

OPEN DIALOGUE

RESERVED LEGAL SERVICES: REGULATORY PLAN 2024–2026



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PROFESSIONAL
STANDARDS
DEPARTMENT

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FOREWORD

Anthony Pygram**Alternate Chair (Legal Services), ICAEW Regulatory Board**

ICAEW is an independent regulator with oversight responsibility in the role of an Approved Regulator under The Legal Services Act 2007. Working with the Legal Services Board (LSB) we are clear about our strategic priorities.

Our role as an improvement regulator is to strengthen consumer confidence and trust in those we regulate (such as ICAEW accredited probate firms). We do this by enabling, evaluating and enforcing the standards expected by the profession, oversight regulators (including the LSB) and government.

The members of the ICAEW Regulatory Board (IRB) welcome the LSB's annual performance assessments and we are pleased with recent results.

The assessments are a valuable opportunity to step back and incorporate a fresh perspective as we work towards achieving our regulatory objectives. In 2022, ICAEW received its highest ever rating, with four out of five standards found to be met. Although the 2023 assessment took place under a new performance framework, the strong performance from 2022 also played out in the 2023 results where ICAEW was rated green for well-led.

This regulatory plan describes our strategic and operational approach - what ICAEW does in relation to the regulation of reserved legal services - and how this aligns with the best interest of the consumer, our values, work with the LSB and our statutory duties.

INTRODUCTION

Duncan Wiggetts

Chief Officer, Professional Standards Department (PSD)

I am pleased to introduce the Reserved Legal Services (RLS) Regulatory Plan for 2024–26.

Guided by our RLS strategy and ICAEW's strategic theme to strengthen trust in the profession, this three-year operational plan sets out an ambitious and bold programme of work. Firstly, I would like to take this opportunity to highlight some of the recent PSD activity that aligns with the ICAEW Regulatory Board's RLS strategy.

Tying into the LSB expectations for ongoing competence of legal professionals, ICAEW's revised Continuing Professional Development Regulations launched in Autumn 2023. The result will be a step change in the approach to lifelong learning. By introducing minimum requirements which can be monitored more effectively, and adopting a risk based approach, revised CPD Regulations should provide much stronger assurance to consumers, oversight regulators and government that ICAEW Chartered Accountants are maintaining and enhancing their competence within increasingly complex professional and regulatory environments.

We undertook our biggest diversity survey at ICAEW accredited probate firms in 2023 which included responses from nearly 10,000 members of staff at our firms. The findings showed some interesting changes when compared with the results of previous surveys. Although there is of course, more to be done, there have been improvements in the representation of

lesbian, gay and bisexual staff, some ethnic minority groups and staff members with disabilities. We are now providing and promoting wider access to the probate diversity survey online tool. This will enable other firms we regulate to report on the diversity of their employees.

In line with the LSB's strategic aim of fairer outcomes, we introduced a change in regulation in 2021 to improve price and service transparency at our probate accredited firms and compliance in this area is assessed by the Quality Assurance Department during monitoring reviews. Additionally, PSD is now publishing IRB meeting agendas, minutes, and papers where this is not constrained by commercially sensitive or confidential items. To ensure transparency of our fee structure with our probate registered firms, we publish a leaflet titled *What your fee pays for* to explain the makeup of regulatory fees, see [Appendix B](#). We publish the results of our probate monitoring activity each year, along with annual financial reports. See [Appendices C](#) and [D](#) for our 2023 results.

Looking forward, we will continue to prioritise our core, day-to-day regulatory work which includes registration and authorisation, education, quality assurance monitoring and conduct investigations, whilst also reviewing the key themes from the LSB's latest performance assessment. We are delighted to work with consumer groups and with our fellow regulators on research and implementation of a centralised register of firms and continue our support of the Legal Choices

website. We will also be engaging in a range of the LSB's projects and initiatives including Professional Ethics and the Rule of Law; Technology; and First Tier Complaints.

As part of our commitment to continuous improvement, we will consult and engage widely as we develop as an organisation, consider and implement change and develop our plans and budgets.

In all that we do, I urge readers – don't wait for a consultation, we'd very much like to hear your views. We are curious and committed to engaging with a diversity of views and to open dialogue.

If you do wish to contact us, [please complete this form](#).

OUR GOVERNANCE

The ICAEW Regulatory Board (IRB) is responsible for ensuring ICAEW's regulatory and conduct work, undertaken by PSD, is carried out in the public interest ensuring it is well-led and providing effective regulation through good practice and operational delivery. It also provides assurance to government, oversight regulators such as the LSB, and the public, that these tasks are carried out independently and objectively. Specifically, the IRB considers matters of legal services performance and policy. It is chaired by a non-legally qualified chair when legal services matters are discussed.

In addition to a meeting dedicated to strategy, each year the board plans to meet six times. Budget and fee proposals for the next calendar year are put before the IRB in May or June each year.

The [Regulatory & Conduct Annual Report](#) sets out the role and achievements of PSD and the IRB. From 2025, the report will include an update on the activities set out in this plan.



FOCUS AREAS FOR THIS PLAN

LSB STRATEGIC THEMES

To strengthen trust and protect the public by enabling, evaluating and enforcing the highest standards in the profession, ICAEW is committed to supporting the Legal Services Act, regulation and LSB's strategic themes; fairer outcomes, stronger confidence and better services.

This regulatory plan and planned actions have the LSB strategic themes at their heart:



STRONGER CONFIDENCE

- Ensuring high quality legal services and strong professional ethics
- Closing gaps in consumer protection
- Reforming the justice system and redrawing the regulatory landscape



BETTER SERVICES

- Empowering consumers to obtain high quality and affordable services
- Fostering innovation that designs services around consumer needs
- Supporting responsible use of technology that commands public trust



FAIRER OUTCOMES

- Lowering unmet legal need across large parts of society
- Achieving fairer outcomes for people experiencing greater disadvantage
- Dismantling barriers to a diverse and inclusive profession at all levels

THE IRB'S RESERVED LEGAL SERVICES STRATEGY

In light of its responsibilities and obligations, and consistent with the regulatory objectives set out in Section 1 of the Legal Services Act 2007, the IRB considers that the current key objectives in relation to legal services are:

Ensuring the Professional Standards Department is best set up to deliver legal services regulation

- 1 To ensure that ICAEW is an effective and efficient regulator of reserved legal services activities undertaken by authorised and licensed firms, by:
 - i. ensuring there are appropriate systems in place to support the functions of policy making, application/registration, education, monitoring, conduct, related projects and other administration;
 - ii. ensuring the corresponding Professional Standards Department structure (see Appendix A) and overarching governance arrangements remain fit for purpose;
 - iii. ensuring legal services regulation is properly resourced;
 - iv. continuing to implement and develop systems for the collection and analysis of key indicators and relevant data that provide for the evaluation of the performance of this regulatory function;
 - v. addressing matters arising from the Legal Services Board's performance assessments; and
 - vi. developing a long-term strategy for effective oversight of reserved legal services as regulated by ICAEW.

Ensuring regulated firms are delivering a good service

- 2 To ensure the quality of legal services work being undertaken by authorised and licensed firms, through conducting and acting upon sufficient high quality performance assessments as to identify and share good practice, identify required improvements and take appropriate action where poor performance is established.
- 3 To implement regulations that enable the introduction of the reserved legal service of administration of oaths.
- 4 To monitor the provision of reserved legal services in order to identify and address any required education or training needs.
- 5 To monitor and, where necessary, ensure compliance with the price and service transparency requirements.

