



**Accountant in Bankruptcy
Insolvency Practitioner's Meeting
25th July 2006 – James Watt College**

Present:-

Gillian Thompson, the Accountant in Bankruptcy
Marion McCormack, Depute Accountant
Sharon Bell, Head of Case Operations
Graeme Perry, Head of Operational Policy
D.I. Brian Auld, Strathclyde Police
45 Delegates
Approx. 20 Members of AIB staff

Apologies:-

Colin Murdoch, Invocas

Welcome

Gillian Thompson welcomed and thanked everyone for attending the meeting. She went on to reflect on the success of the official opening of the new building in Kilwinning and the overall positive view in Ayrshire regarding the re-location and job creation in the local area.

Where We Are Now – Gillian Thompson

IT – Gillian gave an update on the earlier setbacks with the development of a new computer system. She advised that a new project team, known as BRITT, has been established in Kilwinning. The Team's remit is to develop a new IT system within the next 12 months which will have the capability to incorporate bankruptcy reform requirements.

Bankruptcy Reform – Gillian advised that there are ongoing meetings with various stakeholders to discuss the new Bill, its various stages and deadlines. Subject to Royal Assent, it is anticipated that the Bill will be implemented mid to late 2007. Gillian intimated that Agents might wish to approach their professional body to contribute to current debate on the use of the Money Advice Gateway route to bankruptcy and policy development on Apparent Insolvency.

Update on Case Operations and Agency Scheme Review – Marion McCormack & Sharon Bell

Marion McCormack provided a general update on Case Operations Branch. From March 2006 all work was transferred from the Edinburgh office to Kilwinning. Staff remaining in Edinburgh no longer work on live cases but are actively providing staff at Kilwinning with training and advice. Marion went on to discuss the re-organisation of the office, with teams now having dedicated functions. Earlier multi-functioning was invaluable for staff to build up a broad knowledge of the sequestration process however the recent change to the way of

working will help the office become more efficient, effective and enable staff to deal with any enquiries more quickly.

The staff levels in Kilwinning have risen to 113 over the last year, with recruitment ongoing over the coming year for Bankruptcy Reform. A training programme with specialised technical training for new staff and more complex training for existing staff will be introduced over coming months.

Marion then gave a brief overview of the Quality Control Framework, which is being established within AIB. The Agency Scheme Review and procurement exercise will be delayed until after Bankruptcy Reform changes have been implemented. In the interim, the existing contract will be looked at and brought up to date with input of the agents. This process will kick off in November 2006.

Sharon Bell referred everyone to the key contacts handout provided, explained the functions of each team and introduced their team-leaders. Sharon also advised that this should be used as means of contacting AIB.

Sharon went on to give a presentation on statistics comparing various elements of bankruptcy over past few years.

Regulation of Investigatory Powers (Scotland) Act 2000 (RIP(S)A) – Graeme Perry

Graeme Perry gave an overview of RIP(S)A and highlighted that a training programme would be going ahead for new staff as well as a refresher course for agents. He also informed everyone that guidance regarding this was being looked at and would be placed on the website in the near future.

Graeme then gave the opportunity for questions:-

Q. Where do we stand if someone offers information?

A. You can utilise any information offered, but should not ask the person to gather any further information on your behalf. Doing so would make that person an informer and a RIP(S)A approval would then be required.

Q. Do we need a RIP(S)A when appointing a tracing agent?

A. If you are asking the tracing agent to follow the debtor then yes. If it is just for a paper trail then no, but you must be clear when instructing the tracing agent on what they can and cannot do.

Q. For avoidance of doubt could a pro forma letter be produced?

A. Yes

Q. Does this also apply to Sheriff Officers?

A. Sheriff Officers have their own guidelines.

Q. If AIB is not permanent trustee, is authorisation still required?

A. No – it is the Trustee's own responsibility.

Marion re-iterated that there would be workshops, based around real scenarios, where the legislation would be tested.

Suspected Offences Reports – D.I. Brian Auld & Graeme Perry

Graeme Perry introduced D.I. Auld from Strathclyde Police who gave an overview of the fraud squad and its role. He went on to discuss a minimum standard for Suspected Offences Reports and stricter criteria before passing them for investigation.

Questions on suspected offences were invited.

Q. Do suspected offences reports for Company Directors have to go through AIB?

A. This will be clarified

Q. In practice, after sending letters etc, if we do not send suspected offences report (although legislation states otherwise), what should we do?

A. Consider other means, for example public examination.

Q. We are not entitled to assume what public interest is and legislation states we 'must' submit a suspected offences report.

A. We must have reasonable grounds. Police report that in some instances this has not been shown because there is no evidence in the report that the debtor has received notification of, or acknowledged, their legal responsibilities.

Q. Certain Sheriff's will state that we should not interpret the law

A. There are certain standards that AIB expect and the reports will not be submitted to the Crown Office unless these standards are met.

Composition, Annex H, Vesting of Benefits, Prescription – Sharon Bell

Sharon Bell then gave a brief update on offers of composition, Annex H submissions, vesting of benefits and prescription. She informed delegates that all these issues are currently being reviewed and that the AIB website has will be updated with new information within the near future. Information on the vesting of benefits has already been posted.

Q & A Session

Following the delivery of presentations, the floor was opened for a general question and answer session. Questions included: -

Q. Will DAS be changing and will changes see involvement of agents?

A. This will be discussed on Monday 31 July 2006 with ICAS. Originally, there was discussion about 'others' acting. It must be established what training and accreditation would be required to make this viable.

Q. Will there be any radical changes to DAS?

A. There has been no decision on what changes will be introduced as yet. AiB may be required to take a more active role in the distribution of ingathered funds. It is proposed that interest will be frozen.

Q. When giving advice on bankruptcy DAS tends to fall off the end and isn't an option we give to people

A. The Agency has aspirations that information should be given on all options available.

Q. Is it a requirement that the debt in DAS cases must be paid in full?

A. Yes

Q. Have DAS cases so far demonstrated that it is feasible?

A. The Scheme is relatively new and most arrangements will not have run their course. So far one case is fully paid, and another due next month.

Q. Do you have any stats comparing sequestration to DAS?

A. DAS has not been ongoing for long enough to provide comparisons.

Q. We have a new arrangement in appointing legal agents, in the past we were able to telephone a friend and have a chat about the issue. Has this avenue now been shut off?

A. Harper MacLeod and Burness are happy to discuss any issues over the telephone. When you come to the stage where you wish to formally appoint a legal agent, it is expected you will state that you have been in discussion with either Harper MacLeod or Burness and request that they be nominated.

Q. Will the contact list included in the pack mean that we get straight through to the person, as there have been problems in the past with the switchboard not being manned?

A. These numbers will take you directly through to the person, if that person is not at their desk, someone in the team will pick up.

Marion explained that the problem was not with the switchboard being unmanned, but with the telephone line coming in to the building. We are aware of the difficulties that had been encountered and will continue to monitor the situation. However, the switchboard should now automatically transfer calls to another operator when the main operator is on a call and only go to voicemail when both members of staff are busy.

Q. There is delay between scheme of division being authorised and a cheque being issued, is this likely to improve?

A. The agent who posed this question was asked to provide Sharon Bell with the case details so that it could be investigated.

Closure

Gillian Thompson closed the meeting by thanking everyone for coming. It was agreed by those present that the meeting was beneficial and that another meeting should be arranged for approximately six months time.