

# ACCOUNTANT'S REPORT

## PART A: ACCOUNTANT'S REPORT FORM

Notes:

Every notary who, in his capacity as a notary, holds or receives client money paid into client account under the Notaries Accounts Rules 1989 ('the Notaries Accounts Rules') must procure a copy of a report relating to the client's money so held or received ('the Accountant's Report') in accordance with Rule 11A of the Notaries Accounts Rules.

The accountant preparing the Accountant's Report ('the Reporting Accountant') must be qualified in accordance with Rules 11A (3) a. and 11A (3) d. of the Notaries Accounts Rules.

The report must be provided to the Registrar in accordance with Rules 11A (1) and 11A (2) of the Notaries Accounts Rules.

Please complete in block capitals.

### 1. Details

Name of notary who is the subject of this report ('the Notary'):

Company number as registered at Companies House – please indicate if not applicable:

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### 2. Trading Names and Addresses

All address(es) at which the Notary practises during the reporting period must be covered by the Accountant's Report. If an address is not covered the reason must be stated. Please list on a separate sheet all offices not covered by this report with a short written explanation as to why they are not covered by the report.


*Please continue on a separate sheet if necessary.*

### 3. Accounting Period

Accounting period complying with Rule 11A (3) c. of the Notaries Accounts Rules ('the Accounting Period'):

Beginning:

Ending:

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## 4. Declaration

I have conducted a review of the accounts provided to me in respect of the Notary to which the Accountant's Report relates. My review incorporated the examination of client account reconciliations at various times during the Accounting Period covered by this report and the testing of procedures and transactions on a sample basis to enable me to form an opinion as to whether the Notary has complied with the provisions of the Notaries Accounts Rules. I am satisfied that during the abovementioned Accounting Period the Notary has complied with the provisions of the Notaries Accounts Rules except so far as concerns:

- A. certain trivial breaches due to clerical errors or mistakes in book-keeping, all of which were rectified on discovery and none of which resulted in any loss to any client;
- B. the matters set out at 7. below;
- C. the matters set out at 8. below;
- D. none of the above.

## 5. Comparison Dates

The results of the comparisons required under section 13. of the Accountant's Report Checklist, at the dates selected by me were:

A. at: *(insert date 1)*

I. Liabilities to clients as shown by client ledger accounts.	£
II. Cash held in client account, and client money held in any account other than a client account, after allowance for lodgements cleared after the date and for outstanding cheques.	£
III. Difference between I. and II. (if any). Details at 9. below.	£

B. at: *(insert date 2)*

I. Liabilities to clients as shown by client ledger accounts.	£
II. Cash held in client account, and client money held in any account other than a client account, after allowance for lodgements cleared after the date and for outstanding cheques.	£
III. Difference between I. and II. (if any). Details at 9. below.	£

Notes:

The figure shown in 5.A.I. and 5.B.I. above is the total of credit balances, without adjustment for debit balances (unless capable of proper set-off, i.e. being in respect of the same client) or for receipts and payments not capable of allocation to individual ledger accounts.

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## 6. Qualified Report

Have you found it necessary to qualify this report other than for trivial breaches?

Yes

No

If 'Yes' please complete 7. and/or 8. below.

If 'No' please proceed to 10.

**7. Matter(s) in respect of which the Reporting Accountant has been unable to satisfy himself and the reason(s) he has been unable to do so, e.g. because a client's file is not available.**

*Please continue on a separate sheet if necessary.*

**8. Matter(s) (other than trivial breaches) in respect of which it appears to the Reporting Accountant that the Notary has not complied with the Notaries Accounts Rules.**

*Please continue on a separate sheet if necessary.*

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**9. Details of the cause(s) of any differences shown at 5.A.III. and/or 5.B.III. above.**

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*Please continue on a separate sheet if necessary.*

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## 10. Accountant's Certificate

I confirm that I have read the Notaries Accounts Rules.

I confirm that I am the Reporting Accountant and that I have examined to the extent required by the Notaries Accounts Rules the details of all accounts kept or operated by the Notary in connection with the Notary's business at any bank or building society at any time during the Accounting Period to which the Accountant's Report relates, including client accounts, office accounts and accounts which are not client accounts but which contain client money.

I acknowledge that under Rule 11A of the Notaries Accounts Rules a copy of the Accountant's Report must be provided to the Registrar of the Faculty Office.

I acknowledge that information contained in the Accountant's Report (and any continuation sheets) will be relied upon by the Faculty Office and that I owe a duty of care to them in the preparation of this report.

I confirm that this is a true and complete copy of the Accountant's Report and has not been amended in any manner whatsoever – please delete if not applicable.

Name and address of Reporting Accountant:

Name and address of Reporting Accountant's firm:

Reporting Accountant's professional body:

Reporting Accountant's membership/registration number:

Do you have a current Practising Certificate?