Improving communications (See Appendix F)

- 6 To ensure that there is effective communication, by:
 - i. maintaining active and effective channels of communication with authorised and licensed firms to facilitate, for example, the dissemination of regulatory information and best practice; and
 - ii. ensuring appropriate and sufficient consultation with authorised and licensed firms and other stakeholders on relevant matters, such as proposed changes to applicable rules and regulations.

- 7 To promote ICAEW's engagement with the consumers of legal services undertaken by authorised and licensed firms, together with innovations in those services, and develop consumer feedback mechanisms.
- 8 To seek to better understand how consumers' experiences of using the reserved legal services of authorised and licensed firms may be affected by the ICAEW's regulation of such activities.
- 9 To support and promote Legal Choices and other legal services educational platforms.

Ensure collaboration

- 10 To explore possible areas for collaboration with the LSB and other frontline legal services regulators with a view to the advancement of the regulation of reserved legal services in the public interest.

Contributing to a more diverse and inclusive culture

- 11 To continue to promote and encourage a more diverse and inclusive profession to help widen public access to legal services advice and support.
- 12 To assess the equality impact of our policies and actions.

Future development

- 13 To keep under review the future shape of reserved legal services as they could be delivered by ICAEW members and firms.

PRIORITY WORKSTREAMS FOR 2024-2026

WELL LED

Transparency of decision making

We are committed to transparency of decision making to promote trust in our governance and processes. In 2024, we will work to increase the publication of papers and minutes relevant to the regulation of legal services.

Consumer empowerment

Looking forward, PSD will continue to focus on the consumer empowerment agenda and look for ways to support choice and information in the legal services market. This includes:

- considering the impact of consumer empowerment in our regulatory decision making;
- developing consumer guidance and information to build knowledge and capability;
- engaging in collaborative projects that enhance transparency and information sharing; and
- evaluating the effectiveness of these activities and focusing on continuous improvement.

We will also align our consumer engagement strategy with the LSB's statement of policy on consumer empowerment.

Public legal education

PSD will publish new resources in 2024 to enhance consumers' understanding of the probate system and its legal processes. Our aim is to make the probate market more transparent and accessible by empowering consumers to engage with it more effectively.

We will consult with consumer advice organisations and with the Legal Services Consumer Panel to ensure the educational materials are user friendly and meet consumer needs. Going forward into 2025/26 we will develop a strategy to evaluate the effectiveness of these resources and consider making improvements where necessary.

Digital exclusion research

PSD is working in partnership with the Bar Standards Board, Cilex Regulation Ltd, and the Council for Licensed Conveyancers to commission new research to inform our approach to digital exclusion, to safeguard the interests of consumers.

Digital exclusion is multi-faceted and represents a challenge to vulnerable consumers of probate and estate administration services. This is a key project for PSD in 2024, given the increasing digitisation of HMCTS services and the potential impact on consumers of legal services who may struggle to access online advice. We aim to deliver this research by the end of 2024 and will consider its impacts and any potential policy initiatives arising from it in 2025/26.

Legal Choices

Legal Choices is a website for consumers which is designed to provide objective information and options about legal services and enhance public legal education. ICAEW is a partner in this cross-regulator initiative and as a steering group member will continue to aid Legal Choices in our shared ambition to support access to justice and help people in need of legal services. We will continue to track progress with this ambition and ensure that it reflects the needs of probate consumers.

Regulatory Information Service (RIS)

ICAEW, in collaboration with other legal services regulators supports the delivery of a new initiative to improve regulatory information data sharing. RIS will offer a single digital register and while currently in the development stage of its design, PSD is actively engaging in this phase as a member of the RIS subgroup. We are fully committed to its aim to help consumers better understand the legal landscape and make informed decisions when seeking legal assistance.

Equality, diversity and inclusion (EDI)

The next Probate Diversity Survey will take place during 2025 and the results will continue to be reviewed against historical data to identify any trends or changes since the first survey was undertaken in 2014. Work is also underway to collect and evaluate diversity data for those involved in the ICAEW complaints process ie, complainants and those who are the subject of a complaint. Our long-term aim is to use our equality data to evaluate the effectiveness of our EDI initiatives and to develop new initiatives.

PSD will consider how to better understand the diversity profile of consumers in the probate market and whether there are any groups who face barriers in access to justice. This may involve collaboration or engagement with other legal service regulators or wider professional body and regulatory community.

EFFECTIVE APPROACH TO REGULATION

Ongoing competence

Following the implementation of the revised CPD Regulations in November 2023, plans are being put in place for a new monitoring regime coming into place at the end of the first CPD year of the new policy. From November 2024, PSD will be leading this monitoring work to assess compliance of members, regulated individuals, member firms and other firms subject to ICAEW regulation, with the new requirements.

PSD will work with the wider ICAEW to consider the holistic resources that are needed for probate practitioners and consumers.

Impact of regulatory changes on firms and consumers

Considering the potential impact on stakeholders of changes to our policies and regulations has always been at the forefront of our policy development. Collecting views from stakeholders through consultation allows us to analyse the likely impact and outcome of regulatory changes and refine new policies. Looking forward, PSD will consider how to collect further evidence of the specific impact of regulatory changes on ICAEW probate firms and consumers.

Professional behaviour

A key PSD project in 2024 is ensuring ICAEW's Code of Ethics provides greater clarity on our regulatory requirements in terms of professional behaviour. The rationale for this is to respond to concerns about unethical conduct and ensure ICAEW professional accountants act in accordance with expected professional standards.

Our proposal to amend the wording in 115.1.A2 of the Code went out to public consultation in 2023. We are currently considering all feedback and intend to publish our final proposed changes in early 2025. We will engage with our probate firms to ensure they understand the changes. We will evaluate the impact of the revised provisions over the following years.

Professional Indemnity Insurance (PII) Regulations

Following a consultation process, the IRB approved important changes to ICAEW's PII Regulations in January 2024. These changes should benefit both firms and consumers. Specifically, the requirement that the minimum limits of indemnity are increased should ensure that there is a larger amount available for payment of claims and should reduce the likelihood of underinsurance.

New PII Regulations will be introduced on 1 September 2024. PSD and the PII Committee will monitor any impacts and outcomes of the changes on firms and consumers.

OPERATIONAL DELIVERY

Authorisation: Oaths

In 2024, work will continue to implement the reserved legal service of Oaths. Changes will be made to the Legal Services Regulations and the necessary approval sought from the LSB for the change in regulatory arrangements.

Supervision: Mercia review

A review of Mercia's performance as a training provider was conducted in early 2023. PSD committed to repeat this review on a biennial basis, and accordingly the next review will take place in 2025.

Enforcement: Review of the ICAEW Guidance on Sanctions

The IRB will consider the results of an ongoing review being conducted by PSD senior management into the current Guidance on Sanctions. The guidance sets out the methodology which should be followed by ICAEW's regulatory and conduct committees in determining the appropriate sanction to impose. The purpose of the review is to ensure that the regulatory and conduct committees carry out their work effectively and to ensure consistency of approach with other regulatory and disciplinary regimes. The IRB has approved a draft of a separate Guidance on Sanctions to be used by the regulatory committees. PSD is in the process of revising the Guidance on Sanctions used by the conduct committees. The IRB will consult on the proposed changes to the Guidance on Sanctions before the changes are introduced. It will also seek input from the LSB.

