

RESOLVING PROBLEMS WITH YOUR CHARTERED ACCOUNTANT

PROFESSIONAL STANDARDS

Introduction

Sometimes problems arise because of a misunderstanding or a lack of communication between client and accountant and you can often resolve issues by talking to your accountant. Occasionally you may find that you are unable to resolve the problem, or that the nature of the issue is such that you need to contact the Institute.

We can only help or get involved in your complaint if the accountant is one of our members or is regulated by us. Anyone can call themselves an **accountant** even if they have had no formal training and don't belong to a professional body. This helpsheet is for anyone who is having problems with a **chartered accountant** who is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) or anybody regulated by the ICAEW for audit or insolvency work.

Specific problems you may have

Audit

If you believe the financial statements of a company do not show a true and fair view, you should refer the matter to the Financial Reporting Review Panel or Company Investigations Section of the Department of Business, Enterprise and Regulatory Reform as they have the powers to review, make recommendations and refer cases to court. Only the courts can determine matters of judgement such as a true and fair view.

If a firm signs an audit report as a registered auditor, it must comply with the regulations of the body with which it is registered under the Companies Act 1989. The body which registers the firm should be shown on the firm's notepaper. If you're not sure, call the Joint Audit Register on +44 (0)131 347 0100 to find out which body registers the firm. If you're unable to resolve your complaint directly with the audit firm and it is registered with the ICAEW, please contact us and we will consider whether we can become involved.

Insolvency

If you are challenging the decisions of an insolvency practitioner (IP), there are procedures under insolvency legislation that you need to follow. The IP acts under statutory rights and powers and only the courts have the power to decide if the IP has exercised them properly.

The IP does, however, have to comply with standards and procedures set out in the Statements of Insolvency Practice and, if your complaint is that the IP may have deviated from one or more of these statements and they are licensed by us, please contact us and we will consider whether we can become involved. The IP's notepaper should show the name of the licensing body.

Investment advice

Firms offering investment business advice have to be authorised. The current authorising bodies are:

- the Financial Services Authority for what is called mainstream investment business and
- a number of designated professional bodies (of which the ICAEW is one) for non-mainstream investment business.

If your complaint is that the investment has not produced the results you expected, then this is not something which we can help with. However, if you think the accountant did not act according to the regulations or gave you misleading information when making the sale, please contact us and we will consider whether we can become involved.

If the investment business was given:

- between 28 August 1988 and 30 November 2001
- by a firm that was previously licensed by the ICAEW but which no longer exists and
- you have exhausted all other avenues,

you may apply for compensation to the Chartered Accountants' Compensation Scheme Ltd. Visit www.icaew.com and search for 'chartered accountants' compensation scheme', or call + 44 (0)1908 546 287.

Civil law

If your problem relates to a commercial dispute (including the fees you are charged), you may only be able to find a solution through the courts. Although we may be able to deal with certain issues of professional conduct related to the dispute, only the courts can pass judgement on contract terms.

Crime

If your problem relates to a criminal matter, then the proper authority (the police) should investigate it first. You can let us know that you have reported the matter because, if the accountant is convicted, we may need to take further action. However, we can't act in place of the proper investigative authority because we are unable to determine whether an individual has committed a criminal offence.

Accounting, tax or other

If your problem is a matter of poor work or **professional conduct**, please contact us and we will consider whether we can become involved.

What you need to do if you have a problem with your accountant

All member firms have to investigate any complaints they receive from clients about the service they have provided so, before you make a complaint to the Institute, contact your accountant to give them an opportunity to address your concerns.

Write to the senior partner or principal (if it's a sole practice) to explain your complaint and, if appropriate, say what you would like them to do to resolve the problem. If you cannot resolve the problem satisfactorily, you can complain to the Institute and we will assess your complaint to see whether we can become involved.

How to make a complaint to the Institute

You can either fill in the form on page 5 of this helpsheet or you can use the form at www.icaew.com/complaints.

We may not be able to act if you have nothing to support your allegation, so please send us (with your complaint form) copies of any relevant supporting letters and other documents. If you have a clear idea how your complaint might be resolved, tell us on the form.

What happens next

We will write to confirm we have received your complaint and will pass it to an assessor.

The assessor considers whether the conduct of the accountant meets the reasonable expectations of the public and complies with professional and ethical standards. If it doesn't, the Institute is responsible for disciplining them. However, a disciplinary case does not necessarily arise if the accountant has made a simple mistake such as an error of judgement or it is a minor example of negligence.

If we cannot help, we will tell you as soon as possible.

