



## How to avoid professional negligence claims

### What will you do differently as a result of this session?

*This sheet contains a summary of all of the ideas on this topic contributed by those who have heard me present this talk recently. Thanks to those who contributed.*

- Feedback to departmental partner
- Review all our practice files.
- Have a second eye on the work done
- Consider process and protocols by which any email advice to clients is managed, monitored and quality assured
- Discuss letters of engagement and disengagement letters with manager
- Perhaps review clauses etc of PI insurance for the firm
- Review clients to get rid of
- Obtain more staff
- Go through work in detail and pick out areas of weakness
- Consider using newsletters to clients who would like them.
- Look at clients who may make claims against us (problem clients) and consider dumping them
- Increase scope of existing engagement letters and sack PITA clients
- Discuss with insurers – deminimus claims
- Review the control lists I have in place to ensure they're adequate
- Block out a slot [in diary] to review technical updates
- Review portfolio for 'D' clients
- Review disengagement letters currently used.
- Look again at 'D' clients (graded but not yet got rid of)
- Use a standard review sheet
- Look at managing client expectations
- Update letter of engagement and make sure everyone has one
- Update newsletter on website
- Share more information with my assistant and staff
- Give greater emphasis to risk considerations when being asked for advice
- Improve file notes and follow up letters. Assumptions – confirm what client tells us
- Create a review schedule for all non-compliance work
- Ensure liability is disclaimed in free meeting
- Commit more to writing
- Instigate formal letters to ex-clients
- Look to bill clients more when info for tax returns is received in January
- Screen prospective new clients better
- Look to dump 'D' clients
- Ensure all staff are told to notify potential PI claims
- When verbal advice is not confirmed in letter or email, copy the file not to the client.
- VICCIOUS and ABCDE



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- Review sheet for ad-hoc advice
- Checklist for disengagement letters
- Take stock, review, improve weak areas, mitigate potential issues
- Make clear we don't give 'quick' advice – dealing with the 'bully' syndrome
- Ask partner to make notes – he knows they're important
- Suggest a disengagement letter
- Review our procedures for closing client files pre-meetings and quality control reviews.  
Discuss client specific concerns
- Open up questioning to all staff not just partners for annual review
- Take more care over the timing of documentation
- Review terms of PI policy and advice the team
- Put all advice in writing – confirming assumptions made
- Ensure team members make notes of discussions and advice
- Consider standard review sheet for one-off and special work
- Set aside non-chargeable time to keep ahead on research/admin
- Clearer communication with clients
- Ensure meeting and phone notes are more detailed
- Put more things in writing – even telephone call notes
- Make more file notes
- Stop putting person views of clients in writing
- Check understanding of deadlines with clients
- Review internal procedures with the senior partner
- Hopefully adopt in/out method of new client/PITA client
- Writing to lost clients
- Wording of letters requesting details “...in order to meet the filing deadline I will need your records by...”
- Double fees for doing work in January
- Find the Axe
- Talk to predecessor advisers when taking on new clients
- Check other partners are putting all advice in writing
- Review risks and base fee on level of risk
- In depth review of background/history
- Obtain second opinion of technical issues
- Department meeting to share information on the slides
- Sack one client
- Maybe charge more for regular Nov/Dec TR clients but tell them about it prior to 5/4, else we offer a fixed fee
- Make January easier – discuss with partners
- Be more selective regarding new clients
- Be careful about how much 'free' advice I give to potential and new clients
- Review situation with problem clients
- More CPD and notify staff
- Monitor procedures more carefully to make sure that all staff are compliant in order to minimise risks
- Vetting new clients and don't give advice at free initial interview



