

ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS

Group Professional Indemnity Insurance Scheme for Members

Underwritten by Royal & Sun Alliance Ltd through Keegan & Pennykid (Insurance Brokers) Ltd

Premium payable for year ending 31 March 2024:

Affiliate Member: £100

Full Member (Fellow or Associate): £55

WHY INDEPENDENT EXAMINERS NEED PROFESSIONAL INDEMNITY INSURANCE

As an independent examiner is giving a formal opinion on a charity's accounts, there is always a possibility that a charity could make a claim against you for compensation, if problems subsequently emerged with the accounts. (This could happen even if you are only acting on a voluntary basis).

Although the risk is small, an independent examiner could still face a large claim if, after completing an independent examination, a charity subsequently accused you of negligence.

A major advantage of being an ACIE Member (whether as an Affiliate Member or Full Member) is that, through the Association, you can obtain professional indemnity insurance (PII) cover for your work as an independent examiner, at a very attractive rate. This provides valuable protection and removes one of the concerns that have made some people reluctant to act as independent examiners.

THE COVER

If you join this scheme, the insurers will indemnify you against any allegations of negligence for work you have undertaken in relation to "the independent examination of charity accounts: provided that the insured remains a Member of the Association of Charity Independent Examiners and provided that he/she does not accept any appointment as an independent examiner outside his/her Member Category as registered with the Association".

The policy also covers you for legal expenses involved in defending a claim - this is very important, as even frivolous claims can be expensive to defend.

It is a Group scheme, covering all ACIE Affiliate and Full Members opting into the scheme and the work of the ACIE trustees under a single policy (which is held by ACIE). The policy is in the name of "The Association of Charity Independent Examiners and any Members of the Association, details of whom are advised to the insurers".

For Affiliate Members, the aggregate limit of indemnity is £500,000 per year (this limit applies to each claim). For Full Members, the aggregate limit of indemnity is £1 million per year (this limit applies to each claim). If any claim is made by an Affiliate Member or Full Member, there is a £250 excess.

The cover applies to independent examiners working in the UK, whether under the legislation that applies in England and Wales, Scotland or Northern Ireland (or any combination thereof). The scheme covers only those duties related to the independent examination of charity accounts and not, for example, the preparation of those accounts.

The cover is personal, because an independent examiner is an individual, and any claim for negligence would thus be made against you personally. This does not prevent you from using others to assist you in your work as an independent examiner. However, you must personally ensure that the work of any assistant is

fully checked and supervised, and that you personally decide on the final content of your examiner's report on each occasion before signing it.

WHAT IF I ALREADY HAVE PII COVER?

The scheme is not compulsory. Some Members, particularly those working in firms of accountants, may already have PII cover. However, bear in mind that an Independent Examiner is always an individual and your firm's policy may not provide cover for opinions that you give as an individual. Also, a firm's PII policy certainly wouldn't cover any informal independent examination work you do in your spare time.

The insurers thus recommend that, unless you are certain, all your charity independent examination work is covered by an existing policy, given the modest cost; it would be well worth joining the ACIE scheme to be sure. Other professional bodies to which you may belong may require you to have a certain level of PII cover. In some instances, the cover offered by this scheme may not be sufficient for these purposes. You are therefore strongly recommended to check the membership rules of other bodies to which you belong. If this proves to be an issue for you, please inform the ACIE office so that we can review the policy if necessary.

PREMIUMS

For the year ending 31 March 2024, the cost for each member who opts to participate in the scheme (as determined by the ACIE trustees, and based on the amount payable by ACIE per member to the insurer) is £100.00 per year for an Affiliate Member and £55.00 for a Full Member.

Even if you undertake only one or two independent examinations a year, the low cost means the cover is well worth having. (Please note that there is no retrospective cover before the inception of the policy - or before you advise ACIE that you wish to join - or if there is a gap before you renew.)

HOW TO JOIN OR RENEW

The scheme is being administered directly by the ACIE Office, who will keep a list of all Members included in the scheme. Please note that by joining or renewing, you agree to have your contact details passed to the insurers, if necessary.

You will be covered only if you have paid the premium (through ACIE) and are on this list. *Please do not therefore contact the brokers directly, except in the event of a claim.*

To join, or to renew for a further year, you just need to send your payment along with your membership subscription.

If you become aware of any events likely to lead to a claim you must advise us.

BROKERS AND ADMINISTRATION

The ACIE trustees sought quotations from a number of brokers before choosing this scheme, which the trustees believe offers exceptional value. The brokers chosen, Keegan & Pennykid, are registered with the General Insurance Standards Council and are specialists in providing insurance for the voluntary sector. ACIE is simply administering the scheme and acting as an Introducer to Keegan & Pennykid.

CLAIMS

In the unlikely event that a charity makes a negligence claim against you in relation to your work as an Independent Examiner, please contact Keegan & Pennykid (Insurance Brokers) Ltd, 50 Queen Street, Edinburgh EH2 3NS
Tel: 0131 225 6005 fax: 0131 226 3811)
Quoting policy number RNN761988

You must also advise the ACIE office at the same time. Do not on any account say or do anything that could be construed as admitting liability, as the insurer will wish to handle the negotiation of any claim.

(Revised 03/2023)