

Annual Report *2003*

Insolvency Practices Council
Influencing the standards of the insolvency profession





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The Insolvency Practices Council
P O Box 54 MARKET DEEPING PE6 8XS
Telephone: 01778 348738 Fax: 01778 349268
E-mail: ipcbox54@btinternet.com
Web site: www.insolvencypractices.co.uk

Chairman

Graham Kentfield Formerly Chief Cashier and a Deputy Director of the Bank of England

Lay Members

Robert Bertram Scottish Lawyer: on the Competition Commission and the Audit & Advisory Board of the Scottish Parliament's Corporate Body

Caroline Bradley Corporate adviser, formerly finance director and corporate treasurer

Gill Hankey Director of the Bankruptcy Advisory Service

Max Lewis Chairman of the Medisure Healthcare Group, non-executive director of insurance companies and consultant

Roger Page Cardiff-based director of finance formerly a senior manager with HSBC

Practitioner Members

Brendan Guilfoyle Leeds-based partner in the P&A Partnership and a past President of the Society of Practitioners in Insolvency (now known as R3)

Peter Horrocks Solicitor Insolvency Practitioner and a past President of the Insolvency Lawyers Association

Philip Wallace London-based insolvency partner in KPMG LLP

Secretary

David Harrison Formerly a senior manager with Lloyds Bank and subsequently an adviser to Small and Medium-sized businesses in Yorkshire



*Left to right standing: David Harrison – Secretary, Phil Wallace, Peter Horrocks, Roger Page, Robert Bertram, Max Lewis, Brendan Guilfoyle
Seated: Caroline Bradley, Graham Kentfield – Chairman, Gill Hankey*

The following is a summary of the main activities of the Insolvency Practices Council (IPC) during 2003, with more specific information given in the section 'A Review of the Key Issues' on page 5.

- ❖ Insolvency Regulation is the key to protecting the public interest and this subject has featured on a number of occasions during the year in meetings with the profession.
- ❖ The IPC held a series of meetings with three Recognised Professional Bodies (RPBs) to examine at first hand their complaints handling procedures and policies.
- ❖ Individual Voluntary Arrangements (IVAs) featured frequently on the agenda and, as a result, members of the IPC met various bodies throughout the year to find ways of addressing our concerns at the performance in this area.
- ❖ The number of meetings with the Joint Insolvency Committee (JIC) has increased in 2003 with improved communication on current issues.
- ❖ In response to a request from the JIC, support was given to the request for a review of the current arrangements for insolvency practitioner bonding.
- ❖ The IPC was involved in the review by the Joint Insolvency Examination Board into its current activities and its future plans.
- ❖ After discussions with a Member of the Scottish Parliament (MSP) the IPC investigated a conflict of interest issue in Scotland and subsequently raised it with the Law Society of Scotland.
- ❖ Contact is being maintained with the Auditing Practices Board, the Financial Reporting Council and the Professional Oversight Board for Accountancy to exchange ideas on ethical issues.
- ❖ Outside the IPC remit but closely aligned to the profession is the question of unregulated Debt Management Companies and Debt Advisers. The Council met representatives of some of these organisations in 2003.
- ❖ Regular contact is maintained with a number of consumer organisations, i.e. Citizens Advice, The Institute of Credit Management, the National Consumer Council and the Federation of Small Businesses.
- ❖ The IPC has been able to talk to a large number of IPs throughout the country through attending R3 regional meetings.
- ❖ The web site is becoming better known and there are an increasing number of contacts and complaints from the public at large. This provides useful evidence for the IPC in its work.

The remit of the Insolvency Practices Council is to ensure that the public interest is properly reflected in the standards and practices of the insolvency profession. In this context, it is relevant that licensed insolvency practitioners have a monopoly right to conduct statutory insolvency processes. Since IPC was set up in 2000, we have looked closely at a number of areas of insolvency practice and consulted widely both with the profession and with those who come into contact with it. We remain of the view, as I said last year, that the great majority of IPs do a good job in what are, by the nature of the case, difficult circumstances.



