

Accountant's Report Form

[For the period [] to 5 October 2011, this report relates to compliance with the Solicitors' Accounts Rules 1998.]

Under rule 32 of the SRA Accounts Rules 2011 (AR) an annual accountant's report is required from:

- ◆ a sole practitioner, if the practitioner or any of his or her employees have held or received client money, or operated a client's own account as signatory;
- ◆ a recognised body and its managers, if the recognised body or any of its managers or employees have held or received client money, or operated a client's own account as signatory;
- ◆ a licensed body and its managers, if the licensed body or any of its managers or employees have held or received client money, or operated a client's own account as signatory;
- ◆ a solicitor or registered European lawyer (REL) in in-house practice who has held or received client money, or operated a client's own account as signatory, unless exempt under rule 5;
- ◆ a solicitor, REL or registered foreign lawyer (RFL) who was a manager or employee of a partnership which should have been a recognised body but was not, if the partnership or any of those managers or employees held or received client money, or operated a client's own account as signatory.

A "recognised body" is a partnership, limited liability partnership (LLP) or company recognised by the SRA under section 9 of the Administration of Justice Act 1985. A "licensed body" is a body licensed by the SRA under Part 5 of the Legal Services Act 2007. A "manager" is a partner in a partnership, a member of an LLP or a director of a company. In the case of a partnership, "manager" includes any person held out as a partner, including a "salaried partner", "associate partner" or "local partner". As from 1 July 2009 a sole practitioner has to be recognised by the SRA as a "recognised sole practitioner". (With effect from 31 March 2012 or the date on which an order made pursuant to section 69 of the Legal Services Act relating to the status of sole practitioners comes into force, whichever is the later, a sole practitioner will have to be recognised by the SRA as a "recognised body".)

The managers and employees who, along with the recognised body/licensed body, must be named on a recognised body's/licensed body's report, are those who are managers as at the date the report is signed by the accountant (or were managers as at the last date on which the report should have been delivered under rule 32, if the report is signed after that date) and, in addition:

- ◆ in the case of a partnership, any person who was a manager at any time during the report period, and any person who, as an employee during that period, held or received client money (e.g. as a named trustee) or operated a client's own account as signatory;
- ◆ in the case of an LLP or company, any person who, as a manager or employee during the report period, held or received client money (e.g. as a named trustee) or operated a client's own account as signatory.

The accountant who prepares the report must be qualified under rule 34 of the AR and is required to report on compliance with Parts 1, 2 and 4 of the AR.

When a practice ceases to hold and/or receive client money (and/or to operate any client's own account as signatory), either on closure of the practice or for any other reason, the practice must deliver a final report within six months of ceasing to hold and/or receive client money (and/or to operate any client's own account as signatory), unless the SRA requires earlier delivery.

When a practice closes but the ceased practice continues to hold or receive client money during the process of dealing with outstanding costs and unattributable or unreturnable funds, the AR, including the obligation to deliver accountant's reports, will continue to apply. On ceasing to hold or receive client money, the ceased practice must deliver a final report within six months of ceasing to hold and/or receive client money, unless the SRA requires earlier delivery.

If you need any assistance completing this form please telephone the Contact Centre on 0870 606 2555 or email at contactcentre@sra.org.uk. Our lines are open from 09.00 to 17.00 Monday to Friday. Please note calls may be monitored/recorded for training purposes.

If you are calling from overseas please use +44 (0) 121 329 6800. Note that reports in respect of practice from an office outside England and Wales are submitted under Part 7 of the AR. Specimen form **AR2** may be used for such reports.

1 Firm details Insert here all names used by the firm or in-house practice in respect of practice from the offices covered by this report. This must include the registered name of a recognised body/licensed body which is an LLP or company, and the name under which a partnership or sole practitioner is recognised.

Firm name(s) during the reporting period	<input style="width: 95%;" type="text"/>	Firm SRA no	<input style="width: 95%;" type="text"/>
	<input style="width: 95%;" type="text"/>		
Report Period from	<input style="width: 200px;" type="text"/>	to	<input style="width: 200px;" type="text"/>

Is this a cease to hold report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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2 Firm's address(es) covered by this report All address(es) of the practice during the reporting period must be covered by an accountant's report, except those offices outside England and Wales not required under Part 7 of the SRA Accounts Rules 2011 to deliver a report.

Address(es)	
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Office Type (Head office / branch office)	<input style="width: 180px;" type="text"/>
Office Type (Head office / branch office)	<input style="width: 180px;" type="text"/>

3 PLEASE COMPLETE ONE ONLY OF SECTIONS 3A, 3B, 3C AND 3D AS APPROPRIATE.

3A Sole practice. Please list the name of the sole practitioner and any consultant or employee who held or received client money, or operated a client's own account as signatory, during the report period.

Surname	Initials	SRA No.	Category – sole solicitor, sole REL, consultant, employee	Quote date if ceased to hold or receive client money

3B Recognised body/licensed body (partnership). Please list the names of all the "managers", whether individuals or bodies corporate, at the relevant date (date report is signed or due date for delivery); and any person who was a "manager" at any time during the report period; and any consultant or employee who held or received client money (e.g. as a named trustee), or operated a client's own account as signatory, during the report period; (see introductory notes).