MAPPING OUR ACTIVITY TO THE REGULATORY OBJECTIVES UNDER THE LEGAL SERVICES ACT*

MAPPING OUR KEY WORKSTREAMS 2024-2026

	Protecting & promoting the public interest	Supporting the constitutional principle of the rule of law	Improving access to justice	Protecting & promoting the needs of consumers	Promoting competition in the provision of legal services	Encouraging an effective, strong & diverse legal profession	Increasing public understanding of the citizen's legal rights and duties	Promoting & maintaining adherence to the professional principles	Targeted	LSB strategic themes
Transparency of decision making	Accountability	Accountability					Accountability		✓	Better services Stronger confidence
Consumer engagement strategy			Accountability	Accountability			Accountability		✓	Fairer outcomes
Public legal education				Consistency			Consistency		✓	Fairer outcomes Better services
Digital exclusion research			Accountability	Accountability					✓	Fairer outcomes
Legal Choices			Consistency	Consistency			Consistency		✓	Fairer outcomes
Regulatory Information Service			Transparency	Transparency	Transparency		Transparency		✓	Better services Fairer outcomes
Equality, diversity & inclusion						Accountability			✓	Fairer outcomes
Ongoing competence	Consistency					Consistency		Consistency	✓	Better services

	Protecting & promoting the public interest	Supporting the constitutional principle of the rule of law	Improving access to justice	Protecting & promoting the needs of consumers	Promoting competition in the provision of legal services	Encouraging an effective, strong & diverse legal profession	Increasing public understanding of the citizen's legal rights and duties	Promoting & maintaining adherence to the professional principles	Targeted	LSB strategic themes
Impact on firms & consumers of regulatory changes	Accountability					Accountability		Accountability	✓	Better services Fairer outcomes
Professional behaviour	Accountability	Consistency				Accountability		Consistency	✓	Stronger confidence Fairer outcomes
Professional Indemnity Insurance Regulations				Accountability				Consistency	✓	Stronger confidence Better services Fairer outcomes
Implement service of Oaths			Proportionality		Proportionality				✓	Better services
Mercia review								Accountability	✓	Better services Fairer outcomes
Guidance on sanctions	Accountability			Accountability				Proportionality	✓	Stronger confidence

MAPPING OUR CORE REGULATORY ACTIVITY

	Protecting & promoting the public interest	Supporting the constitutional principle of the rule of law	Improving access to justice	Protecting & promoting the needs of consumers	Promoting competition in the provision of legal services	Encouraging an effective, strong & diverse legal profession	Increasing public understanding of the citizen's legal rights and duties	Promoting & maintaining adherence to the professional principles	Targeted	LSB strategic themes
2024 update of the operational strategy for PSD	Accountability								✓	Stronger confidence
Meet the LSB's operational targets			Proportionality						✓	Stronger confidence
Share Internal Governance Rules more widely across ICAEW - refresh awareness								Proportionality	✓	Stronger confidence
Induction training for new Legal Services Committee and IRB members		Accountability							✓	Stronger confidence
Ongoing commitment to and compliance with the Internal Governance Rules.			Consistency						✓	Stronger confidence
Commitment to ICAEW's culture change activities and a continuous learning environment			Consistency	Consistency					✓	Stronger confidence Better services
Support the implementation of Microsoft Dynamics			Consistency	Consistency					✓	Stronger confidence Better services
PSD communications team utilise enhanced email news and LinkedIn channels to grow engaged populations				Transparency					✓	Stronger confidence
Continue to publish disciplinary decisions in fully searchable database and as part of single source register	Transparency								✓	Stronger confidence Better services
Continue to publish board minutes and papers			Transparency					Accountability	✓	Stronger confidence Better services

	Protecting & promoting the public interest	Supporting the constitutional principle of the rule of law	Improving access to justice	Protecting & promoting the needs of consumers	Promoting competition in the provision of legal services	Encouraging an effective, strong & diverse legal profession	Increasing public understanding of the citizen's legal rights and duties	Promoting & maintaining adherence to the professional principles	Targeted	LSB strategic themes
Apply to the LSB regarding changes of regulatory arrangements (eg, implementation of Oaths and PII Regulations)		Consistency				Consistency			✓	Stronger confidence Better services
Respond to any propositions by the LSB/MoJ to extend or remove the categories of reserved service					Consistency				✓	Stronger confidence Better services
Closely review communication results to drive improvements							Transparency	Accountability	✓	Stronger confidence Better services
Further develop our trusted and valued relationship with the LSB		Accountability							✓	Stronger confidence
Continue PSD's marketing activity to raise awareness of the role accountants can play within legal services				Accountability					✓	Stronger confidence Better services
Further phase of development in terms of engagement with firms							Accountability		✓	Better services
When non-compliance themes and common pitfalls are identified, continue to publish guidance for our firms				Consistency					✓	Better services
Monitor compliance with the Legal Services Regulations by accredited firms through monitoring reviews								Accountability	✓	Better services
Monitor firms' experience of monitoring reviews and publish the results of these surveys and insights			Transparency						✓	Better services
Thoroughly investigate complaints and hold members and firms accountable where standards fall short				Accountability					✓	Better services

	Protecting & promoting the public interest	Supporting the constitutional principle of the rule of law	Improving access to justice	Protecting & promoting the needs of consumers	Promoting competition in the provision of legal services	Encouraging an effective, strong & diverse legal profession	Increasing public understanding of the citizen's legal rights and duties	Promoting & maintaining adherence to the professional principles	Targeted	LSB strategic themes
Draft updates to the regulations, establishing the application process, considerations for ongoing monitoring and enforcement								Consistency	✓	Better services
Continue to monitor complaints in order to identify compliance issues and further need for training								Consistency	✓	Better services
Improve transparency and ensure effective communications							Transparency		✓	Better services
Implement the consultation policy and communications platform to support it			Consistency						✓	Better services
Keep PII Minimum Approved Wording policy under review			Proportionality						✓	Better services
Annual consultation of our budget and consideration of the impact any fee increase might have on less well off or vulnerable consumers				Accountability					✓	Better services Fairer outcomes
Consultation of operational and strategic plans			Accountability						✓	Better services
Highlight through consumer advice organisations especially Legal Choices that accountants offer probate services with a request for them to update their communication materials accordingly							Transparency		✓	Better services
Promote these platforms to our firms and a wider audience via our regulatory communication channels and main ICAEW corporate channels				Transparency					✓	Better services
Support innovation by registered firms			Consistency						✓	Better services

	Protecting & promoting the public interest	Supporting the constitutional principle of the rule of law	Improving access to justice	Protecting & promoting the needs of consumers	Promoting competition in the provision of legal services	Encouraging an effective, strong & diverse legal profession	Increasing public understanding of the citizen's legal rights and duties	Promoting & maintaining adherence to the professional principles	Targeted	LSB strategic themes
Collaborate with the LSB re market led digital comparison tools			Consistency						✓	Fairer outcomes
Work where possible with other regulators on areas for joint development			Consistency						✓	Better services
Communication campaigns to promote any changes to the regulations								Transparency	✓	Fairer outcomes
Collaborate with the LSB regarding a single digital register and market led digital comparison tools			Transparency						✓	Fairer outcomes
Bi-ennial diversity survey of firms and continue to provide survey tools to our probate firms						Accountability			✓	Fairer outcomes
Analysis of the results of probate diversity surveys and identification of actions and reporting. Promotion of the findings to probate firms and other stakeholders						Accountability			✓	Fairer outcomes
Provide and promote wider access to the probate diversity survey online tool to enable firms we regulate for other services to report on the diversity of their employees						Transparency			✓	Fairer outcomes
The Regulatory and Conduct Appointments Committee is working to broaden representation within our regulatory and disciplinary committees						Accountability			✓	Fairer outcomes
Further tracking of regulatory and conduct committee appointments to ensure they draw from a wider audience						Consistency			✓	Fairer outcomes

See PSD's 'Strategy in Action' document ([Appendix E](#)) for further information on our core regulatory activity.