Despite this we continue to see evidence of poorly performing IVAs and fees that take a disproportionate amount from the debtors' contributions. The IVA is a highly complex and formalised process, which may not be suitable for a large number of consumer debtors. In many cases the right solution might be bankruptcy. There will always be those who for one reason or another will prefer some sort of arrangement. In this context, we welcome the thought being given from inside the profession and elsewhere to devise a simpler and cheaper process and note with interest the Debt Arrangement Scheme, which is shortly to come into force in Scotland.

In the corporate area, the issue which constantly comes up, is the question of costs and fees. The IPC regards this as a matter for concern; not least because, if the profession came to be generally perceived as a gravy train, this would be (a) detrimental to its reputation in general and (b) grossly unfair to the majority of IPs whose fees are entirely reasonable bearing in mind the nature of the work that they do. The work is complex and highly specialised; inevitably it is expensive. The IPC realises that. What we believe is the issue is not high fees and costs in themselves – they may well be justified by what has to be done – but whether the fees and costs incurred actually give value for money. This is, of course, a notoriously difficult notion to pin down but we believe IPs need to be as open and transparent as possible in setting out what they propose to do and why, so that creditors can take properly informed decisions.

The maintenance of high standards requires effective regulation and monitoring. If regulation is to be effective it must be pro-active. This is not easy to achieve with a plethora of regulatory bodies. In particular, pro-active monitoring is needed to identify any failure to observe best practice, even when no complaint is lodged. Such monitoring will require experienced, high quality staff who do not come cheaply. But failure to regulate, and to be seen to regulate effectively, would be very damaging to the profession and to the whole structure of delegated self-regulation.

The present system of multiple regulatory bodies is a legacy from the past, is not ideal, and does not make for an entirely level playing field. For it to be effective, the various regulators need to work together in a co-operative manner. There are signs, however, that such co-operation is unravelling. The IPC views this with concern: fragmented regulation is unlikely to be pro-active and effective regulation.

The IPC has been in existence for 4 years; in that time we have made a number of recommendations to the profession, most of which have been or are being implemented. Four further recommendations are included in this report. But the IPC's role should not be viewed solely in terms of recommendations. Equally important is that our presence ensures that the attention of the insolvency profession is drawn to issues of public interest in relation to standards and practice.

G E A Kentfield
Chairman

Voluntary Arrangements

The concerns surrounding Voluntary Arrangements are still with us and the IPC has had the opportunity to meet some of the bodies both within and without the profession to discuss concerns. The IPC is given to understand that the majority of proposals are fully satisfactory although we still do not have statistics to substantiate this or otherwise. This is particularly disappointing as the profession has, in the opinion of the IPC, had enough time to provide information as to the numbers of proposals made, details of failures and reasons coupled with IP performance tables.

Whilst Voluntary Arrangements have proved to be an effective way to settle over-indebtedness in a large number of cases, there is evidence that the process is still being used when other processes, including bankruptcy, are more appropriate. Creditors are often too demanding – the debtor has two choices – bankruptcy or an IVA, and as the returns from an IVA should be better than bankruptcy the debtor should receive some support from creditors.

That said, following the introduction of the Standard Conditions by R3, the paperwork required in producing an IVA has become cumbersome and unhelpful in the provision of a straightforward solution to many a debtor's problems. It is expensive in compliance terms.

Michael Green, a Research Fellow at the University of Wales was commissioned by the Insolvency Service to look at Voluntary Arrangements in 2002. His report has recently been produced, and he is advocating a simpler process to replace the current arrangement. He is now involved in further research into the performance of Debt Management Companies and the schemes that they operate. His brief also covers an investigation into the shortage of information on the performance of IVAs. (This issue was the subject of the IPC Recommendation in our 2002 Annual Report).

A voluntary arrangement proposal requires the agreement of 75% of the creditors by amount. As the major banks and finance houses provide most of consumer credit, they have the greatest influence in the agreement of the terms and dividend level expected from the debtors. Concern had been expressed to IPC by a number of IPs from smaller firms preparing IVA proposals that the conditions being applied were too demanding. We had useful discussions with KPMG and PWC who act for the majority of the credit providers.

