transactions and any potential assets in contemporaneously completed file notes.
- Ensure investigations not fully completed or concluded are highlighted in periodic reviews and carried forward as outstanding matters.
- Record and document any conclusions reached, and the date of conclusion.
APPENDIX TWO: OTHER USEFUL LINKS AND CONTACTS

We hope you find this report useful. If you have any comments or questions please contact us at insolvencymonitoring@icas.com

Within ICAS there are a number of contacts which may be useful:

• Technical queries: any accounting, law or ethics queries will be answered promptly by Technical staff. Members should contact them using icasinsolvency@icas.com

• Money Laundering confidential helpline: if you have any potential money laundering issues, please contact our confidential helpline run by our Legal Services division on +44 (0)131 347 0271.

• The ICAS Practice Support Department provides support to all ICAS registered firms. It offers a variety of services on all aspects of regulation, which can be tailored to meet the needs of your firm. For more information on any of these services, contact +44 (0)131 347 0249 or email practicesupport@icas.com