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- Pass on tips about taking on clients
- Clearer guidance on acceptance of clients
- Check if I would give this advice to family members
- Review standard information questionnaires going out after 6 April 2008 for TRs
- Disengagement letters to avoid lost clients coming back and saying they thought we were still acting when we thought they'd gone for good
- Always back-up verbal advice in writing;
- Always get specialist advisers in when required; beware of cut and pasting their advice; ensure I pass it on in its entirety;
- Amend email disclaimer
- Assess value of WIP and debtors (*presumably to identify total credit being given to clients and then to decide what changes to make to limit risk of loss*)
- Be firmer on conversations with clients being put in writing
- Be more aware of implications of advice being given and make careful notes to explain advice/decisions made;
- Be more aware of potential problems;
- Be more aware of the prospect of PI claims;
- Better dividend vouchers;
- Block out time in my diary every week to focus on practice management and risk issues;
- Book course on tax credits for my training group;
- Buy a new axe!
- Capacity – workload is very risky
- Change January deadline letter;
- Check for any backdating of dividends by colleagues;
- Check PI policy;
- Check PI renewal very carefully;
- Check staff are equally aware of PI risks
- Check with colleagues what they are doing to keep upto date
- Comply with terms of PI policy ie: notify circumstances that could lead to claim
- Consider Tax Counsel's advice
- Consider tax credits tax planning;
- Course debrief to partners at meetings;
- Create checklists for other staff, tailored to work type;
- Create some time to review things;
- Deal with potential problems rather than putting them off;
- Design a few more firm specific checklists to standardise procedures across staff rather than individual responses;
- Diarise technical reading;
- Diary entry of reading updates;
- Discuss PI policy terms re complaints;
- Discuss slides and notes with fellow colleagues;
- Discuss use of disengagement letters (standardised) as part of procedures;
- Disengagement letters on all lost clients;
- Document certain procedures ie: 50/50 arrangements pointing out that we consider them to be ta risk of settlement claims in the future and get the client to sign them



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- Document rationale for decisions/advice;
- Document work processes clearly;
- Educate staff in some of the fundamentals;
- Employ someone to cover the basics and to allow time for me to keep upto date;
- Encourage more internal controls and systems within the firm;
- Engagement letter to every client;
- Ensure all advice is fully recorded no matter how apparently minor at the time;
- Ensure caveats in all letters;
- Ensure dividend vouchers are produced when required;
- Ensure I have certain key checklists with me;
- Ensure my partners follow up advice they give in writing;
- Ensure notes filed complete and upto date;
- Ensure that all advice is followed up in writing;
- Ensure that my staff members do not give advice if they do not know the answer
- Ensure we have engagement letters for all additional work performed
- Everything!
- Farm out the scary stuff!
- Focus on a few changes eg: review internal procedures;
- Focus on tax advice – how/what to do to attract new clients;
- Get all my engagement letters upto date;
- Get back to making file notes;
- Get my trainee to type out her own procedures for work to be reviewed, added to and kept for the future (good learning process for her and useful tool for others too);
- Get rid of bad clients;
- Give all advice to clients in writing;
- Highlight deadlines more
- Implement some routines into my work;
- Improve permanent file content;
- Increase data security on high profile clients;
- Introduce control sheets where appropriate;
- Introduce further systems and processes to establish consistency of advice and processes;
- Keep my colleagues/partners more up to date;
- Limiting the ability of anyone other than partners to give advice
- LLP status!
- Look at marketing my service guarantees better;
- Make 3 positive changes;
- Make more phone notes
- Make other staff aware of some of the issues raised;
- Make sure admin documentation is prepared timeously and is upto date;
- Make sure compliance partner is dealing with PI renewal properly; make sure I make more notes of odd telephone conversations etc
- Make sure that all staff get some notes about PI as part of their induction;
- Make sure that staff letters end “for and on behalf of...”



