**ELIGIBILITY and cold file review strategy**

This help sheet can be used as part of an IP’s Insolvency Compliance Review. It can be used to document your continued eligibility for authorisation and your cold file review strategy.

You should attach any detailed checklists or other documentation used to complete the cold reviews detailed in Part II of this document.

Practitioner’s name:

Review by:

Date of review:

**Part I – Eligibility**

This part of this help sheet forms part of an IP’s Insolvency Compliance Review. It can be used to document an IP’s continued eligibility for authorisation.

[**Issues relating to the firm or office under review**](#_Issues_relating_to_the firm or offi)

**Office / location under review:**

This section covers issues relevant to the IP’s firm or office and only needs to be completed once for each location, even if the review covers several IPs.

|  |  |  |
| --- | --- | --- |
|  | **Action required?****(Yes / No / N/A)** | **Comments** |
| [Professional Indemnity Insurance](#_Professional_indemnity_insurance) (section 1.1 below) |  |  |
| [Ethical and Bribery Act considerations](#_Ethical_considerations) (section 1.2 below) |  |  |
| [Clients’ money (if applicable)](#_Clients’_money_(if) (section 1.3 below) |  |  |
| [Bonding](#_Bonding) (section 1.4 below) |  |  |
| [Money Laundering Regulations](#_Money_Laundering_Regulations) (section 1.5 below) |  |  |
| [Technical and procedural material](#_Technical_and_procedural_material) (section 1.6 below) |  |  |
| [Staff, training and competence](#_Staff,_training_and_competence) (section 1.7 below) |  |  |

[**Issues relating to individual IPs**](#_Issues_relating_to_individual IPs)

**Practitioner name:**

If the review covers more than one IP, additional sections should be completed for each individual.

|  |  |  |
| --- | --- | --- |
|  | **Action required?****(Yes / No / N/A)** | **Comments** |
| [Eligibility](#_Eligibility) (section 2.1 below) |  |  |
| [Sources of work](#_Sources_of_work) (section 2.2 below) |  |  |
| [Data Protection Act registration](#_Data_Protection_Act_registration) (section 2.3 below) |  |  |
| [Appointment of an alternate](#_Appointment_of_an_alternate) (section 2.4 below) |  |  |
| [SIP 11](#_SIP_11) (section 2.5 below) |  |  |
| Cold file review strategy (Part II below) |  |  |

**Outcome of the review work and details of action required**

|  |
| --- |
| Firm or office issues |
| Individual issues |

Signed

Reviewer

Date

##

# Issues relating to the firm or office under review

## Professional indemnity insurance

Purpose of the review: to ensure that the practice is complying with the ICAEW’s PII regulations

|  |  |  |
| --- | --- | --- |
| Last financial accounting period end: |  |  |
| Turnover: |  |  |
| Level of professional indemnity cover: |  |  |
| Does the practice’s level of cover comply with the Professional Indemnity Insurance Regulations? ICAEW Professional Indemnity Insurance Regulations | Yes / No / N/A |  |
| When was the level of cover last reviewed to ensure that it was adequate? |  |  |
| Have any claims or potential claims been recorded, reviewed and reported to insurers in accordance with the policy requirements? | Yes / No / N/A |  |
| List the names of any cases that the policy says are excluded from cover (or mark N/A). |  |  |
| Where the policy has excluded certain cases, which PII provider is separately covering those cases and what are the dates of cover? |  |  |

## Ethical and Bribery Act considerations

Purpose of the review: to ensure that the office / practice has procedures in place to ensure compliance with a practitioner’s obligations under the ethical code.

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Comments** |
| 1.2.1 | Does the firm have a checklist to document the consideration of ethical issues before appointments are accepted? |  |  |
| 1.2.2 | Have you documented your rationale for engaging each third party provider, as required by the ethical code since May 2020? |  |  |
| 1.2.3 | Does the firm have a proportionate Bribery Act policy, are staff aware of it, and where appropriate, are considerations documented and placed on each file? |  |  |
| 1.2.4 | Does a review of an individual IP’s files confirm that the correct checklist and other templates and procedures are being used? |  |  |

## Clients’ money (if applicable)

Purpose of the review: to ensure that the office / practice has procedures in place to ensure compliance with the ICAEW’s clients’ monies regulations.

This section applies where IPs use a general monies client account as well as any individual estate accounts. The cold file reviews should check that the estate accounts are being properly administered and aren’t covered below.