If it does appear that the accountant may have failed to comply with Institute standards, guidance or regulations, we will consider the best way to deal with the matter for you and will write to tell you which route we have chosen. Just as there are only certain types of problem we can help with, there are only certain types of solution we can offer. For example, we do not have the power to award compensation.

Depending on the nature and seriousness of the problem, we may:

- offer **conciliation** if we think there is something which can be done to resolve your complaint or
- decide that it would be best to deal with the subject matter of the complaint by **investigating** it further to see whether the Institute should discipline the accountant.

Resolving the complaint through conciliation

If our assessor thinks your complaint might be resolved through conciliation, it does not mean that it is less serious than other complaints. It means that a different approach is more likely to meet your needs.

The conciliator will try to help reach an agreement which is satisfactory to both you and your accountant. If the accountant is prepared to take the steps you have outlined, or suggests alternatives which you agree with, we will try to resolve the matter without using the Institute's formal disciplinary procedures. Although we do not have the power to award compensation, it may be possible to agree a financial settlement through conciliation.

It is often helpful to copy letters and documents to both parties. If you do not want us to make any of your correspondence available to your accountant, please head your letter 'for Institute use only'.

If we can resolve your complaint through conciliation, we will close the matter and there will be no disciplinary consequences for the accountant. If conciliation does **not** resolve the problem, we may still ask a case manager to investigate your complaint.

If you would like more information on conciliation, please ask for our publication, *Conciliation – the key to resolving complaints*.

Investigating the complaint

If an assessor thinks that your complaint should be investigated, we will tell you which aspects of the matter we can deal with and appoint a case manager who will look into your complaint in detail. If there are any matters we can't deal with, we will explain why. We will also tell you if we need further information before we can start investigating.

The case manager will ask for the accountant's version of events and will invite you to comment on their response. At this stage, it helps if you and the accountant agree to make all relevant correspondence available to each other. Our investigation concentrates on whether the Institute should discipline the accountant.

You should consider carefully if you want to:

- resolve the problem (for example, you may just want the accountant to return books and papers) or
- ask the Institute to consider the disciplinary issues.

If you would like more information on how we investigate complaints and can discipline members and firms, please ask for our publication, *How we investigate complaints*.

This helpsheet gives general guidance only. It does not explain the Institute's powers and duties. The full details are set out in the *Members' Handbook*. If there is any conflict, the Institute's Charter and bye-laws will prevail.

The president and office-holders of the Institute of Chartered Accountants in England and Wales are not allowed to sit on any of the professional conduct committees or to deal with disciplinary cases generally.

We receive your complaint

Assessment

We consider the complaint and ask these questions:

Does it appear that the accountant may **not** have complied with Institute standards, guidance or regulations and is there evidence to support this?

Yes

No

Can the accountant resolve the problem without the need for the Institute to discipline them?

Yes

No

Conciliation

We try and help you and the accountant reach an agreement which will resolve the complaint.

Investigation

We gather evidence from you and the accountant to consider whether disciplinary action is appropriate.

Sometimes there is a dispute but the accountant hasn't actually failed to comply with any Institute guidance or regulation.

These disputes need to be resolved another way (for example, by mediation or fee arbitration).



USE THIS FORM TO MAKE A COMPLAINT ABOUT AN ACCOUNTANT

YOUR DETAILS

Name

Organisation (if appropriate)

Address

Postcode

Daytime phone number

Email

WHO DO YOU WANT TO COMPLAIN ABOUT?

Name

Practice name (if appropriate)

Address

Postcode

What has happened? Please explain your complaint in full and use another sheet of paper if necessary.

You will need to send us copies of relevant supporting correspondence or documents.

Why do you think the accountant is at fault?

Have you complained to the accountant?

Yes

No

If 'Yes', what happened?

SUPPORTING EVIDENCE

So that we can assess your complaint, please send supporting evidence
(for example, letters and documents you have sent or received from the accountant) to:

Assessment Section
Professional Conduct Department
Metropolitan House
321 Avebury Boulevard
Milton Keynes
MK9 2FZ

or email your supporting evidence to psocomp@icaew.com.

Please tick a box if you will be sending supporting evidence: by post by email

Is there anything the accountant could do to resolve your grievance?

Please tick this box to show that you understand that a copy of this form, any evidence supplied
and any future correspondence may be copied to the accountant or third parties.

If, for any reason, you feel unable to tick this box, please call our helpline on +44 (0)1908 546 235.

Your signature

Date

Now send your complaint form and supporting documents to:

Assessment Section
Professional Conduct Department
Metropolitan House
321 Avebury Boulevard
Milton Keynes
MK9 2FZ