



PRACTICE ASSURANCE - BOTH SIDES OF THE COIN MAINTAINING AND ENHANCING OUR STANDARDS

Background

The vast majority of small practitioners have never had a complaint made against them nor suffered a PI insurance claim. They are hardworking, highly regarded members of their local community where their reputation is based on the quality of client service provided – no other form of promotion usually being adopted.

Quality has not previously been perceived as an issue by our clients, our Institute or Government departments, However, we should strive for the highest standards of service practicably achievable – and despite the lack of a ‘level playing field’ given the many unregulated, unqualified ‘accountants’ offering their services.

2002 Surveys

In April 2002 SPA posted out questionnaires to 12,000 ICAEW member firms from sole practitioners to those with up to 5 partners and received 1012 responses. A major section of this survey dealt with proposals for Practice Assurance. In this same period our Institute emailed 13,000 practitioners within all size practices, inviting them to participate in a web-based survey on the same subject, receiving 760 responses.

Initial Survey Summaries

Response by size of practice	SPA All those in practising firms up to 5 partners		ICAEW Those in practice with known email address	
	Sole practitioner	78%	791 (ii)	47%
2 - 5 partners	22%	221	26%	
6 - 10 partners			9%	} 198
11 - 50 partners			6%	
51 - 200 partners			2%	} 205
200+ partners			10% (iii)	
TOTALS	100%	1012 (i)	100%	760

Notes:

- (i) Of whom 38% were non-SPA members
- (ii) On average less sole practitioners use email/web services
- (iii) This ICAEW response appears anomalous

The table below summarises responses obtained and shows the strength of feeling expressed against the stated benefits such a scheme purported for small practices. Note the ‘spin’ in the way the Institute results have been published.

	SPA Survey %	ICAEW Survey Members Focus %	Institute article in ‘Accountancy’ %
Definitely won’t benefit	62	22	77 (‘will definitely / may possibly’)
Maybe won’t benefit	19	57 (‘may possibly’)	
Don’t know	11		
Maybe will benefit	5		
Definitely will benefit	3	20	

SPA informed Council Members that the way its survey results were presented in *Accountancy* converting 20% ‘definitely will benefit’ into 77% ‘will definitely/may possibly benefit’ - distorted the findings and hence readers’ perceptions. Further we informed them that by carrying out the all-important first survey by email this had disenfranchised many thousand small practices who would be most affected by the process.

Practitioners clearly do not believe the stated objectives of such a scheme will be met, namely

- That it will raise the profile of members, and differentiate our work and standards from those unqualified (and presumably other Institutes’ qualified members – ACCA, CIMA) and unregulated competition.
- That it will create a competitive advantage to member firms, through a promotional campaign around the scheme.

Despite this negative reaction, the development programme continues to accelerate away from members, however the following principal issues remain to be addressed:

- Should such an ‘Assurance’ scheme apply to all ICAEW members whether in practice, business or elsewhere?
- Are the proposed standards practicable for a sole practitioner to achieve?
- How will the vote be undertaken – and amongst which Institute members?
- How will JMU inspections be carried out? Against what nature of breaches will sanctions be sought? What will those sanctions be?

On behalf of its members and for the benefit of all small practitioners SPA will lobby Council and Institute officials to ensure what emerges is practicable for sole practitioners to achieve. We feel that if a manageable scheme can be designed SPA should indicate its support; the converse is also true, if we feel the scheme is insufficiently developed or tested we will argue that support should not be given when the vote is taken.

If you hadn’t understood the message about Practice Assurance before, hopefully, you are very clear now that it will affect you!