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Comments** |
| Does the practice have procedures to ensure compliance with the ICAEW’s clients’ money regulations by ICAEW members and by member firms? |  |  |
| Does a review of the use of the client account over the past 12 months confirm that these procedures operate as intended? |  |  |
| Have funds earned interest where appropriate?  |  |  |
| Has all interest been paid to the relevant client? |  |  |
| Where the IP is a sole practitioner and ICAEW member, are there arrangements with another appropriately qualified person to enable the proper distribution and processing of clients’ money in the event of the sole practitioner’s death or incapacity? Para 31 Clients’ Money Regulations |  |  |

## Bonding

Purpose of the review: to ensure compliance with the Insolvency Practitioners Regulations 2005 (or subsequent requirements)

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Comments** |
| Does the practice have procedures to ensure that insurers and the ICAEW receive a copy of each month’s cover schedule by the 20th of the following month? |  |  |
| Does a review of an individual IP’s bonding file confirm that this operates as intended? |  |  |
| Does the practice have a bonding calculation form so it is clear on each case how the bond level has been calculated (unless only maximum or minimum bond levels are used)? |  |  |
| Does the practice have a policy for the regular review of bond levels (unless already bonded at maximum limits)?  |  |  |

## Money Laundering Regulations

Purpose of the review: to ensure compliance with statutory responsibilities.

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Comments** |
| Has the practice appointed individuals to the required positions (such as MLRO or similar)? |  |  |
| Have all relevant staff in the office under review been trained on the law relating to money laundering?  |  |  |
| When was the last general training session held? |  |  |
| Does the firm have a risk-based policy which determines the appropriate level of CDD work required on each assignment? |  |  |
| Is CDD including the level of risk reviewed, and recorded, throughout the engagement in accordance with the frequency stipulated in the firm’s risk assessment? |  |  |
| Are there procedures in place to ensure that records of clients’ identity are kept for five years after the end of the business relationship? |  |  |
| Does a review of an individual IP’s case files confirm that the AML procedures are being properly followed? |  |  |

##

## Technical and procedural material

Purpose of the review: to ensure that there are adequate technical resources and procedures to enable compliance with the requirements of the Act, Rules and SIPs.

|  |  |  |
| --- | --- | --- |
|  | **Yes/ No / N/A** | **Comments** |
| Does the practice / office have an up-to-date systems and procedures manual? |  |  |
| Does the practice / office have up-to-date work packs and checklists for case types over which the IP is appointed (or has been or may be)? |  |  |
| What practice management system is the practice using for its insolvency work? Note supplier and version. |  |  |
| Does the technical material available include copies of or access to: |  |  |
| * the Insolvency Act and Rules 1986 (as amended) and 2016 (as amended)
 |  |  |
| * other relevant legislation, including but not limited to Health & Safety, employment, and pensions
 |  |  |
| * all SIPs
 |  |  |
| * Dear IP
 |  |  |
| * Money Laundering Regulations and current CCAB guidance
 |  |  |
| * UK GDPR
 |  |  |
| * *List any others*
 |  |  |
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|  |  |  |

## Staff, training and competence

Purpose of the review: to ensure that sufficient and appropriate staff resources are available.

|  |  |  |
| --- | --- | --- |
|  | **Findings** | **Comments** |
| Review staffing levels and note staff numbers below.Staff should not be double counted, but where they fall into more than one category (eg a manager is qualified but does not hold an insolvency licence) they should be shown under the most appropriate category. |  |  |
| * Licence holders
 |  |  |
| * Qualified staff without an insolvency licence
 |  |  |
| * Managers
 |  |  |
| * Administrators
 |  |  |
| * Cashiers
 |  |  |
| * Other specialists
 |  |  |
| * Support / administrative
 |  |  |
| * TOTAL
 |  |  |
| How many cases are these staff currently administering? (refer to the case analysis at Part II below)All cases being administered by the office should be included, with any being handled for remote office holders clearly identified. |  |  |

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Comments** |
| Are sufficient staff resources available? |  |  |
| Are staff of an appropriate level and sufficiently competent? |  |  |
| Has any member of staff had an insolvency licence restricted or revoked at any time? |  |  |
| Has any member of staff been summarily dismissed in the last 12 months for any misdemeanour?(This should be reported on the firm’s annual return but may also need a separate more prompt notification to ICAEW, notably where the dismissal is for reasons that may have prejudiced estate assets or stakeholders. Where the staff member is also an IP, this should be reported pursuant to SIP 1) |  |  |
| How, and how frequently, are staff updated on technical developments? |  |  |
| Are staff appraisals conducted and recorded? |  |  |
| Have any staff training needs been identified and action plans implemented as needed? |  |  |
| Do staff sign fit & proper declarations, and how frequently? |  |  |
| How many individuals have been engaged on a sub-contract or temporary basis in the last 12 months?  |  |  |
| Have any sub-contractors or temporary employees had an insolvency licence restricted or revoked at any time? |  |  |
| Have any sub-contractors or temporary employees been summarily dismissed in the last 12 months for any misdemeanour? |  |  |