* A new regulatory objective has been proposed by the government; 'Promoting the prevention and detection of economic crime'. This is subject to s209 of the Economic Crime and Corporate Transparency Act 2023 (ECCTA) coming into force. Our plan to meet this new objective includes a range of current and future work to increase awareness of the practical implications of the ECCTA and ensure compliance with its measures.

MANAGING RISK AND SECURING OPPORTUNITIES

Risk assessments are considered quarterly or more frequently as the pace of change dictates. Operational risks, pre and post mitigation assessments and mitigating actions are shared with the IRB. The IRB considers risks to its strategy and operational risks in the context of a control framework.

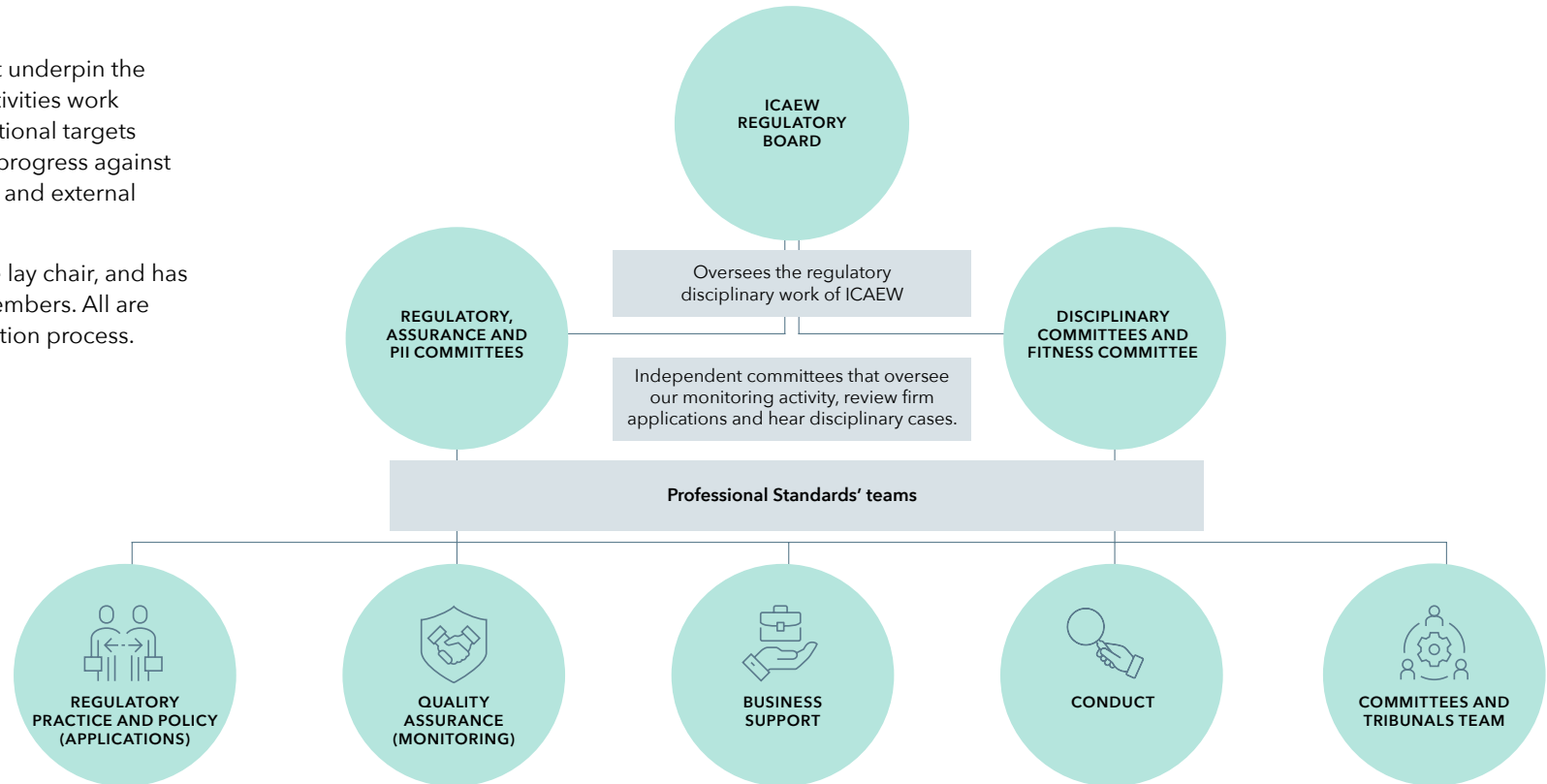


APPENDIX A: DEPARTMENTAL STRUCTURE

The IRB is responsible for the regulatory and disciplinary functions ie, the work of PSD and its committees. This structure provides separation from the other activities of ICAEW.

The IRB ensures that the processes that underpin the departments licensing and conduct activities work effectively and efficiently, that its operational targets support its strategy and that it reviews progress against the operational plan and other internal and external targets that are set.

The IRB has 12 members, including the lay chair, and has an equal number of lay and non-lay members. All are appointed using an independent selection process.



APPENDIX B: 'WHAT YOUR FEE PAYS FOR' LEAFLET

The following appendix is a copy of the *What your fee pays for* leaflet that is available on our website. The leaflet explains to ICAEW probate accredited firms how our fees are set.

ICAEW supports the Legal Services Board's (LSB)'s initiative to be transparent about fees. Summarised below is what the annual probate fee pays for and highlights the value and benefits of being an ICAEW accredited probate firm.

OVERVIEW

ICAEW publishes annual Probate financial and [monitoring](#) reports. The reports show a year-on-year increase in the number of ICAEW Probate accredited firms and authorised individuals. The financial report provides a high-level expenditure analysis.

Each year c.40% of total expenditure related to staff costs is on the probate compensation scheme and insurance. ICAEW has 4.2 full time equivalent employees working in the area of probate. ICAEW does not have a dedicated 'probate department' and probate related functions are carried out by staff across the Professional Standards Department of ICAEW. For example, staff within the Regulatory Practice Group not only register and license members and non-members for probate, but also deal with applications for other ICAEW regulated areas such as audit, insolvency and investment business.

To provide a more in-depth analysis, this report covers how your annual fees fund the following ICAEW probate operations:

- Compensation scheme levy
- Application and registration
- Policy and education
- Monitoring
- Conduct
- Projects and other support

COMPENSATION SCHEME LEVY

ICAEW established a Probate Compensation Scheme under the requirements of the Legal Services Act 2007. In accordance with paragraph 2.2 of the [Probate Compensation Scheme Regulations](#), an accredited probate firm must pay the levy as decided by ICAEW. The levy covers the cost of the compensation scheme and provides funds for potential claims.

APPLICATION AND REGISTRATION

An element of your fee is allocated to two staff members within the Regulatory Practice Group for:

- dealing with general enquiries and providing general support around the application process;
- processing new applications, including probate affiliate applications;
- updating firms' details for changes;
- ongoing renewal of fees; and
- the preparation of reports for the Legal Services Committee.

