

Date: 12 January 1999

Our Ref: TJW/jb

**PRIVATE AND CONFIDENTIAL**

Mr N Wilkins

Noelle

The Institute of  
Chartered Accountants  
in England & Wales



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Dear Mr Wilkins

**GENERAL ISSUES**

I wrote to you before Christmas in relation to many of the individual matters which you have raised. Since many of these have also dealt with the matter which you seek to raise as a "General Issue", I had deferred from replying specifically to your letter of 8 November 1998.

As the question you raise has been dealt with fully and properly in previous correspondence and I do not propose to go into any greater detail here. For the avoidance of doubt, however, I would just stress two points.

1. You regularly seek to take the wording of s21(6) LTA 1985 as wording which must be followed exactly to the letter in all accountants reports. In most instances the wording in the accountants reports under this section does in fact refer to the matters in s21(6)(b). The emphasis is clearly on the "sufficiently supported" rather than the specific pieces of paper which may have been available. The certificate is not a confirmation that in respect of every item of expenditure there was an account, and a receipt, and, for that matter, an 'other document'. The absence of a receipt would not of itself preclude the use of the wording implied by the Act. That aspect does not, therefore, give rise to any disciplinary considerations.
2. The question of whether expenditure is "sufficiently supported" is another matter. Ultimately it would be for a Court to decide whether expenditure was properly supported and whether it was, therefore, properly recoverable from the tenants. I have made the point to you in many letters that in the event that a Court (or a relevant tribunal) decided that expenditure was not sufficiently supported, and an Institute member firm had reported otherwise, that could give rise to disciplinary considerations. If details of the Court's findings were made available to the Professional Standards Office, consideration would be given to any professional consequences which might ensue.

This really leads on to a number of general issues which I wish to raise with you.



INVESTOR IN PEOPLE

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