Following meetings with both KPMG and PWC, the IPC had useful discussions with the Inland Revenue Voluntary Arrangement Service (VAS) which sees the majority of CVAs (as opposed to IVAs), is usually the largest creditor through VAT and PAYE.

As a result of these discussions, the IPC understands that some insolvency practitioners are in the habit of proposing voluntary arrangements that are not viable at the outset and indeed the VAS has stated that there are some IPs with whom they will not deal. This is not helpful for the debtor, the creditors or the profession as a whole. It is in the public interest that this practice is stopped and so the IPC has asked the VAS to advise the appropriate RPBs of the names of the IPs whose standards they regard as falling short of that required by the profession.

Forecasts of a large personal debt problem have been issued by a number of well-informed sources throughout 2003 but so far the problem has not yet surfaced. The IPC is concerned that the Insolvency Service and the profession may not be able to cope if interest rate rises combined with job losses cause an avalanche of insolvent consumers in 2004. Such a situation may well cause debtors to turn to debt management companies.

The new bankruptcy provisions that come into force in April 2004 will be attractive to some debtors as they could be discharged within 12 months.

We have been involved in consultations on Debt Arrangement and the Scottish legislation on personal bankruptcy for some time and note that IPs are not going to be involved in the statutory Scottish Debt Arrangement Scheme. It will be interesting to see how the DAS process works in practice so that comparisons can be made with the IVA process and the various debt management schemes already in existence.

Individual Voluntary Arrangements and Personal Bankruptcies 1997-2003				
Calendar Year	IVAs approved	Completed ¹	Failed ¹	Bankruptcies
1997	4545	2599	1473	19892
1998	4901	2912	1536	19647
1999	7195	2632	1354	21611
2000	7978	2539	1676	21550
2001	6298	2722	1807	23477
2002	6295	3263	1821	24292
2003	7583	4485	1726	27596

Source: The Insolvency Service Statistics – www.insolvency.gov.uk/information/stats.htm

¹ Figures denote completions/failures in that year. There is no direct relation between the approved, the completed and failed figures for any specific year.

NOTE: Statistics are not available for the reasons or timing of failures of IVAs or for the length of time they run after approval.

Complaints Procedures

As an ongoing process of understanding exactly how the profession handles complaints, three members of the IPC visited the offices of the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in England & Wales (ICAEW) and the Insolvency Practitioners Association (IPA).

We were given access to actual files (over 200 in total) and had the opportunity to examine the process through to a conclusion. There are some differences in the actual processes of each RPB but generally speaking the systems and responses are satisfactory. There is evidence that improvements have been made to be more understanding of the complainants' position, speed up the enquiries and produce more information to complainants throughout the investigation.

All three RPBs agreed that they can and will be making further improvements to this service.

It is fair to say that in many cases the complaint arises because the complainant does not understand the insolvency process. A speedy, understanding and reasoned explanation of the

process will often satisfy the complainant. Where there is evidence of practitioners failing to undertake their duties to the high standard established, then the responses from the RPBs do have to be open and honest to the complainant and not seen as overprotective to their members. Also, it is extremely important that as full an explanation as possible is given where a complaint is not upheld.

In 2004 it is the intention of the IPC to extend its enquiries into the complaints process with other authorising bodies.

Conflicts of Interest – Networks

The IPC has been concerned since September 2002 about the existence and management of conflict of interest in large multi-disciplinary organisations. Our attention was drawn to an issue in Scotland, through contact with a Member of the Scottish Parliament. As a result the IPC has been in correspondence with the Law Society of Scotland on various aspects of this case. We believe the RPBs ought to be aware of such concerns and address their own ethical guidelines in this context to see if standards need to be changed.

The U S Sarbanes-Oxley Act bans accounting firms from supplying certain non-audit services to their SEC registrant audit clients. It is currently unclear what impact, if any, this might have on the choice of insolvency practitioner, particularly in larger, more complex cases.

Regulation

The IPC has previously expressed concern at the number of regulators. There are historical reasons for this and the present structure is not helpful in engendering effective pro-active regulation. That said, it does recognise that there are particular issues to be taken into account in respect of Scotland and Northern Ireland. For the present system to work effectively, there has to be close co-operation between the RPBs.