# Issues relating to individual IPs

## Eligibility

Purpose of the review: to ensure that the practitioner continues to meet the ICAEW’s criteria for ongoing authorisation.

|  |  |  |
| --- | --- | --- |
|  | **Yes / No**  | **Comments** |
| Does the practitioner currently have an enabling bond? Regulation 12 (1) Insolvency Practitioners Regulations 2005 |  |  |
| Is the original enabling bond or a copy of it lodged with the ICAEW? |  |  |
| Has the IP maintained records of CPD done and do they comply with ICAEW’s current CPD requirements? |  |  |
| If not, was this disclosed to the ICAEW on licence renewal? |  |  |

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## Sources of work

Purpose of the review: to consider whether the practitioner may be subject to undue influence in the conduct of his / her insolvency work and to confirm that the criteria for inclusion on any local Official Receiver’s rotas is met.

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Comments** |
| Where has the largest proportion of the practitioner’s insolvency work been obtained from during the last 12 months (i) by fee income and (ii) by case numbers? |  |  |
| Have any parties referred 30% or more of the practitioner’s insolvency cases during the past 12 months?  |  |  |
| Which Official Receiver’s rotas is the practitioner is on? |  |  |
| Does the IP / firm meet the current OR criteria for each rota stated at 2.2.3? |  |  |

## Data Protection Act registration

Purpose of the review: to ensure compliance with statutory responsibilities.

|  |  |  |
| --- | --- | --- |
|  | **Reference** | **Registration dates, address, and tier level** |
| Complete the next columns in respect of the IP’s personal registration with the Information Commissioner’s Office.([Information Commissioners - Data protection public register - ico.org.uk)](https://ico.org.uk/esdwebpages/search) |  |  |
| Complete the next columns in respect of the IP’s firm’s registration with the Information Commissioner’s Office (if applicable). |  |  |
| Is all information held by the ICO correct, including the tier and / or has the ICO been notified of the necessary change? |  |  |

## Appointment of an alternate (for sole IPs)

Purpose of the review: to ensure compliance with the ICAEW’s Insolvency Licensing Regulations.

|  |  |  |
| --- | --- | --- |
|  | **Yes / No / N/A** | **Name of alternate and date of written agreement** |
| Have the IP appointed an alternate and has the alternate signed a formal agreement, so that cases would continue to be administered in the event the IP becomes unable to do so? |  |  |

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## SIP 11

Purpose of the review: to ensure compliance with the SIP 11 requirements for an annual review

|  |  |  |
| --- | --- | --- |
|  | **Date of most recent SIP 11 review** | **Name of reviewer** |
| Attach a copy of the most recent SIP 11 annual review.(note that an external ICR provider won’t automatically include this in their ICR, and IPs need to check that they comply with both ICR and SIP 11 requirements) |  |  |

**Part II - Cold review strategy**

This part of the help sheet forms part of an IP’s Insolvency Compliance Review.

It can be used to document your cold file review strategy.

You should attach any detailed checklist or documents used to complete each cold review, or to record the cold review findings.

You should also document any remedial action to be taken, by whom, and when it has been completed.

QAD will ask for all ICR documentation from your most recent ICR, in preparation for your monitoring visit. Any breach of the requirements could affect the outcome of your monitoring visit. For IPs in firms with a rolling ICR programme, QAD will also ask for a summary of the key issues from the most recent ICR for an ICAEW-licensed IP in the firm (if not your own most recent one already provided). This should include details of any remedial actions taken since, or to be taken and by when.

**Details of practitioner’s overall caseload – a template is accessible** [**from this webpage under 'Useful forms to complete a compliance review'**](https://www.icaew.com/regulation/insolvency/support-for-insolvency-practitioners/insolvency-compliance-review-helpsheets)

|  |  |
| --- | --- |
| It may be useful to attach a case analysis showing your appointments by type and year of appointment, to give an overview of the caseload.For IPs using IPS, this can be printed directly from it (but it would include any dummy cases, so should be amended as needed). |  |

# Compliance review strategy

|  |  |
| --- | --- |
| Where certain areas of work or certain case types are being reviewed each year, the proposed cycle should be documented so it is possible to demonstrate that all aspects have been or will be covered in a six-year cycle of reviews.(Note that where only focused reviews are conducted, you should consider including full reviews in your next ICR or fully documenting why it isn’t necessary or appropriate). |  |

# Cases subject to review

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Case name | Scope of review (full, or detail the areas being reviewed) | Appointee subject to this ICR and whether lead or joint | Date of appointment – Date of closure (if applicable) | Case type |
|  |  |  |  |  |
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