

The CIPFA Disciplinary Scheme

A Guide for Complainants

September 2009

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance.

Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the only UK professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation for a career in public finance.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services for our public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance around the world.

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INTRODUCTION

This document is designed to give interested parties and the public an overview of the complaints and discipline procedures operated by the Chartered Institute of Public Finance and Accountancy (hereinafter referred to as 'CIPFA' or 'the Institute').

CIPFA exists to promote and encourage high standards in public finance and accountancy. The Institute takes its integrity and reputation and that of its Members seriously.

CIPFA treats all complaints seriously, investigates them thoroughly and honestly and responds as quickly as possible. In all cases the Institute follows the procedures outlined in this document.

SCOPE OF CIPFA'S DISCIPLINARY SCHEME

CIPFA is a professional body which regulates the conduct of its Members. Not all accountants are Members of CIPFA. The Institute can only deal with complaints about individuals who are Members of CIPFA. Contact details for the other main accountancy regulatory bodies in the UK are given at the end of this guide.

The Institute will consider complaints against Members, Registered Students and certificate and diploma holders (who are known as Affiliate and Associate members of the Institute). The scheme also covers individuals who had at one time or another been Members, Registered Students, Affiliate or Associate members. However, in such cases the length of time that has passed since the individual belonged to CIPFA will be taken into account when deciding how to deal with the complaint.

In this guide, reference will be made to "Member" or "Members". However, it should be borne in mind that the same procedures apply to Registered Students, Affiliate and Associate members of the Institute and individuals who had at one time or another been Members, Registered Students, Affiliate or Associate members.

Members of CIPFA are:

Always individuals, never organisations. So, for example, the Finance Director of your local council may be a CIPFA member; your council cannot.

Usually employed in the public sector, for example in local authorities, the health service and education. A few are in private practice or business.

CIPFA Members are entitled to use the letters CPFA after their name; whilst those who have attained diploma status are entitled to use the letters CIPFA Cert and

CIPFA DIP. The designatory letters are effective only whilst an individual's membership is current.

Before making a complaint to the Institute, you should first confirm that the person involved is a Member or former Member of CIPFA. You can do this by contacting the Disciplinary Scheme Administrator, whose contact details are given at the end of this document.

CIPFA will investigate complaints against its Members where there is evidence of:

Professional incompetence;

Breach of any guides to conduct, principles or rules (whether or not professional) prescribed and published by CIPFA Council;

Where a member has conducted himself/herself in such a way as to prejudicially affect the status, reputation or welfare of the Institute;

Where a member is guilty of "misconduct" which for these purposes is defined as any act or default which has brought or is likely to bring discredit upon himself, his employer, the Institute or the profession of accountancy;

Where a member suffers any conviction in any proceedings in relation to which a sentence of imprisonment may be imposed or where the member is subject to a finding or other determination in any civil or criminal proceedings that he or she has acted dishonestly or fraudulently.

The Institute's Standard of Professional Practice on Ethics, which incorporates the International Federation of Accountants' Code of Ethics, requires all Members to observe fundamental principles, namely:

- Integrity
- Objectivity
- Professional competency and due care
- Confidentiality
- Professional behaviour

There are other Standards of Professional Practice which cover Members' obligations in relation to the technical areas in which CIPFA Members work.

If you are informed that the Institute cannot investigate a complaint it will be because the Investigations Committee has agreed that it is not practical or not justified. Some of the types of complaint that the Institute is unlikely to take forward are:

- Anonymous complaints.
- Complaints made with the intention of causing annoyance or embarrassment.
- Complaints about the policy decisions of a Member's organisation/employer.

Making a complaint against a CIPFA Member is not a substitute for taking legal action where this would be appropriate. Therefore, if you think you might, as a result of the conduct of one of CIPFA's Members, be entitled to compensation or damages you should seek independent legal advice.

You may complain of anything that appears to you to show that the CIPFA Member has been guilty of misconduct as discussed above.

