

**ADDRESS TO ICAEW COUNCIL
BY PETER MITCHELL CHAIRMAN SPA
MONDAY 1 MAY 2002**

I am not given to speaking lightly — public speaking is not something I feel particularly comfortable with, but on such an important subject I will, and hope members will be patient with me if I take a few minutes of their time to address what is the most significant change proposal by this Institute since I entered practice nearly 20 years ago.

Today there are some 60 members present in this chamber, but last December only perhaps 16 remained when a potentially far-ranging vote was taken affecting many thousand of our members, many not currently working in regulated areas. Such a small number voting on such an important issue seems hardly democratic, and I invite Council to ask our chairman having heard my and Rob Bryant s concerns, whether this vote may be taken again.

The press announcement on the day following the December council decision twisted the intent to consider a scheme into a seeming done deal , ICAEW to introduce compulsory practice assurance in July 2003 . Since which we have been living in spin with an apparent solution to a problem few practitioners could imagine existed.

Not surprisingly the reaction from our members has been rapid and numerous — I do not know whether the same headlines are emerging from the practice focus questionnaire — only available on our Institute s web — but can provide a brief summary from the first 700 SPA questionnaires — 350 of which are from non-SPA members — where consistency of concern is starkly evident.

- 85% believe any scheme should not be compulsory, voluntary maybe
- 85% feel any such scheme will have negligible impact on client or public confidence
- 75% state that practice assurance as outlined has very little relevance to general practice and will lead only to higher costs and lower efficiency

Many respondents volunteered comments underlying such high concerns, which may be summarised in two groups:

Firstly, the Enron factor or focusing on the wrong target. Our Institute should surely be focusing on the area where in recent years repeated major financial loss has occurred to shareholders, pensioners and others through failings of the plc audit — and get this right once and for all. To general practitioners such failures are seen as staining their reputations.

Surely our Institute s energies should be brought to bear where it matters most rather than largely wasted where there is currently little or no public concern.

Secondly, such compulsion is regarded as highly unwelcome, intrusive, unrequested, unwarranted, of negligible value and time consuming. It would have little or no effect at high street level where, if anything, the concern is with unregulated and unqualified competition; the playing field is already uneven and this will not help.

Against this background compulsory practice assurance cannot readily be justified. I am very concerned it may trigger a widespread, hostile and damaging reaction from members, further weakening confidence and trust in this Institute — and widening the existing gap between what members needs and what this Institute provides.

I urge this council to think very carefully about the consequences of that vote in December and invite you to ask it be taken again.