The arrangements whereby IPs are regulated by their various professional bodies or by a dedicated insolvency body, the IPA, have been accompanied by subsidiary arrangements through which these separate bodies have combined their resources when appropriate to build a common infrastructure for regulation. But there are signs that the momentum for co-operation is faltering, as for example with the impending termination of the joint monitoring arrangements between ICAEW and IPA. A development of this kind – whatever its particular origins – must cause anxiety if it points to inability on the part of a single body to provide a necessary resource on its own or a reduction in the ability of bodies to sustain a pooling of their resources.

The IPC is aware that the ICAEW has offered to license insolvency practitioners who are not Chartered Accountants but are currently licensed by the Secretary of State (DTI) and they have also made approaches to some members of other RPBs who are in larger practices working along side ICAEW members. This is not making for easy relationships between some of the RPBs.

The move towards greater harmonisation that appeared to be taking place in 2002 seems to be breaking down, which cannot be good for the public interest and its perception of the insolvency profession.

It has been brought to our notice that there are two actuarial bodies in the UK, the Faculty in Scotland and the Institute in England, with a long history and considerable traditions, which have not always seen eye to eye over intellectual issues. They have now agreed to work together as one and have changed their disciplinary arrangements from January 2004 (with the consent of the Privy Council) to act as one, and any of the 7000 practitioners will be treated in the same way. The RPBs may do well to consider something along these lines for insolvency.

Monitoring

The IPC remains concerned at the standards and style employed by the Joint Insolvency Monitoring Unit, as it would appear that too much attention is being paid to minutiae than key performance matters and client satisfaction. The process appears to be too mechanical and box ticking. Overall performance, dividend achievement, cost reduction and value for money are key areas to support higher ethical and professional standards aligned to greater customer satisfaction.

We are now receiving complaints from IPs about the approach of JIMU inspectors who are only looking at the small issues and not looking at the bigger picture, in particular asset realisation and case progression. We have been provided with evidence of this and it suggests that the role and experience levels of inspectors may need to be reviewed.

The IPC regularly receives complaints from debtors at the costs of insolvency, which in many cases, quite frankly, appear to be excessive. This issue does not seem to be highlighted by JIMU.

Insolvency Practitioner Bonding

In cooperation with the Joint Insolvency Committee and R3, the IPC has supported a request that the Insolvency Service should review the existing arrangements for Insolvency Practitioner Bonding.

The main issue for the IPC is the cost of the insurance bonding for gross asset value when it may be possible that a reduced figure in line with net asset values could be accepted. This would reduce the costs to the insolvent estate and thereby provide more for the creditors. This request is still under consideration.

Fees & Disbursements

Complaints about fees charged by IPs account for the highest number of contacts received by the IPC over the website. The public at large do not always understand the work that the insolvency profession undertakes and the costs that arise in ensuring that the work is completed within the rules of insolvency. IPs need to exercise care in dealing with clients who, by the nature of their circumstances, are often very vulnerable and can be open to abuse by the less scrupulous members of the profession.

The question of transparency had been addressed to a great degree by the revision of Statement of Insolvency Practice 9 (SIP9), which sets out the way in which, costs and fees should be disclosed, and the IPC agreed to see how the changes made an effect during 2003. It is too early

to give a decision on the effects of the revised SIP but it covers very fully the best practice concerning the provision of information to those responsible for the approval of remuneration. It also explains in detail the back-up information which should be kept by the office-holder, in addition to a note of the hours which he spends.

The question of 'value for money' is our main concern and this was clearly brought to the public arena with the judgement by Mr Justice Ferris in the investigation into the remuneration of the Provisional Liquidators of Independent Insurance Company Ltd.