[Access further details on the application process](#)

POLICY AND EDUCATION

The Regulatory Policy team is responsible for developing ICAEW's regulatory policy and engagement with government bodies, oversight regulators and other professional bodies. The team is dedicated to horizon scanning, assisting the IRB and PSD leadership and ensuring that the current and future regulations are fit for purpose.

The team works closely with government, other RLS regulators and ICAEW's oversight bodies to help implement the law.

A portion of registration fees is attributed to the work of the policy team who are responsible for areas such as the legal services regulations, applications for new reserved activities, liaison with the LSB and SRA (Legal Choices) team, professional indemnity insurance reviews, CPD Regulations, and understanding and explaining changes in the law and regulatory requirements.

MONITORING

ICAEW's annual monitoring report provides an overview of the number of accredited firms, the number of monitoring visits we carry out each year and a high-level summary of the issues found by the Quality Assurance Department (QAD) on its reviews.

A portion of the annual registration fee is attributed to the work of QAD, that helps preserve the highest professional standards of member firms by monitoring their compliance with applicable laws, regulations and standards and their adherence to the Code of Ethics.

QAD helps firms to:

- establish appropriate systems, controls and procedures;
- run their probate practices effectively;
- identify and address issues;
- identify and address common pitfalls; and
- comply with the laws and regulations, standards and codes that apply to them including as related to CPD.

Within QAD, there is a director, senior manager, manager and a team of ten trained and experienced reviewers that carry out monitoring reviews on a risk-based cycle to our probate accredited firm population. The work of this department is overseen by the Legal Services Committee, the IRB and the LSB.

CONDUCT

Included in your annual fee are external costs to cover the LSB and Office for Legal Complaints. Annual funding of £18k is included in the budget to cover these costs and are therefore a component funded through your registration fees.

Internally, the Conduct Department is responsible for ICAEW's investigation and disciplinary functions. Staff within this department investigate all complaints, including any in relation to probate accredited firms. If a complaint is found proved a range of disciplinary sanctions is possible. You can find further details at: [Guidance on Sanctions and fixed penalty process](#).

Your fees also fund the operation of a dedicated and formally appointed, Legal Services Committee. The Legal Services Committee is ultimately responsible for ICAEW's legal services regulatory tasks including applications, licensing and monitoring, together with appropriate regulatory enforcement measures. This committee meets up to six times a year. Committee members and chair are able to claim a meeting attendance fee.

PROJECTS AND OTHER SUPPORT

A part of your fee inevitably gets allocated against other projects in relation to ICAEW's probate operations. Such initiatives are largely driven by our existing team staff costs and an expected cost of operations each year. These innovative initiatives and improvement activities do not stop, they are a core component of what we do.

The Business Support team is a central department which produces the operational plan and supports the work of all Professional Standards staff. This includes a finance function and projects team.

Finance look after credit control, budgets and forecasts. They also manage the annual regulatory fee, levy and conduct related fines payment collection.

The projects team ensure that we continuously improve as a regulator to maintain, develop and support highest standards of practice across our accredited firm population.

There are four staff members who help with a range of communications and information shared with our probate firms, including facilitating webinars and publishing content on LinkedIn and our website such as our probate support pages.

With the help of all the departments, projects and initiatives such as [diversity data collection and reporting](#) are areas that your fee helps to keep us, as your regulator, at the fore of regulatory requirements and best practice guidance.

Other support includes articles and webinars on:

- [the benefits of probate accreditation](#);
- how to [make the most of a probate licence](#);
- how ICAEW probate accredited firms are making a success of this area, with case studies from [sole practitioners](#), [tax accountants](#) and [general practices expanding their current client service offering](#); and
- a [future practitioner probate workshop](#).

These initiatives add value to the accredited population and provide additional tools for you to service your clients.

Our website content is regularly updated, you can find more information at:

- [Probate helpsheets and resources](#)
- [CPD for probate](#)
- [FAQs about ongoing eligibility to carry out probate work](#)
- ICAEW Regulatory and Conduct LinkedIn channel
- Regulatory e-newsletter – *Regulatory and Conduct News*

FEES CONSULTATION FOR 2024

We consulted on our 2024 fee levels in the summer of 2023. All such communications and input are signposted to you in *Probate News*, *Regulatory & Conduct News* and via other ICAEW communication channels such as our [LinkedIn page](#).

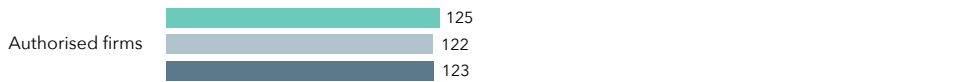
APPENDIX C: 2023 RESULTS

PROBATE 2023 FINANCIAL REPORT

TARGETS

Probate function is self-financing	2023
Meet/beat target funding for the compensation scheme	
Financial surplus funds initial investment	
ICAEW reserves meet authorising/licensing body requirement	

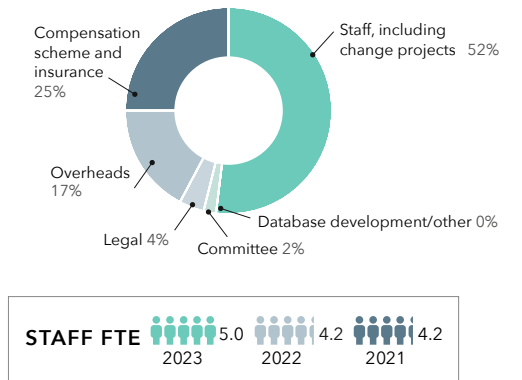
REGISTRATION STATISTICS



FINANCIAL ANALYSIS



EXPENDITURE ANALYSIS



Financial notes

Total income includes levies for the compensation scheme. • Total expenditure includes transfers to the compensation scheme. • 2023 net result represents the targeted return over time of the initial investment funding. • Committee members receive a meeting allowance of £385/meeting. • The chair of the committee receives an allowance of £770/meeting. • FTE: Full time equivalent. • Further financial information is available as part of the ICAEW financial statements and annual report.

APPENDIX C: 2023 RESULTS

PROBATE MONITORING 2023

PROBATE ACCREDITED FIRMS

As at 31.12.23

Active - 339 (2022: 353)

Accreditations in the year - 24 (2022: 31)

Cessations in the year - 38 (2022: 34)

CESSATIONS

Restructured - 9 (2022: 9)

No longer requires accreditation / no probate work - 22 (2022: 14)

Firm ceased - 5 (2022: 7)

Cost of accreditation - 1 (2022: 3)

Moved regulator - 1 (2022: 0)

License revoked - 0 (2022: 1)

VISIT APPROACH

We aim to visit firms within the first 24 months of accreditation. However, if they have not done any probate work by that date, we extend the cut off to 30 months. All 34 firms visited for a first probate visit in 2023 met this target. Of the 23 first probate visits in 2022, only one firm was outside of this target.