SERVICE DISPUTES

If you have a complaint which does not fall within the disciplinary scheme but concerns a fee or service dispute that cannot be resolved with the Member, you may wish to consider, with the Member, whether it will be appropriate to use CIPFA's conciliation or arbitration schemes to assist you and the Member in reaching a satisfactory resolution.

Both schemes are operated by the Institute of Arbitrators on behalf of CIPFA and further details are available on CIPFA's website.

MAKING A COMPLAINT TO THE INSTITUTE

You can bring a complaint to the Institute at any time. You might sometimes find it helpful, however, particularly if you want an apology, some specific action or redress, to discuss the complaint with the person concerned or with their employer's complaints department. You can make a complaint to us at the same time or wait until the outcome of these discussions is known.

Even if you have reached a satisfactory outcome locally the Institute would wish to know about a matter if you think that a Member's conduct falls within CIPFA's Disciplinary Scheme.

There is no specific time limit for making a complaint to the Institute, although if your complaint concerns events which occurred a significant time ago it may be harder for the Institute to decide whether or not there is a question of misconduct. Accordingly, it is best to let us know as soon as possible if you want us to deal with a complaint. This will also assist the Institute to avoid legal and practical problems and to uphold the professional reputation of CIPFA and the majority of its Members.

In order to make a complaint:

Check that the individual about whom you wish to complain is (or was) a CIPFA member. How to do this is explained at the end of this guide.

Print out and complete the Complaints form from CIPFA's website or write to the Head of Professional Conduct setting out:

Your name, address and, if possible, a telephone number where the Institute may contact you.

The name and, if possible, contact details (e.g. employer's name) of the Member who is the subject of your complaint or allegation.

What your complaint or allegation is.

The dates or approximate timescale when the events took place.

The evidence you are basing your complaint on including any papers or letters that might be relevant.

Your consent that all documentation you have submitted may be disclosed to the CIPFA Member, to CIPFA's Disciplinary Scheme Committees and to other relevant third parties. (Please note that in the event of a complaint being heard by the Disciplinary Committee, that this will be a public hearing, open to the press and public, and you may be asked to appear as a witness).

Send the above information to:

The Head of Professional Conduct
CIPFA
3 Robert Street
London
WC2N 6RL

CIPFA's Investigations Unit will contact you regarding any further information that is required to process your complaint having considered the information you have provided with the complaint form.

As a general rule, CIPFA's disciplinary investigations are private and confidential to the parties involved. This means that all copies of documents and letters sent to you are private and confidential and should not be disclosed to third parties.

HOW COMPLAINTS ARE HANDLED

Investigations are carried out by the Investigations Unit with assistance from external legal advisors. Your point of contact with the Institute will be an individual within the Investigations Unit.

The Investigations Unit, once it has sufficient information about your complaint, must refer it to a panel of CIPFA's Investigations Committee which will determine whether a full disciplinary investigation should be commenced. This Committee is comprised of CIPFA Members and of independent Members, the latter being people from other walks of life who ensure that the Committee deals fairly and even-handedly with the complaint.

If instructed to do so, the Investigations Unit will carry out an investigation into your complaint by firstly forwarding a copy of your complaint and any relevant papers to the Member and informing him or her that the Investigations Unit is carrying out an investigation.

The Investigations Unit will then make enquiries to obtain relevant evidence (such as statements, letters, documentation and accounts) from any individual or organisation who has some connection with the events which are complained about. Usually, this will include the Member's employer. The Investigations Unit may also need further information from you.

Once the Investigations Unit has received all the information it has sought, the Unit will decide whether there is sufficient evidence legally to put formal allegations to the Member.

The Member will be given 21 days to answer any such allegations and provide any evidence he or she thinks is relevant. This time limit can be extended in complex cases or where the Member requires more time due to, for example, ill health. When the Member's response has been received the Investigations Unit can amend the formal allegations and send them again to the Member.

Once your complaint has been investigated and any formal allegations put to the Member, a separate panel of the Investigations Committee will consider the case and decide on its future conduct.