The Council feels that, whilst full information must be available to enable the fees to be properly assessed, the office-holder should, prior to a taking any particular step in the course of the assignment, ask himself whether he is giving value for money in taking that step. It is worthwhile quoting the words of Mr Justice Ferris in the Maxwell case to demonstrate the point:

"In my judgment it is vital to recognise three things in this field. First, time spent represents a measure not of the value of the services rendered but of the cost of rendering it. Remuneration should be fixed so as to reward value, not so as to indemnify against cost. Secondly, time spent is only one of a number of relevant factors the others being, as I have said, those which find expression in Insolvency Rule (IR) 2.47 and similar rules. The giving of proper weight to these factors is an essential part of the process of assessing the value, as distinct from the cost, of what has been done. Thirdly, it follows from the first two points that, as the task is to assess value rather than cost, the tribunal which fixes the remuneration needs to be supplied with full information on all the factors which I have mentioned.

In essence, what the Council feels is that the office holder must assess before taking action whether that action is likely to add value to the estate. He/she should not just go forward blindly without assessing the consequences of their actions. It is appreciated that this is something of a subjective test but it might avoid a subsequent challenge if details of the decision-making process are recorded. As Mr Justice Ferris said in his Report on remuneration at paragraph 6.7, "Among other things it [the Provisional Liquidator Formula set out in IR 4.30(1)] will, we consider, encourage the office-holder to provide, in support of his claim for remuneration, a circumstantial account of what he has done and why it was necessary or advantageous for him to do it".

In some ways, it is much easier to justify some course of action by showing the thought processes which occurred prior to the action being taken rather than to try to justify them with hindsight when the fees are being assessed months or years later. It is worth looking at the Third Appendix to the Ferris Report, particularly paragraphs [5] and [6], where he reiterates the view office-holders must exercise commercial judgment and not act regardless of cost.

This raises a further issue which has been brought to our attention, namely that there are occasions when IPs have sought legal advice (at additional cost to the estate) on issues whose determination is well within their own capability without recourse to legal advice. This does not benefit the creditors. The question of whether to incur such costs is, of course, a matter for the commercial judgment of the IP but it should be remembered that the sanction for incurring such costs unnecessarily or unreasonably is that the IP will be denied the right to pay them out of the estate and he will have to bear them himself. The point is demonstrated by the comments of Ferris J in the Maxwell case:

"Thirdly the test of whether office-holders have acted properly in undertaking particular

tasks at a particular cost in expenses or time spent must be whether a reasonably prudent man, faced with the same circumstances in relation to his own affairs, would lay out or hazard his own money in doing what the office-holders have done."

The IPC appreciates that it is likely to be difficult to establish hard and fast rules to cover these situations as they can present different levels of risk. However, it does feel that the RPBs could consider providing further guidelines.

The Insolvency Service – Protracted Realisations Unit

This section, formed around 5 years ago, handles the aged bankruptcy cases where the assets have not yet been realised. At the time of the bankruptcy the asset may well have had a negative equity. These cases are now being passed out to IPs to enable the assets to be realised.

Many of the people affected are unaware (or have overlooked the fact) that the property continues to vest in the Official Receiver. Due to the passage of time, increased property values and the continuation of mortgage payments there may now be considerable equity. We are aware that there is a great deal of concern and distress amongst the discharged bankrupts and their families.

Whilst we appreciate that there is a duty to realise the maximum amount for the creditors there is evidence that IPs are handling these cases in different ways although still within the insolvency rules. In many cases, over 10 years have passed since the original bankruptcy and we feel that there should be sensitivity to each situation.

We understand that there are still over 8,000 cases still outstanding and the IPC would welcome some guidance from the Insolvency Service to the IPs being appointed.



The Joint Insolvency Committee

Meetings with the Chairman and Secretary of JIC which is our interface with the RPBs have increased to four a year to ensure that the exchange of information is prompt and clear and that action can be taken without undue delay. We are pleased to say that this appears to be working well and current joint projects are being dealt with in a timely fashion. Because of this increased activity, more issues are discussed on an informal basis enabling queries to be dealt with speedily. We are grateful to R3 for their help in dealing with the technical aspects of new initiatives.

The IPC is pleased to note that the Accountant in Bankruptcy in Scotland has now been invited to join the JIC as an observer. The fact is that there are, and always will be, two concurrent insolvency regimes in the UK. The Enterprise Act 2002 applies only in England & Wales. Its principles have yet to be considered in Scotland and any revisions may not take the same form. It will be helpful for the JIC to be able to consider proposals emanating from the Scottish policy makers alongside those arising in England and Wales.

