



1 September 2010

Professional Oversight Board  
Aldwych House  
71-91 Aldwych  
LONDON  
WC2B 4HN

Dear Sirs

**Review of the monitoring arrangements by the UK professional accountancy bodies of their members who practise non-regulated accountancy services**

ICAEW's Practice Assurance scheme was introduced in 2005 to provide members in practice with a framework of quality assurance principles to help them assess and develop their practices, and to offer practical support and advice. Our Quality Assurance Department conducts visits to firms that fall within the scope of the Practice Assurance scheme.

The Professional Oversight Board's (POB) report on our arrangements and those of other professional accountancy bodies is timely. Over the last year we have reviewed the way we carry out monitoring visits to our smaller firms and received very positive feedback. We will extend that review to all firms as part of our planning for the second cycle of visits due to start in 2012 and will take into account POB's recommendations.

As POB notes in its report, the UK professional accountancy bodies voluntarily established arrangements to review their members' work to protect the public interest. POB also acknowledges that the arrangements aim to maintain and, where necessary, enhance the standard of the work of professional accountants and to encourage best practice. POB also contrasts the position with some other professions, where no such voluntary arrangements exist.

POB's review did not, however, cover accountancy work performed by individuals who are not members of any professional body. Although the POB report did recognise this limitation in scope, it has not evaluated the risk to the public arising from the fact that the term 'accountant' is not legally defined and protected. Neither does the report recognise that calling for increased oversight of members and firms already part of a review scheme further erodes the 'level playing field' as they incur extra costs compared with accountants not subject to any regulation or oversight. We look forward to hearing from POB on these important issues.

ICAEW is committed to protecting the public by helping our members maintain the highest standards of professional conduct and competence. We appreciate the time and effort that POB has invested in this report and will take account of POB's recommendations as we continue to work with our members to maintain the highest standards of professional accountancy work.

Yours faithfully

**Vernon Soare**  
Executive Director, Professional Standards