At this stage, the Investigations Committee may:

Dismiss the case; or

If the Member admits to the formal allegations and it is appropriate to do so, the Investigations Committee can issue an Entry on Record or Reprimand; or

Refer the matter to the Disciplinary Committee for hearing.

Where appropriate the Investigations Committee may make an award in your favour (subject to a maximum of £1000) on behalf of the Institute to compensate you for the reasonable costs of bringing a complaint. If you consider that such a payment may be appropriate in your case you should raise the matter with the Investigations Unit.

The Investigations Committee will dismiss cases where:

In the case of former Members, the time that has elapsed since they belonged to the Institute would make it unfair or inappropriate to proceed; or

Based on the evidence, the complaint or allegation appears not to be justified.

The Entry on Record is noted on the Member's membership record for a period of upto 2 years during which time the matter may be reopened if similar complaints about the Member's conduct are received.

The Reprimand is a formal sanction which, in the absence of special circumstances, will be publicised by the Institute.

The Committee's Statement of Reasons will be sent to you within 21 days of the decision being made.

COMPLAINANTS' RIGHT OF REVIEW

If, following an investigation, the Investigations Committee dismisses your complaint, you are entitled to request a review of that decision by the Reviewer of Complaints. You will be notified whether you have this right at the time that the Statement of Reasons of the Investigations Committee is sent to you. You must then send a letter to the Investigations Unit within 21 days setting out your reasons for requesting a review.

The Reviewer of Complaints will give the CIPFA Member an opportunity to respond to your concerns about the Investigations Committee's decision. The Reviewer of Complaints will then consider all the evidence before the Investigations Committee, the letter in which you express your dissatisfaction with the decision of the Investigations Committee and the submissions of the CIPFA Member and if he or she considers that the decision of the Investigations Committee is incorrect or flawed or that it is otherwise appropriate to do so may request the Investigations Committee to re-open the case. Ultimately however the decision (of whether the case should be dismissed) is one for the Investigations Committee.

PROCEEDINGS BEFORE THE DISCIPLINARY COMMITTEE

The Disciplinary Committee includes a number of CIPFA and independent members and its functions are similar to a tribunal. In the absence of special circumstances, the disciplinary hearing is held in public and you will be invited to attend.

If the Committee finds a case proven, it may impose an Entry on Record or impose one of the following sanctions, namely: Reprimand, Severe Reprimand, Suspension, and Expulsion. In addition to or as an alternative to those sanctions, the Committee may withdraw any Practising Certificate held by the Member, order the Member to pay a fine of up to £10,000 and/or order the Member to pay compensation to you or to a third party up to a combined value of £5000 in respect of fees paid by you or a third party to the Member.¹ A Member may appeal the finding or sanction, in which case it cannot be imposed until the appeal is concluded.

LENGTH OF THE COMPLAINTS PROCESS

The time taken to deal with complaints depends on the nature of the complaint, on how much enquiry is required and how quickly answers can be obtained.

Throughout the progress of the case there are time limits which have to be observed. For example, the Member must be given at least 21 days in which to respond to the formal allegations. These time limits can be extended in certain circumstances but they cannot be ignored. The time limits are there for a reason, for example, to give a Member sufficient time to prepare his or her case and to perhaps obtain legal advice and representation.

If the Investigations Committee refers a complaint to the Disciplinary Committee the matter will take a further 3-6 months. Complex cases, and cases where an appeal against the Committee's findings has been lodged, can take considerably longer as the procedures are similar to those prevailing in a court case.

¹ It is not the central function of the Institute's professional disciplinary scheme to provide financial redress to complainants or third parties. However, where misconduct has been proved and it is appropriate in all the circumstances to provide some form of compensation to a complainant or third party, this sanction is available to the Committee. The mechanism for implementing this sanction requires the Institute to make payment to the complainant or third party and the Member to reimburse the Institute. In considering this sanction, the Committee will take into account all the circumstances of the case, including: (i) the fact that the Committee must make a Reimbursement Order requiring the Member to reimburse the Institute; (ii) any evidence regarding the financial circumstances of the Member; (iii) any other sanctions imposed on the Member and any Cost Order made against the Member; (iv) the extent to which the Member may have profited from the misconduct; (v) the extent to which the Member's conduct has caused loss to a complainant or third party; (vi) the extent to which a complainant or third party may have received benefit or value from a Member's services notwithstanding the Member's misconduct.