Meeting Insolvency Practitioners

The IPC feels that it is important to meet working IPs from the regions to hear from the grass roots of opinions and concerns. Most IPs have now had the opportunity to meet members of the IPC. In 2003, thanks to the support from R3, we were able to make presentations at regional meetings in Cambridge, Bournemouth and Manchester in addition to our attendance at the Smaller Practices Issues Forum at Coventry. As a result of these face-to-face contacts, the IPC was able to meet over 300 members of the profession.

The main concerns raised at the meetings were; the regulatory structure, the quality of the monitoring process and rogue IPs. The vast majority of IPs favour a simpler regulatory structure with many favouring a single regulator. That said, they do appreciate the problems in making changes to the existing arrangements. With regard to the monitoring process, there is concern that there is too much attention paid to minor infringements rather than looking at the insolvency as a whole for value for money and customer care. Most IPs seem to know of rogue IPs whom they feel are bringing the profession a bad name but, unfortunately, they are reluctant to name names. The RPBs cannot be blamed for not taking action in these circumstances.

Financial Reporting Council: Professional Oversight Board for Accountancy The Auditing Practices Board

The IPC had already established contact with the Accountancy Foundation Review Board and in August approached the successor organisations to discuss common ground. The personnel for the Board have not yet been appointed but it is the intention of the IPC to meet representatives of the Board again in 2004 to see if there are issues to consider even though POBA does not cover insolvency.

We are also in discussion with the Auditing Practices Board, which is setting new ethical standards for auditors; the IPC has a similar remit for ethical standards within the insolvency

profession. We have responded to the Consultation Paper as this examines the balance between strengthening public perception of the profession while still enabling the profession to carry out its work efficiently and not inhibiting commercial activity.

Consumer Organisations

It goes without saying that the IPC needs to maintain close contact with consumer interest bodies. This is done by the exchange of publications and statistical material as well as meeting members of a number of organisations whose concerns extend to insolvency. A large number of the larger consumer bodies have a wide-ranging agenda and insolvency does not feature high on their list of priorities. This may well change in the near future if over-indebtedness becomes a social problem.

Money advice and in particular debt advice is provided by a large number of organisations with different interests and the IPC is constantly extending its lists of contacts. Citizens Advice (formerly NACAB) with whom we have worked very closely over the past three years has noticed a marked reduction in the level of complaints against debt management companies. 'We feel that the OFT guidelines are having some effect in persuading these firms to offer a better service' states Sue Edwards of Citizens Advice.

We have recently also met the National Consumer Council who are currently particularly concerned about credit and over-indebtedness.

Debt Advice and Debt Management

Whilst the quality of debt advice and debt management is strictly only within the remit of the IPC when an IP is involved, it is only sensible to look at this in the context of the whole area.

It must be remembered that in debt management, unlike an IVA there is no debt forgiveness and a scheme can run for many years longer than an IVA.

The 'free' sector is mainly Citizens Advice with over 700 outlets in the UK often relying on volunteers. They are not able to have fully trained Money Advisers in all outlets.

The Consumer Credit Counselling Service (CCCS) is free to debtors but obtains contributions from the creditors. This organisation is the largest of its kind in the UK, has a client base of 31,000 cases and paid £68 million last year to creditors. It confirms that generally speaking, the public at large are happy to deal with their problems over the telephone. CCCS has now started an online facility for first-time clients to obtain details of their services (over 600 visits to the web site were made in January 2004). The telephone interview remains the key part of their operation; they received 120,000 calls to their helpline in 2003.

The fee-charging sector is dominated by a number of debt management companies that advertise widely and charge varying levels of fees for their services. They are widely used by debtors who also have no time or no wish to meet advisers face to face and prefer to use the telephone service.

The IPC accepted an offer to visit to fee charging company, Baines & Ernst Ltd which has over 25,000 live cases and pays over £6m per month to creditors.