VISITS COMPLETED

2023 60 (4.6% of Practice Assurance visits undertaken)

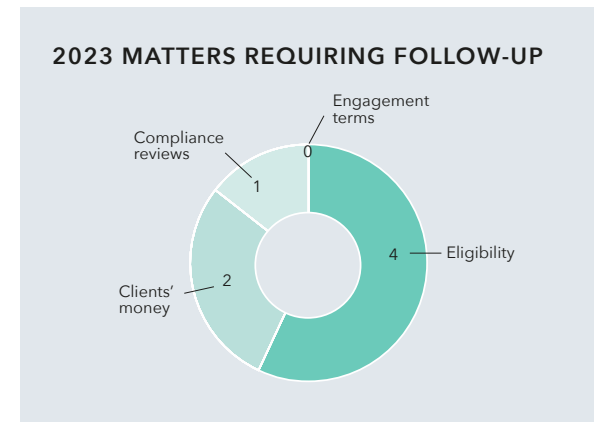
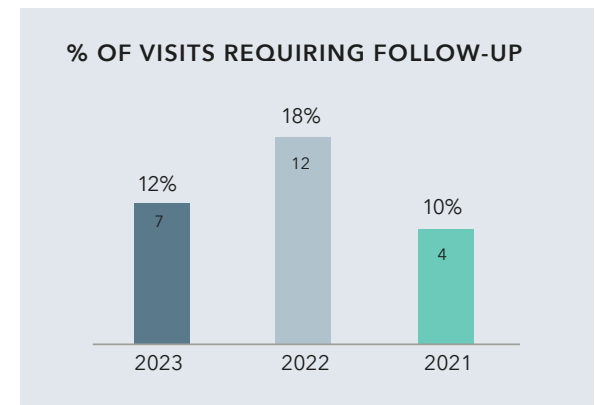
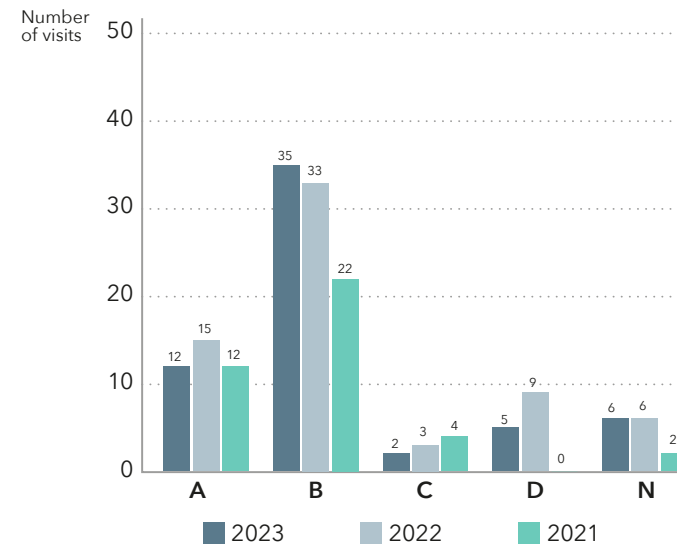
2022 66 (4.3%)

2021 40 (3.2%)

VISIT GRADES

- A no instances of non-compliance
- B some non-compliance but the firm's responses address the matters raised
- C some follow-up action needed
- D detailed report to Probate Committee
- N firm doesn't have any probate work

VISIT OUTCOMES



APPENDIX D: FINANCIALS 2024 BUDGET

£ including compensation scheme	2024 Budget		
Income: Registration fees	623,399		
Income: Regulatory penalties	17,545	640,944	
Income: Levy	104,366		
Cost: Levy	(104,366)	0	
Cost: Staff	(455,512)		
Cost: Committee	(36,333)		
Cost: Insurance (or scheme top up)	(68,000)		
Cost: Projects incl Legal Choices	(57,087)		
Cost: Design and Surveys	(2,608)		
Cost: Travel	(2,000)		
Cost: Office	(1,200)	(622,740)	
Surplus: Return on investment		18,204	

£ excluding compensation scheme levy	2024 Budget			
Registration fees (+0% 2023)	623,399			97.3%
Regulatory penalties	17,545	640,944		2.7%
Staff	(455,512)			73.1%
Committee	(36,333)			5.8%
Comp scheme insurance / tfr	(68,000)			10.9%
Projects incl. Legal Choices	(57,087)			9.2%
Design and surveys	(2,608)			0.4%
Quality Assurance Dept. travel	(2,000)			0.3%
Office	(1,200)	(622,740)		0.2%
Surplus: Return on investment		18,204		

£ cost of operation analysis	2024 Budget		
Cost: Staff	(455,512)		73.1%
Cost: Committee	(36,333)		5.8%
Cost: Insurance (or scheme top up)	(68,000)		10.9%
Cost: Projects incl Legal Choices	(57,087)		9.2%
Cost: Design and Surveys	(2,608)		0.4%
Cost: Travel	(2,000)		0.3%
Cost: Office	(1,200)	(622,740)	0.2%

	Activity		
Regulatory policy and engagement	32%	(199,277)	
Registration and supervision	24%	(149,458)	
Discipline and conduct	5%	(31,137)	
Governance and scheme top up	22%	(137,003)	
Education, research and projects	17%	(105,866)	

Return on investment	£K	£K
Application and set up costs	(170)	(170)
P&L surplus		
2017	23	
2018	15	
2019	15	
2020	17	
2021	12	
2022	14	
2023 forecast	18	
2024 budgeted	18	132
Outstanding to be returned in future years		(38)

BUDGET 2024

The budget for 2024 is targeted to self-finance and make a small surplus of £18k to return, over time, the start-up costs of becoming a regulator and licensing authority. Costs have largely increased due to inflation and salary increases, and also costs in relation to policy and governance have increased due to Legal Services Board requests for further administrative processes, consultations, and information returns.

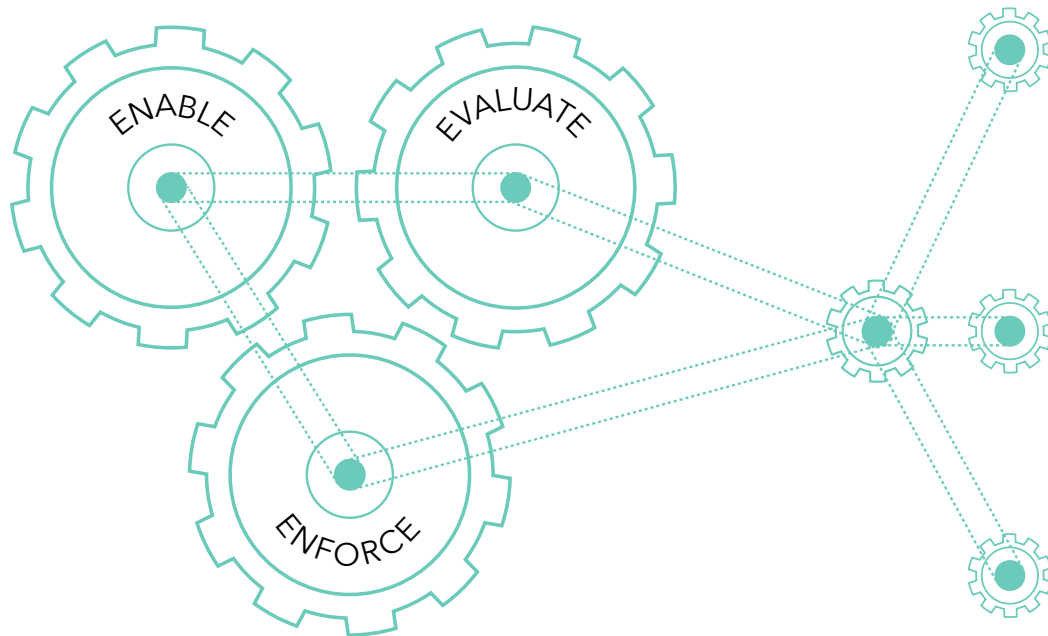
Budgeted income is largely related to firm registration and licensing annual registration fees. All income is raised specifically for reserved legal services permitted purposes only. The levy income flows through the income statement to build the compensation scheme. Committee and board costs relate to the ICAEW Regulatory Board and the Legal Services Committee. Operational costs are in the main related to registration, regulatory, policy, quality assurance and conduct staff. Projects includes a contribution to fund the Legal Choices website.

