



Insolvency Guidance Paper: Control of Cases

Insolvency Guidance Papers (IGPs) provide guidance on certain matters in the practice of insolvency. Insolvency practitioners may however develop different approaches to the areas covered by the IGPs.

IGPs should be read in the context of applicable statute, Statements of Insolvency Practice (SIPs), the Code of Ethics of the insolvency practitioner's authorising body. The Rules and Regulations of an insolvency practitioner's authorising body may impose regulatory requirements additional to, or in precedence to this guidance.

IGPs are developed and approved by the Joint Insolvency Committee and adopted by each of the authorising bodies.

CONTENTS

1. [Introduction to Control of Cases](#)
2. [Risk](#)
3. [Delegation](#)
4. [Control](#)
5. [Volume practice](#)

1. Introduction to Control of Cases

Insolvency appointments are personal to an insolvency practitioner, who has an obligation to ensure that cases are properly managed at all times. An insolvency practitioner has an obligation to ensure that their cases are properly controlled. Insolvency practitioners should maintain an overall management of their portfolio and have ultimate control over decisions, how decisions are documented and determine who has what level of delegated authority in relation to their cases generally or a case specifically.

Insolvency practitioners are required to be able to justify their decisions and demonstrate that appropriate levels of control were exercised.

2. Risk

Managing risk is essential to controlling and managing cases.

When determining appropriate procedures, consideration should be given to a variety of risk factors. These will vary depending on matters such as the complexity and circumstances of a case, total caseload, internal management arrangements and available resources. An insolvency practitioner should carefully consider the risks presented by their case load type and their firm's structure.

Identifying risk indicators should enable insolvency practitioners to address existing and emerging threats to effective control of cases. These include:

- Delays in, or lack of, case progression.
- Failing to conclude cases in a timely manner.
- Increase in caseloads.
- Loss of key staff or changes in staff resources.
- Focus on new work, or specific areas such as asset recovery, to the detriment of timely case progression.
- Individuals (for example business owners) who are not insolvency practitioners exerting undue influence over the acceptance of an appointment or the way in which an appointment is conducted.
- Lack of or limited control over governance and decision making within the firm.
- Extensive delegation of work to staff and/or joint appointee(s).
- Over-reliance on Artificial Intelligence or other automated processes.
- Use of external consultants without appropriate key performance indicators or reporting requirements.

3. Delegation

Issues can arise when an insolvency practitioner delegates work to others or takes appointments jointly with other practitioners. In such circumstances, an insolvency practitioner's planning and administrative arrangements need to ensure that cases are properly managed.

This guidance applies irrespective of whether an insolvency practitioner is delegating within or outside of the UK, working in an office or remotely.

Given the variation in the size of firms, practice structures and appointment specialisms, each insolvency practitioner will have different caseloads and resources and thus a different approach to delegation. This can include:

- Delegation of work to staff in the insolvency practitioner's own firm, wherever located.
- Holding a substantive or reduced role on an appointment taken jointly with one or more insolvency practitioners in the same firm, wherever located.
- Holding a substantive or reduced role on an appointment taken jointly with one or more insolvency practitioners in another firm, wherever located.
- Sharing work on an agreed basis on an appointment taken jointly with one or more practitioners from another firm.
- Instructing a specialist within a firm, whether an insolvency practitioner or not, to take responsibility for all work of a specific type (e.g. tax).
- Delegation of work to agents and sub-contractors.
- Employing another firm to give specialist advice (e.g. tax), or to undertake specific work (e.g. an investigation) and
- Allowing a practitioner in a former firm (following either the practitioner's move to another firm or retirement) to take responsibility for appointments for a specified period of time pending the

transfer of cases (for guidance, please see the Insolvency Guidance Paper on Succession Planning).

In circumstances where delegation takes place, the insolvency practitioner should be satisfied at all times that work is being carried out efficiently in accordance with the relevant legislative and regulatory requirements. Delegation of any or all aspects of a case should not contribute to a delay in its progression or closure or incur unnecessary or duplicate cost to the estate.

4. Control

To ensure an appropriate and proportionate level of control, an insolvency practitioner should have regard to the procedures required to meet the complexity of their cases and their practice's demands. The various matters listed below are examples and not an exhaustive list.

Case management and progression

- Revise existing/established processes that might affect case progression and/or timely closure (e.g. batch processing of closures, inefficient multi-step procedures etc) to make them efficient.
- Establish a closure programme and/or closure targets and monitor progress against them.
- Ensure that the appropriate level of involvement when setting case strategy at the outset is adequate to the nature, size and complexity of the case.
- Provide clear guidelines on dealing with the administration of cases at locations remote from the practitioner.
- Define agreed levels of responsibility, and the circumstances in which a reference to, or approval by, the practitioner is required.
- Establish processes for monitoring compliance and case progress, and reporting findings and recommendations.
- Ensure that regular case reviews are completed, and that they are at an appropriate level of detail and staff seniority.
- Have a clear and robust process for dealing with correspondence in and out, and complaints. If response targets are set, check that targets are being met.
- Have clear agreements regarding the division of duties between joint appointees, and document the rationale for that division. Agree frequency and nature of reporting and sharing of knowledge.
- Periodically review the division of duties document to ensure it is fit for purpose and mutually agree changes as appropriate.
- Agree a procedure at the outset for resolving any material differences of opinion between joint appointees that might arise. The procedure might include, but not be limited to, consulting other named IPs or specialists at the appointees' respective firms or jointly seeking legal advice.
- Establish appropriate procedures to ensure adequate communication and consultation channels with joint appointees (internal or external), and staff to ensure information required to enable every joint appointee to carry out their functions effectively is shared.
- Review the basis on which any specialist advisers and sub-contractors are selected and engaged, and how their work and costs are monitored to reflect best value and service outcomes.