Yes

No

Signature:

Date:

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## PART B: ACCOUNTANT'S REPORT CHECK LIST

Notes:

The following checks must be completed in order to satisfy the examination requirements under the Notaries Accounts Rules 1989 ('the Notaries Accounts Rules'). Where the result of the checks is found to be unsatisfactory, further details must be reported in section 14. of this check list or on a continuation sheet.

Name of notary who is the subject of this report ('the Notary'):

### Results of the test checks for all client money required to be paid into client account:

		Satisfactory (please tick the appropriate column)		If 'No' should breaches be noted in the Accountant's Report?		Cross references to audit file documentation
		Yes	No	Yes	No	
<b>1.</b>	<b>Book-keeping system for every office: To ensure that the Notary has established and maintained proper accounting systems to enable compliance with the Notaries Accounts Rules.</b>					
1.1	The accounting records clearly distinguish between client and all other monies dealt with by the Notary.					
1.2	The particulars of all client money received, held or paid on account of each client are recorded in accordance with the Notaries Accounts Rules.					
1.3	The current balance on each client and office ledger account is shown or is readily ascertainable from the accounting records.					
1.4	The current balance shown on each client and office ledger account is correct.					
1.5	A written record or file of copies of all bills of costs distinguishing between profit costs and disbursements has been retained on a durable medium.					
1.6	Where it is possible to ascertain, the Notary has accounted to his clients as soon as possible after completion of any transaction or after retainers have been terminated.					
1.7	Where it is possible to ascertain, all monies held in client bank account have been paid promptly to the rightful recipient when due.					
<b>2.</b>	<b>Posting to ledger accounts and casts: To ensure that all dealings with client money have been appropriately and accurately recorded in accordance with the Notaries Accounts Rules.</b>					
2.1	All dealings with client money have been appropriately recorded in a clients' ledger or a clients' column of a ledger.					
2.2	Casts of client ledger accounts and receipts and payments records are correct.					
2.3	Postings have been recorded in chronological sequence with the date being that of the initiation of the transaction.					
<b>3.</b>	<b>Receipts and payments of client money: To ensure that sample receipts and payments of client money as shown in bank and building society statements are in accordance with the records of receipts and payments of client money.</b>					
3.1	Client money has been paid into client account without delay.					
3.2	Only client money that is required or permitted to be paid into client account has been paid into client account.					
3.3	Client money is only drawn from client account in accordance with Rule 7 of the Notaries Accounts Rules.					
3.4	Withdrawals from client bank account were made by payments other than in cash.					
3.5	Sample paid cheques have been obtained and details agreed to payment records.					

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		Satisfactory (please tick the appropriate column)		If 'No' should breaches be noted in the Accountant's Report?		Cross references to audit file documentation
		Yes	No	Yes	No	
3.6	A test examination of client ledger accounts revealed that no withdrawals on behalf of any client exceeded the total money held for the time being to the credit of that client.					
3.7	If the test referred to in 3.6 above revealed that withdrawals on behalf of a client exceeded the total of the money held to the credit of that client, such overpayments were corrected without delay.					
3.8	Withdrawals from client bank account in respect of costs were properly required for or towards payment of the Notary's costs where there has been delivered to the client a bill of costs or other written intimation about the amount of costs.					
3.9	Withdrawals from client bank account in respect of disbursements were properly required for or towards the payment of a debt due to the Notary from the client or money already expended by the Notary on behalf of the client.					
<b>4.</b>	<b>System of recording costs and making transfers: To ensure that the system of recording costs and processing transfers is suitable.</b>	Yes	No	Yes	No	
4.1	The payments or liabilities mentioned in test 3.9 above were debited to the client ledger before the monies were withdrawn from client bank account.					
4.2	Transfers between client and office bank accounts have been recorded in both the client and office columns of appropriate client ledger accounts.					
4.3	Withdrawals from client bank account in respect of costs have been made by way of a cheque drawn in favour of the Notary or by way of a transfer to a bank or building society account in the name of the Notary, not being a client account.					
<b>5.</b>	<b>Examination of documents for verification of transactions and entries in accounting records: To ensure that the financial transactions evidenced by documents in the client files are recorded in a manner complying with the Notaries Accounts Rules.</b>	Yes	No	Yes	No	
5.1	A test examination of a number of client files has been made.					
5.2	All client files requested for examination were made available.					
5.3	If 5.2 above is not satisfactory details been provided in the Accountant's Report.					
<b>6.</b>	<b>Office accounts: To ensure that client money is identified and reflected in the client ledger in accordance with the Notaries Accounts Rules.</b>	Yes	No	Yes	No	
6.1	Checks have been made of such client office ledgers, cash books, bank and building society statements etc., as maintained by the Notary, with a view to ascertaining whether any client money has not been paid into client account.					
6.2	Office ledger credit balances have been investigated and such balances do not include client money incorrectly held in office account.					
6.3	In the event of office ledger credit balances existing on client ledger accounts, the position has been investigated and corrected without delay.					
<b>7.</b>	<b>Client money not held in client account: To ensure that Rule 9 of the Notaries Accounts Rules is complied with in respect of client money not paid into client account.</b>	Yes	No	Yes	No	
7.1	The Notary has disclosed any dealings in which money has been withheld from client bank account.					
7.2	Where money has been withheld from client account in accordance with Rule 9 of the Notaries Accounts Rules an appropriate written client instruction, acknowledgement or written authorisation has been received.					