INDEPENDENCE

It is in everyone's interest that the Disciplinary Scheme is fair, transparent and accountable and that it is applied consistently.

The Committees are advised by Legal Assessors to ensure that the process, their decisions and any sanctions are fair – under the terms of the Scheme – and legal. As part of this, Legal Assessors advise on the implications of Human Rights legislation.

Committees made up of CIPFA and lay Members make all final decisions about your complaint and you are entitled to know the decision of the relevant committee within 21 days. Where a reprimand or more serious sanction is imposed on a Member, CIPFA will publish this on the Institute's website, in the Members' newsletter and by way of a general press release.

The Disciplinary Scheme is recognised by the Financial Reporting Council, the accountancy profession's independent regulator and is regularly reviewed to ensure that it continues to represent best practice and complies with the law.

SANCTIONS GUIDE

The Disciplinary Scheme committees have issued a Sanctions Guide setting out the sanctioning powers of each of the committees and the general principles that will be applied in determining the appropriate sanction in any individual case.

The Sanctions Guide is available from the Investigations Unit.

PUBLICITY

Where a Reprimand or more serious sanction is imposed, the case will normally be publicised on CIPFA's website and in the membership magazine, Spreadsheet, and by way of a general press release.

OTHER ACCOUNTANCY REGULATORY BODIES IN THE UK

Institute of Chartered Accountants in England & Wales (ICAEW)
Designatory letters: ACA or FCA

Contact details:
Professional Standards Office
Silbury Court
412-416 Silbury Boulevard
Central Milton Keynes
MK9 2AF

Tel: 01908 248 100
Fax: 01908 546 260
E-mail: profstand@icaew.co.uk
Website: www.icaew.co.uk

Institute of Chartered Accountants in Scotland (ICAS)
Designatory letters: CA

Contact details:
Legal Services Department
CA House
21 Haymarket Yards
Edinburgh
EH12 5BH

Tel: 0131 347 0280
Fax: 0131 347 0123
E-mail: legalservices@icas.org.uk
Website: www.icas.org.uk

Institute of Chartered Accountants in Ireland (ICAI)
Designatory letters: ACA or FCA

Contact details:
The Secretary
CA House
83 Pembroke House
Dublin 4
Republic of Ireland

Tel: + 353 1 637 7200
Fax: + 353 1 668 0842
E-mail: ca@icai.ie
Website: www.icai.ie

Association of Chartered Certified Accountants (ACCA)
Designatory letters: ACCA or FCCA

Contact details:
Professional Standards Department
29 Lincoln's Inn Fields
London
WC2A 3EE

Tel: 020 7059 5000
Fax: 020 7059 5050
E-mail: info@accaglobal.com
Website: www.accaglobal.com

Chartered Institute of Management Accountants (CIMA)
Designatory letters: ACMA or FCMA

Contact details:
Professional Standards Department
CIMA
26 Chapter Street
London
SW1P 4NP

Tel: 020 8849 2328
Fax: 020 8849 2463
E-mail: prof.standards@cimaglobal.com
Website: www.cimaglobal.com

FURTHER HELP AND ADVICE

For information on or help with making a complaint and to obtain hard copies of CIPFA's constitution, Disciplinary Regulations, Standards of Professional Practice or Complaints form, contact:

The Disciplinary Scheme Administrator
CIPFA
3 Robert Street
London
WC2N 6RL

Tel: 020 7543 5767

Fax: 020 7543 5695

Email: dsadmin@cipfa.org.uk

The above documents are also available on the Institute's website:
www.cipfa.org.uk