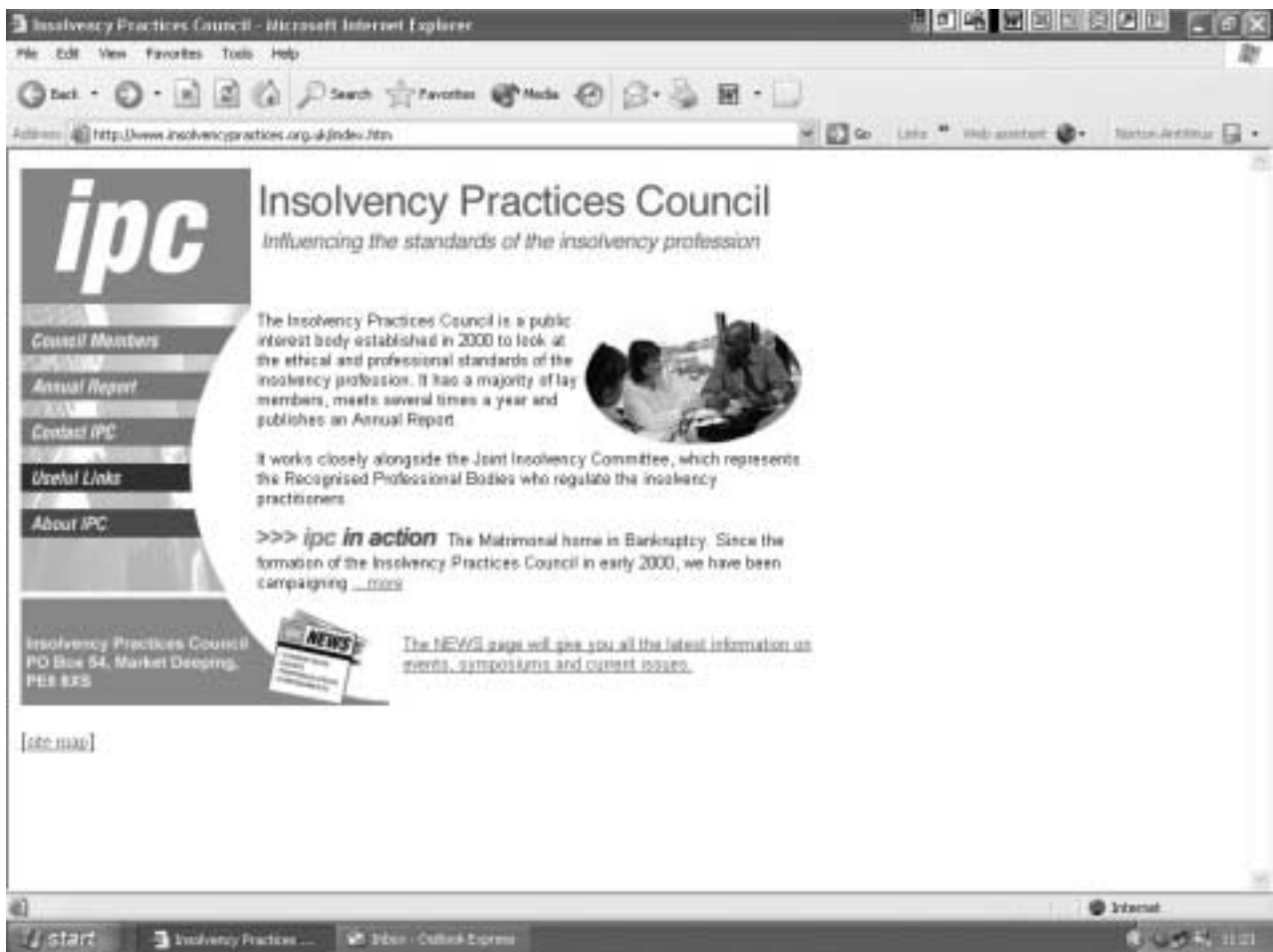
The quality of advice given by these different groups is dependent upon the level of knowledge and skills of the adviser and the commercial interests of the employers.

The vast majority of people with consumer debt problems will tend to turn to the various providers of debt advice/debt management and not to members of the insolvency profession.