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		Satisfactory (please tick the appropriate column)		If 'No' should breaches be noted in the Accountant's Report?		Cross references to audit file documentation
8.	<b>Authorised withdrawals from client bank account(s): To ensure that all withdrawals from client account are made in accordance with Rule 7 of the Notaries Accounts Rules.</b>	Yes	No	Yes	No	
8.1	Cheques or other written instructions for withdrawal from client bank account have been signed by an approved person.					
8.2	Where electronic systems have been used to withdraw monies from client bank account the system has been operated by an approved person, or authorised electronically by an approved person.					
9.	<b>Client to client transfers: To ensure that transfers between client accounts are conducted in accordance with Rule 10 of the Notaries Accounts Rules.</b>	Yes	No	Yes	No	
9.1	All transfers of money from the ledger account of one client to that of another client have been effected in accordance with the Notaries Accounts Rules.					
10.	<b>Client ledger for borrower and lender: To ensure that when the Notary is acting for both the borrower and the lender that the transactions of each party are clearly distinguished in the client ledger.</b>	Yes	No	Yes	No	
10.1	When acting for both borrower and lender in a mortgage transaction between them and separate client ledger accounts for both clients have not been opened, the funds belonging to each client are clearly identifiable.					
11.	<b>Deposit interest: To ensure that the Notary has accounted to clients for deposit interest earned.</b>	Yes	No	Yes	No	
11.1	Where appropriate, the Notary has accounted to clients for interest earned.					
12.	<b>Reconciliations and extraction of client ledger balances: To ensure that client ledgers are reconciled to client bank accounts on a regular basis and that the reconciling items are dealt with promptly and accurately.</b>	Yes	No	Yes	No	
12.1	The client bank reconciliations have been checked on no fewer than two separate dates in the period covered in this report.					
12.2	All accounts, disclosed by the Notary or the Notary's bank or building society, containing client money have been included in the reconciliation.					
12.3	The client bank reconciliation total is complete and correct having been calculated by the closing client bank account balance plus an accurate and complete list of outstanding lodgements less an accurate and complete list of un-presented cheques.					
12.4	The cash book balances at each of the dates selected have been reconciled to the balances in client account and elsewhere as confirmed directly by the relevant banks and building societies.					
12.5	The client cash account balance is correctly calculated by the accurate and prompt recording of transactions.					
12.6	All client ledger account balances as at the reconciliation date have been listed and totalled and no debit balances have been included in the total.					
12.7	The total liabilities to clients as shown by such ledger accounts has been compared to the balance on the bank reconciliation statement and agreed.					
12.8	Where the comparison(s) in 12.6 and/or 12.7 above revealed differences, a reconciliation statement showing the cause of the differences had been prepared and differences had been promptly investigated and rectified.					
12.9	In the event of debit balances existing on client ledger accounts, the position has been investigated and corrected without delay.					
12.10	In the event of the reconciliations selected not being in agreement, the differences have been investigated and corrected promptly.					

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		Satisfactory (please tick the appropriate column)		If 'No' should breaches be noted in the Accountant's Report?		Cross references to audit file documentation
		Yes	No	Yes	No	
12.11	Each reconciliation selected has been achieved by the comparison and agreement, without adjusting or balancing entries, of the client ledger balances total, the client cashbooks balances total, and the client bank accounts total.					
12.12	Reconciliations have been carried out not less than once in every three month period in accordance with Rule 11(4) of the Notaries Accounts Rules.					
12.13	Each reconciliation is in the form of a statement set out in logical format which is likely to reveal any discrepancies.					
12.14	The client bank reconciliation total has been compared with the balance on the client cash books.					
12.15	Reconciliation statements have been retained on a durable medium.					
<i>Please give further details of unsatisfactory items in section 14. below.</i>						
<b>13.</b>	<b>Information and explanations:</b>	Yes	No	Yes	No	
13.1	All information and explanations required have been received and satisfactorily cleared.					

Notes:

It is recommended that one of the review days selected coincides with the end date of the period covered by this report.

<b>14.</b>	<b>Details of unsatisfactory items.</b>

*Please continue on a separate sheet if necessary.*

Name and address of the Reporting Accountant:

Signature:

Date:

# ACCOUNTANT'S REPORT

Please return the completed Accountant's Report Form and Accountant's Report Check List to:

The Registrar  
The Faculty Office  
1 The Sanctuary  
Westminster  
SW1P 3JT

or

The Registrar  
The Faculty Office  
DX: 145940 Westminster 4