RESERVES POLICY

The policy is as reflected in the annual financial statements 'ICAEW reserves policies ensure that reserves including FRC fines and costs balances are set at a level equivalent to between three and six months of expenditure through the income statement and for cash and investment balances to be at least sufficient to cover between three and six months of annual budgeted/ forecast gross cash expenditure'.

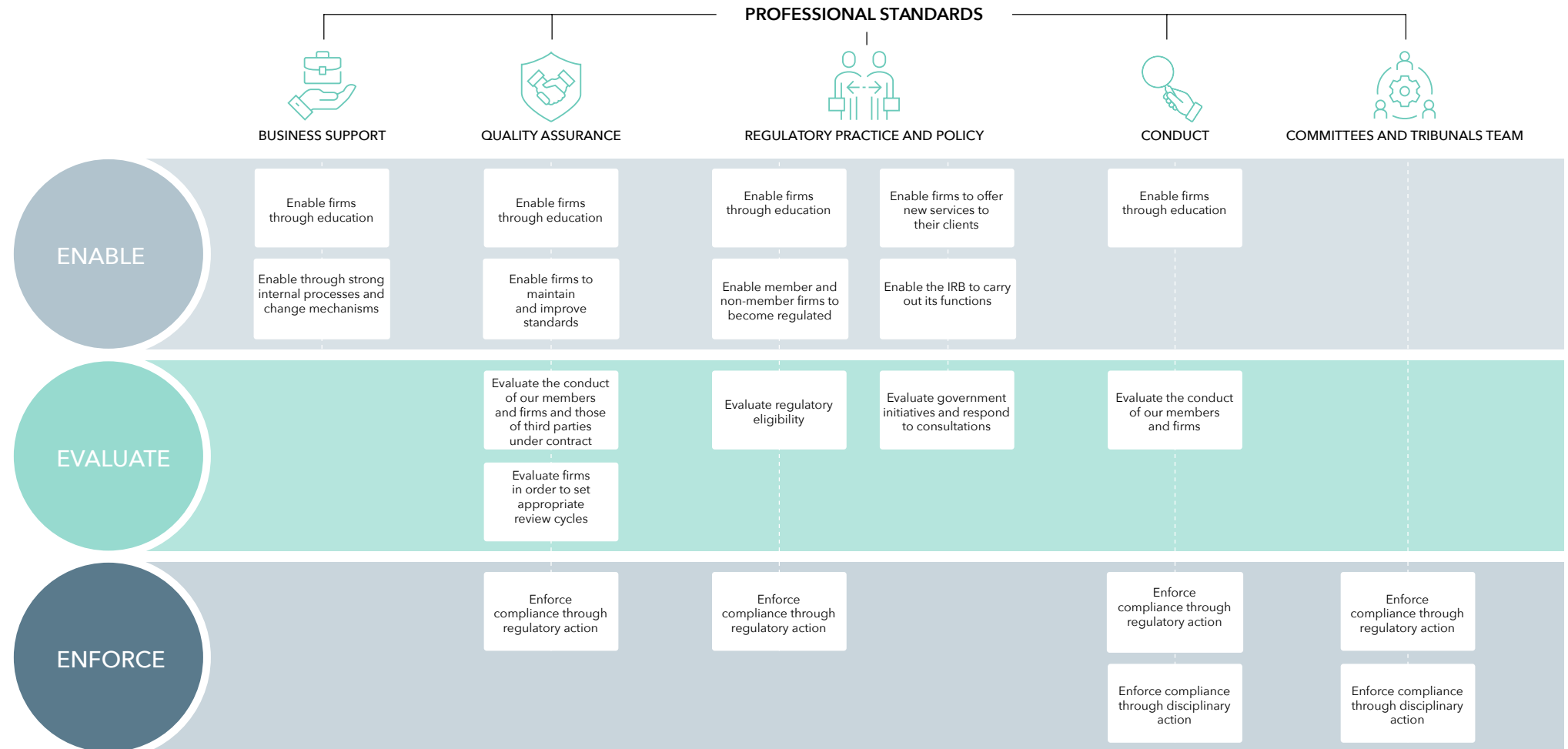
This is also to protect the regulatory function from any short-term financial anomalies or, should ICAEW decide to withdraw from an area of regulation, to allow for a properly funded handover period.

APPENDIX E: PSD STRATEGY IN ACTION



Our role as an improvement regulator is to strengthen consumer confidence and trust in those regulated by ICAEW. We do this by:

Enabling, Evaluating and Enforcing the standards expected by the profession, oversight regulators and government.



APPENDIX F: COMMUNICATIONS AND ENGAGEMENT

As above, key communications objectives for 2024–26 include

- Promote the new Regulation and Conduct LinkedIn page to our firms and a wider audience according to the communication plan.
- Promote the new Regulatory and Conduct monthly communication to increase its audience according to the communication plan.
- Continue to promote the 2023 probate diversity survey results.
- Continue to promote the message that accountants can carry out probate work.
- Continue to monitor and achieve increases in email open and engagement rates through continuous testing.
- Website updates including:
 - an expanded consumer section of the site; and
 - updates to the 'How to apply' section to enable firms considering applying for probate registration to more easily find the information they need.

COMMUNICATIONS RESULTS

Regulatory email results

	2022	2021	2020	2019	+ / - (%)
Open rate (%)	50	44	53	48	+6
Unique clicks (%)	14	15	23	18	-1
Click to open or engagement rate (%)	27	34	42	35	-7
Emails sent	432,900	300,967	164,846	85,238	+52
No of campaigns	79	50	43	24	+58


Probate email campaign results

	Opens (%)	Unique clicks (%)	Engagement (%)	Total sent	Campaigns
2022	47	20	41*	3,803	6
2021	46	18	37	4,392	9
2016	35	14	67	728	3

*considered a high engagement rate as volume of campaigns has increased significantly versus 2016.

COMMUNICATION EXAMPLES

Avoid an inadvertent breach [View in browser](#)



PROBATE

Probate: Common pitfalls

Dear Mr Arnold,

To help your firm avoid inadvertent breaches of the Probate Regulations, we have highlighted some of the most common issues we see.

[Read more](#)

These kinds of breaches can lead to potential regulatory action and interruption of probate services so it's important that you take note to ensure your firm avoids these common pitfalls. Please also refer to our [Probate FAQs](#) and [Eligibility case studies](#).

ICAEW Regulatory Board (IRB)'s Legal Services Strategy

Amendments have been made to the IRB's Reserved Legal Services Strategy and we now invite your feedback on the updated strategy. The deadline for responses is Monday 23 May 2022.


[Give your view](#)

Changes to ICAEW's CPD Policy: Give your view

ICAEW wishes to consult on changes it proposes to make to ICAEW's CPD Policy. The consultation is open from 24 March to 18 May 2022.

[Find out more](#)

Sanctions information | Diversity survey webinar | Compliance reminder [View in browser](#)




PROBATE NEWS

Probate News, issue 20

Dear Mr Arnold

In the latest issue of Probate News, we highlight a compliance issue our Quality Assurance Department is finding during monitoring reviews and provide information about the next probate diversity survey. We also highlight resources for probate firms.