The IPC Web site

The current site has been in its present form for almost four years and thanks to public awareness of IPC through the web site, the steady flow of contacts continues to increase. A review of its format is to take place in 2004 to ensure that it continues to be seen as beneficial to the general public seeking to make contact with the IPC.

The majority of the contacts are in the form of complaints and generally about fees and costs. The policy is to pass the complaint on to the most appropriate place having taken note of the details for our further consideration and discussion with the profession. We make sure that the public does understand that the IPC cannot be an ombudsman; however, we do like to follow some cases through to a conclusion.



Individual Voluntary Arrangements

The IVA as currently structured is too complex and, therefore, too expensive for many cases of personal indebtedness. Consideration should be given by the profession in conjunction with the Insolvency Service to designing a simpler product, which would suit many more cases.

Regulation and Monitoring

The RPBs need to adopt a more pro-active approach to regulation and not just react when a complaint is made. This may well require an enhancement of the number and quality of monitoring staff.

Joint Disciplinary Body

The RPBs could consider creating a joint disciplinary body in a similar way to that created by the Actuaries or at least a joint fact-finding and investigation unit.

Aged Bankruptcy Cases

The large number of old bankruptcy cases being passed out by the Protracted Realisations Unit of the Insolvency Service are being dealt with in many different ways by IPs. There does not appear to be a standard approach and we recommend that the Insolvency Service issue some form of guidance.

RPBs	Recognised Professional Bodies – Professional institutions that set the ethical and professional standards for their members. Responsible for regulation, encouragement of proficiency of members, monitoring performance, discipline and complaints.
IPs	Insolvency Practitioners – Individuals licensed by the RPBs to practice insolvency and take cases.
IS	The Insolvency Service – A part of the Department of Trade and Industry which acts as the regulator of regulators of the insolvency profession. It also grants licenses to IPs.
JIC	Joint Insolvency Committee – Co-ordinating Committee made up of representatives from the RPBs and the Insolvency Service to bring together a process for implementing changes and improvements to insolvency practice and standards, and to respond to the recommendations made by the IPC.
R3	The Association of Business Recovery Professionals. The trade organisation for the insolvency profession and responsible for training. Acts as a voice for the profession and co-ordinates changes to Standards of Insolvency Practice (SIPs).
SIPs	Standards of Insolvency Practice – Detailed standards relating to the day-to-day work of insolvency practitioners.
IVAs	Individual Voluntary Arrangements – Formal arrangements made by debtors for payments to be made to their creditors over a period of time under the supervision of an insolvency practitioner.
CVAs	Corporate Voluntary Arrangements – Formal arrangements made by companies for payments to be made to their creditors over a period of time under the supervision of an insolvency practitioner.
JIMU	Joint Insolvency Monitoring Unit – A unit created by the Insolvency Practitioners Association and the Institute of Chartered Accountants in England and Wales to undertake the monitoring of the members of these two RPBs.
DMCs	Debt Management Companies that give debt advice to the public, generally charging a fee and currently not the subject of any formal regulatory process.
CCCS	Consumer Credit Counselling Service – a charitable non-charging UK-wide debt advice organisation with its head office in Leeds.

A background image showing the silhouettes of several business professionals in a brightly lit hallway. A man in the center is talking on a mobile phone, while others are walking around him. The image is semi-transparent and serves as a backdrop for the text.

Acknowledgements

The IPC would like to express its thanks to the following for their support during 2003.

- ❖ Association of Business Recovery Professionals - R3
- ❖ Association of Chartered Certified Accountants
- ❖ Baines & Ernst Ltd
- ❖ Baker Tilly
- ❖ Burall Myles
- ❖ Citizens Advice (formerly NACAB)
- ❖ Consumer Credit Counselling Service
- ❖ Inland Revenue Voluntary Arrangement Section
- ❖ Insolvency Practitioners Association
- ❖ Insolvency Service
- ❖ Institute of Chartered Accountants in England & Wales
- ❖ Institute of Credit Management
- ❖ I P R Services Ltd
- ❖ Joint Insolvency Committee
- ❖ KPMG LLP
- ❖ PWC LLP