INTRODUCTION

The ICAS Investigation Committee is pleased to present its second public annual report in summary of its work in 2016.

This report provides information on the complaints investigated and determined by ICAS in 2016, setting out outcomes and timescales. We hope to give ICAS Members and the general public a better understanding of the nature and scale of the complaints process, leading to greater confidence that matters of concern are assessed and determined appropriately.

Further information on complaints can be found on icas.com using the search term ‘complaints’. If you would like to discuss a possible complaint with ICAS, please get in touch with our Investigations Department on +44 (0)131 347 0271.
COMPLAINT NUMBERS

Background
ICAS will take disciplinary action where there is sufficient evidence of a failure to meet the standards we expect of our Members, CA Student Members, or Affiliates. We will take regulatory or disciplinary action against our registered Firms where they have failed to comply with the standards applied under legislation for audit and DPB (investment) work.

The Investigation Committee is appointed by the Regulation Board to assess all matters of concern which come to the attention of ICAS. It acts in accordance with a complaints process set out in the Investigation Regulations, supported by a wide suite of guidance documents. It is unique amongst the ICAS Regulatory Committees as it is made up of an equal number of Chartered Accountant and Public Interest Members.

The Investigation Committee is supported by members of staff employed by ICAS in the Investigations Department, including Chartered Accountants and solicitors.

New complaints
ICAS received 83 new complaints in 2016, broken down by month as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>New complaints</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>11</td>
<td>15</td>
<td>8</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>0</td>
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Using minor adjustments to compensate for changes in recording practices, the following chart shows how the number of new complaints in 2016 compares to the previous 15 years:

This shows that 2016 was a fairly typical year in terms of the number of new complaints we received. As ever, the number of complaints is proportionately very low, with approximately one complaint received for every 250 Members.
No two investigations are the same. Complainers come to ICAS with a wide range of issues and concerns. Therefore, some caution is needed when categorising the complaints we investigate.

With this caveat in mind, the 83 complaints received in 2016 may be summarised as follows:
81 investigations were completed by ICAS in 2016, which compares with previous years as follows:

- 71% of the investigations closed involved complaints received by ICAS in 2016.

The following chart shows the different outcomes for the 81 completed investigations:

- **Conciliated outcome**: 13
- **Dismissed following preliminary enquiries**: 50
- **Dismissed following referral to Investigation Committee**: 7
- **Upheld by the Investigation Committee**: 9
- **Referred to Discipline Tribunal**: 2
While the investigation process is more fully explained in other documents available on icas.com, it may be helpful to note the following points when considering these numbers:

- A conciliated outcome can be achieved where a Chartered Accountant satisfactorily deals with the issues raised in the complaint and there are no general concerns regarding conduct or competence.
- All preliminary enquiries are undertaken by Case Officers in the Investigations Department who are either solicitors or Chartered Accountants.
- Complaints which are dismissed following preliminary enquiries are considered by a Review Panel made up of three members of the Investigation Committee, including two public interest members. If the Review Panel disagrees with the decision of the Case Officer, the complaint will be referred to the Investigation Committee.

There are a number of reasons why investigations conclude following preliminary enquiries. In some cases, the allegations fall outside the jurisdiction of ICAS (e.g. legal disputes). Sometimes complainers stop corresponding with the Case Officers. However, perhaps the most common reason for dismissal is a lack of supporting evidence.

Orders

The Investigation Committee identified a liability to disciplinary action in 11 separate complaints. In two instances, the CAs were referred to the Discipline Tribunal. Three CAs received no sanction, with compassionate circumstances relating to health being taken into account.

The six disciplinary orders which were issued can be summarised as follows:

- 3 excluded from membership
- 2 severe reprimand
- 1 formal written warning/reprimand

In addition to these orders, Members were ordered to pay a total of £17,400 in respect of financial penalties and investigation costs. The default outcome is for all orders to be publicised in CA Magazine and on icas.com. More details on the orders applied in 2016 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 enquiries to be completed within 16 weeks
- Investigation Committee investigations to be completed within 12 months

ICAS’ performance in 2016 may be summarised as follows:

- Average time to conclude complaints not referred to the Investigation Committee – 80 days
- Average time to conclude complaints referred to the Investigation Committee – 292 days

With very few exceptions, we managed to achieve our target timescales in 2016. At the beginning of 2017, there were no complaints over 12 months old.