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- Make the rest of the firm aware of PI policy terms and the risks involved in their tax work;
- Making staff aware of the need to know about potential/possible claims;
- More checking of advice using outside advisers;
- More diligence to documentation/notes of telephone conversations;
- More engagement letters;
- More procedures;
- Not to allow any client to bully my staff;
- Not to try to do too much;
- Note last date 'updated' on my standard work programmes and audit manual;
- Notify insurers of small issues eg: £100 late filing penalties;
- Offer clients a discount /donation to charity for getting info to me early;
- Pass on the points raised by this presentation to the partners in my firm;
- Pay more attention to my PI policy;
- Plan work better;
- Pray!
- Pre-existing authorities to be set up.
- Put company name after my name on letters;
- Put everything in writing – ensuring I am happy for this to be read out in court;
- Put more in writing with caveats;
- Raise issue of circumstances that could lead to claims in every partners' meeting;
- Re assess control procedures within the practice;
- Read notes and implement a system for staff from them and be part of the 20%;
- Read the terms of my PI policy in more detail;
- Reassess some procedures;
- Recommend my partners to attend course also;
- Regular discussion on 'circumstances' that could give rise to PI claim and as appropriate discuss with insurers or incorporate in annual review reporting;
- Remind everyone of page 18 of notes;
- Remind managers of PI policy terms;
- Report to next partners' meeting
- Re-read the notes – liked the reminder slide;
- Re-review procedures – raise PI notification with managing partners;
- Resign from acting for our one high risk client!
- Retire (age 33) – I've had enough!
- Review advice and keep uptodate;
- Review backup procedures
- Review checklists;
- Review complex tax files and ensure that all advice (tax and non-tax) is reduced to writing;
- Review disengagement letters;
- Review engagement letters;
- Review files;
- Review insurance broker re PII;



- Review one off engagement letter examples; and make [something] so easier for people to put in place;
- Review our engagement letters (which are a bit long!) and look at guarantees;
- Review procedures re tax credit advice;
- Review risk procedures of the business;
- Review some procedures (or lack of!);
- Review staff training and improve;
- Review structures and procedures; ensure client permanent info is up to date;
- Revise private use adjustments as a matter of course;
- Revisit 'dividends' with small clients;
- Sack a few clients;
- Sack PITA clients;
- Schedule reading time;
- Scream at my inefficiency!
- Seek third party help where needed and tell clients that I will refer to specialist help;
- Send copies of notes to clients (after review) – [*presumably re client meetings/calls*];
- Send letters when I disengage clients;
- Set time aside for updating knowledge;
- Set up a procedure for incorporated clients to let me know of divi payments before they are paid;
- Share session with colleagues back at the office;
- Share slides with rest of the firm and state importance!
- Share slides with staff;
- Sharpen the saw;
- Sign letters on behalf of 'the firm';
- Sign up to Marks' email newsletter (*easy at [www.BookMarkLee.co.uk](http://www.BookMarkLee.co.uk)*);
- Sign up to Tax Faculty newswire (at [www.icaew.co.uk/taxfac](http://www.icaew.co.uk/taxfac));
- Slot in a weekly 'keeping uptodate' session and try to keep to it;
- Slow down and only give reasonable turnaround commitments – more haste, less speed;
- Specify how much time I need in advance of a deadline;
- Spell out assumptions when giving advice;
- Start making contemporaneous notes;
- Stress importance of meeting/telephone notes;

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- Take compliance more seriously – not treat it as a chore!
- Take more time out!! Think more! Refresh my perspective.
- Take the possibility of a professional negligence claim more seriously
- Take time out to sharpen my axe;
- Think about my liability when giving clients advice;
- Think about negligence potential in all situations and take steps to limit risks;
- Think more carefully about potentially modifiable events;
- Think of better ways of working;
- Tighten up engagement and disengagement letters;
- Tone down some of the more voluminous checklists;



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- Try to always do file notes;
- Try to be less 'busy' (not take on too much);
- Try to make sure that all clients are uptodate as much as possible;
- Undertake review of tax procedures and look to reduce risks;
- Update engagement letters;
- Update P11d completion checklist;
- Use the 'When advising ABCDE' format for advisory letters;
- We will sit down and review our procedures;
- Worry!
- Writing more comprehensive notes of phone calls;
- Zoning my diary to make regular time for CPD.

*Please note that by sharing contributors' views I am neither endorsing nor condoning any of them. But I'm sure you'll get some value from knowing what others do and by comparing your own approach.*

*Last updated: March 2008*