- Ensure that costs are adequately authorised, controlled and recorded.

Identifying risks

- Ensure that risks are flagged and raised to the appropriate party in the firm, if this is not the insolvency practitioner.
- Monitor capacity within the firm and identify resource limits at which point further capacity will be required to ensure that there is sufficient available resource to deal with new work, case progression and closure.

Staff assigned to cases and training provisions

- Ensuring sufficiently qualified staff or resource is available to meet case and practice demands.
- Have regular reviews of staff training and ensure training materials are up to date, and staff benefit from “lessons learned”.
- In circumstances of departure or absence from a firm, adhere to the principles of succession planning and ensure that appropriate case control is maintained.
- Provide appropriate access to other members of staff working on a case with reasonable controls on accounts when making payments,
- Protocols in relation to control of cases, and associated case funds, should be recorded and shared with staff.

It is recommended that guidance is agreed with any joint office holders, set out in writing, and made known to relevant staff.

Contemporaneous working papers or file notes should be prepared and maintained in line with SIP 1.

5. Volume practice

High volume appointments

Where insolvency practitioners may have larger portfolios of cases (personal or corporate), this can bring additional risks. Any practitioners who have high volumes of appointments should consider risk factors which could impact their ability to have control over their cases. The various matters listed below are examples and not an exhaustive list.

Firm/entity

- Limited control over the structure and capacity within the firm.
- Limited role in management or governance of the entity.
- Limited control over allocation of resources and capacity of the existing resources to deal with the administration of high case volumes.

Controls might include taking steps to ensure that insolvency practitioners have a role in decisions that affect them.

Staff – training and monitoring

- the qualifications and experience of all staff.
- high turnover of staff affecting retention of skills.
- incentivisation structures focused on quantity rather than quality of outcomes.

Controls might include:

- Implementing suitable training models to ensure staff's competency.
- Regular assessment of training to ensure it keeps up with market developments.
- Providing re-training where gaps in staff knowledge or skills are identified.
- Implementing adequate supervising and monitoring processes for all staff, including staff working remotely, to monitor performance and quality of work.
- Regular reviews of any scripts and decision trees and calls to determine staff's adherence.
- Ensuring that performance incentives do not negatively impact the quality of outcomes.

Recording information and record keeping

- Limited control over the choice of IT systems in terms of their adequateness and robustness in processing high volumes of data and storage capacity.
- Increased reliance on systems and procedures.

Controls should include ensuring that the systems are fit for purpose and comply with insolvency law and relevant standards and that suitable retention policies are in place and adhered to. For volume IVA/PTD entities, controls might include establishing appropriate procedures to record and retain any advice provided to a debtor by staff and any work referrers, including all oral communications, web chat transcripts, digital communications, etc;

Communication and complaint handling:

- Limited control over the quality and timeliness of outputs.
- Increased reliance on unqualified staff.

Controls might include implementing a robust system of monitoring response times and reviewing the quality, relevance and timeliness of written and oral communications, as well as having a system for reviewing areas most complained about and addressing any recurrent issues.

Case handling and quality assurance:

- Limited control over auditing and quality assurance processes.

Controls might include regular reviews and audit of processes, procedures and systems to ensure that:

- they are being followed,
- they remain fit for purpose and identify any areas for improvement,
- they are carried out by adequately qualified assurance officers, either internal or external.

If systemic issues are identified in the process, any corrective action should be applied across the whole portfolio.

Volume Individual Voluntary Arrangements and Protected Trust Deeds

When operating in the volume individual voluntary arrangements (IVAs) and protected trust deeds (PTDs) sector, insolvency practitioners should give special consideration to risk factors specific to the volume IVA/PTD sector, particularly if operating as or within a defined Volume Provider entity¹. The various matters listed below are examples and not an exhaustive list.

¹ the definition of a Volume Provider is appended to [Monitoring Volume Individual Voluntary Arrangement and Protected Trust Deed Providers](#)

- Increased delegation of work to staff at all stages of a case, leading to the practitioner's limited involvement with the consumers and the case.
- Higher percentage of staff with few or no relevant qualifications.
- Potentially higher turnover of staff.
- Reduced control over the systems used, procedures or staff training.
- Little or no control over the governance, development or management of the volume provider entity.

Sector-specific risk factors should be considered when establishing what measures are adequate and proportionate to the insolvency practitioner's own individual circumstances to ensure that they remain in control of their portfolio. Practitioners should satisfy themselves that there are suitable arrangements in place to ensure that cases are properly managed and controlled at all times and that there are no delays in progression or closure.

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