[Read Probate News](#)




Price and service transparency

It is one year since the Probate Regulations were updated to mandate transparency. Our quality assurance reviewers are still finding firms are not fully complying with the updated regulations.


[Find out more](#)

Prepare for the 2023 survey [View in browser](#)



PROBATE

Prepare for the 2023 Diversity Survey



The next Probate Diversity Survey will take place this spring. To help you prepare, register for the one-hour webinar on 01 February, 11:00-12:00. Registration details are below.

[Register now](#)

The webinar will provide all the information your firm will need to carry out the 2023 survey, including a demonstration of a free survey tool which will help you collect, collate and anonymise your firm's survey responses. There will also be an opportunity to ask questions about the process. Your colleagues are very welcome to join this webinar.

More information about probate diversity data collection and reporting, along with FAQs, is available under the [probate area of the ICAEW website](#). Please make a note of the key dates for your diary below.

Legal services strategy update [View in browser](#)

ICAEW PROBATE

Give your view on the proposed changes

Dear Mr Arnold,

The ICAEW Regulatory Board (IRB)'s medium-term legal services strategy has been updated for 2022. We invite your feedback before we update the legal services business plan. Don't miss the opportunity to give your view by 23 May.

[Give your view](#)

IRB objectives

- > [Effective legal services regulation](#)
- > [Delivering a good service](#)
- > [Improving communications](#)
- > [Ensuring collaboration](#)
- > [A diverse & inclusive culture](#)

Legal Services Board strategy

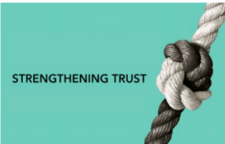
As an approved regulator and licensing authority for probate services, our activities are guided by and support the LSB's strategy.

[Read the strategy](#)


Follow our LinkedIn page

Strengthening trust in the profession. Follow the Regulation and Conduct LinkedIn page for the very latest regulatory updates and news.

[Follow now](#)



STRENGTHENING TRUST



New training film: *All Too Familiar*

Produced in collaboration with HMRC, our latest training film has launched. The film is provided as a free training tool to our firms and insolvency practitioners.

[Find out more](#)

ICAEW Regulation and Conduct + Follow

5,947 followers
1yr · 🌐

Is your firm registered for probate with ICAEW? Don't miss the opportunity to have your say on a proposed fee increase for 2023 by next week.

[#icaewRegulation](#) [#probate](#)



2023 PROBATE FEES CONSULTATION

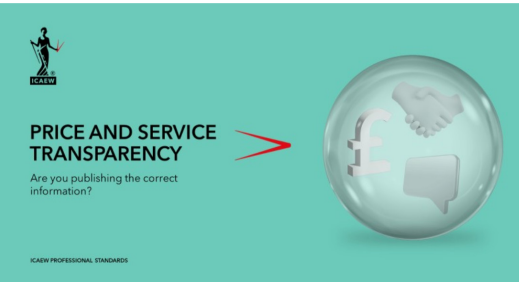
PROFESSIONAL STANDARDS

ICAEW Regulation and Conduct + Follow

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Check what price and service information ICAEW accredited probate firms must publish to ensure your firm is compliant with current [#regulations](#).

[#icaewRegulation](#) [#accounting](#)



PRICE AND SERVICE TRANSPARENCY

Are you publishing the correct information?

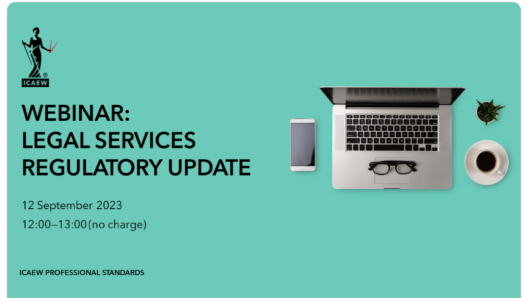
ICAEW PROFESSIONAL STANDARDS

ICAEW Regulation and Conduct + Follow

5,947 followers
8mo · Edited · 🌐

Register for this free, live webinar covering common findings from our quality assurance monitoring reviews, recent regulatory changes and 2023's Probate [#Diversity](#) Survey results. There will also be time for Q&A. Sign up now: <https://lnkd.in/eK-nR6-z>

[#icaewRegulation](#) [#probate](#)



WEBINAR: LEGAL SERVICES REGULATORY UPDATE

12 September 2023
12:00–13:00 (no charge)

ICAEW PROFESSIONAL STANDARDS

Tue, Sep 12, 2023, 12:00 PM - 1:00 PM BST [View event](#)

Legal Services Regulatory Update

📺 Online

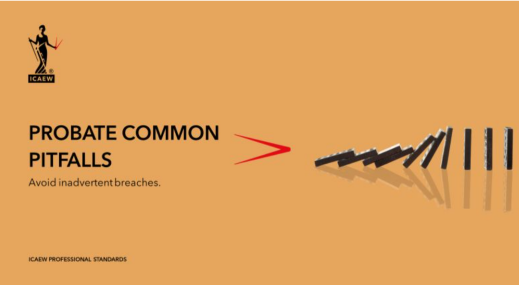
18 attendees

ICAEW Regulation and Conduct + Follow

5,947 followers
10mo · Edited · 🌐

To help your firm avoid inadvertent breaches of the Legal Services Regulations, we have highlighted some of the most common breaches we see. Take note to ensure your firm avoids these common pitfalls.

[#icaewRegulation](#) [#legalservices](#)



PROBATE COMMON PITFALLS

Avoid inadvertent breaches.

ICAEW PROFESSIONAL STANDARDS

ICAEW's regulatory and conduct roles

Our role as an improvement regulator is to strengthen confidence and trust in those regulated by ICAEW.

We do this by enabling, evaluating and enforcing the standards expected by the profession, oversight regulators and government.

ICAEW's regulation and conduct roles are separated from ICAEW's other activities through internal governance so that we can monitor, support and take steps to ensure change if standards are not met. These roles are carried out by the Professional Standards Department and overseen by the ICAEW Regulatory Board and oversight regulators including the Financial Reporting Council, Office for Professional Body Anti-Money Laundering Supervision, the Insolvency Service and the Legal Services Board.

We:

- **authorise** firms and individuals to undertake work regulated by law: audit, local audit, investment business, insolvency and probate;
- **support** professional standards in general accountancy practice through our Practice Assurance scheme;
- **provide** robust anti-money laundering supervision and monitoring;
- **monitor** registered firms and individuals to ensure they operate in accordance with laws, regulations and expected professional standards;
- **investigate** complaints and hold ICAEW Chartered Accountants and students, ICAEW-supervised firms and regulated and affiliated individuals to account where they fall short of the required standards;
- **respond** and comment on proposed changes to the law and regulation; and
- **educate** through guidance and advice to help ICAEW's regulated community comply with laws, regulations and expected professional standards.

Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 208,000 members and students around the world. 99 of the top 100 global brands employ ICAEW Chartered Accountants.*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 11,500 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

[charteredaccountantsworldwide.com](https://www.charteredaccountantsworldwide.com)
[globalaccountingalliance.com](https://www.globalaccountingalliance.com)

* includes parent companies. Source: ICAEW member data February 2024, Interbrand, Best Global Brands 2023

ICAEW

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ICAEW is
carbon neutral