Surname or corporate name	Initials	SRA No.	Category – manager, corporate manager, consultant, employee	Quote date if ceased to hold or receive client money

3C Recognised body/licensed body (LLP or company). Please list the names of all the "managers", whether individuals or bodies corporate, at the relevant date (date report is signed or due date for delivery); and any "manager", "corporate manager", consultant or employee who held or received client money (e.g. as a named trustee), or operated a client's own account as signatory, during the report period; (see introductory notes).

Surname or corporate name	Initials	SRA No.	Category – manager, corporate manager, consultant or employee	Date individual left the practice if applicable

3D In-house practice. Please list the name of every principal solicitor / REL who held or received client money at any time during the report period.

Surname	Initials	SRA No.	Category – solicitor, REL	Quote date if ceased to hold or receive client money

4 Comparison dates

The results of the comparisons required under rule 39.1(f) of the SRA Accounts Rules 2011, at the dates selected by me/us were:

(a)	at	<input type="text"/>	(insert date 1)	
	(i)	Liabilities to clients and trusts (and other persons for whom client money is held) as shown by ledger accounts for client and trust matters.		£ <input type="text"/>
	(ii)	Cash held in client account, and client money held in any account other than a client account, after allowances for lodgments cleared after date and for outstanding cheques.		£ <input type="text"/>
	(iii)	Difference between (i) and (ii) (if any).		£ <input type="text"/>
(b)	at	<input type="text"/>	(insert date 2)	
	(i)	Liabilities to clients and trusts (and other persons for whom client money is held) as shown by ledger accounts for client and trust matters.		£ <input type="text"/>
	(ii)	Cash held in client account, and client money held in any account other than a client account, after allowances for lodgments cleared after date and for outstanding cheques.		£ <input type="text"/>
	(iii)	Difference between (i) and (ii) (if any).		£ <input type="text"/>

Notes:

The figure to be shown in 4(a)(i) and 4(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.

An explanation must be given for any significant difference shown at 4(a)(iii) or 4(b)(iii) – see rule 44 of the SRA Accounts Rules 2011. If appropriate, it would be helpful if the explanation is given here.

5 Qualified report

Have you found it necessary to make this report 'Qualified'?		No	<input type="checkbox"/>	If "No" proceed to section 6
		Yes	<input type="checkbox"/>	If "Yes" please complete the relevant boxes
(a) Please indicate in the space provided any matters (other than trivial breaches) in respect of which it appears to you that there has been a failure to comply with the provisions of Parts 1, 2 and 4 of the SRA Accounts Rules 2011 and, in the case of private practice only, any part of the period covered by this report for which the practice does not appear to have been covered in respect of its offices in England and Wales by the insurance/indemnity documents referred to in rule 39.1(p) of the SRA Accounts Rules 2011 (continue on an additional sheet if necessary):				
<div style="border: 1px solid black; height: 90px;"></div>				
(b) Please indicate in the space provided any matters in respect of which you have been unable to satisfy yourself and the reasons for that inability, e.g. because a client's file is not available (continue on an additional sheet if necessary).				
<div style="border: 1px solid black; height: 100px;"></div>				

6 Accountant details The reporting accountant must be qualified in accordance with rule 34 of the SRA Accounts Rules 2011.

Name of accountant	<input type="text"/>	Professional body	<input type="text"/>
		Accountant membership/ registration number	<input type="text"/>
Recognised Supervisory Body under which individual/firm is a registered auditor	<input type="text"/>	Reference number of individual/firm audit registration(s)	<input type="text"/>
Firm name	<input type="text"/>		
Firm address	<input type="text"/>		
	<input type="text"/>		
	<input type="text"/>		

7 Declaration

In compliance with Part 6 of the SRA Accounts Rules 2011, I/we have examined to the extent required by rule 39 of those rules, the accounting records, files and other documents produced to me/us in respect of the above practice.

In so far as an opinion can be based on this limited examination, I am/we are satisfied that during the above mentioned period the practice has complied with the provisions of Parts 1, 2 and 4 of the SRA Accounts Rules 2011 except so far as concerns:

- (i) certain trivial breaches due to clerical errors or mistakes in book-keeping, all of which were rectified on discovery and none of which, I am/we are satisfied, resulted in any loss to any client or trust; and/or
- (ii) any matters detailed in section 5 of this report.

In the case of private practice only, I/we certify that, in so far as can be ascertained from a limited examination of the insurance/indemnity documents produced to me/us, the practice was covered in respect of its offices in England and Wales for the period covered by this report by the insurance/indemnity documents referred to in rule 39.1(p) of the SRA Accounts Rules 2011, except as stated in section 5 of this report.

I/we have relied on the exception contained in rule 39.2 of the SRA Accounts Rules 2011.

Yes

No

Rule 39.2 of the SRA Accounts Rules 2011 states: "For the purposes of rule 39.1(f) above [extraction of balances] if you use a computerised or mechanised system of accounting which automatically produces an extraction of all client ledger balances, the accountant need not check all client ledger balances extracted on the list produced by the computer or machine against the individual records of client ledger accounts, provided the accountant:

- (a) confirms that a satisfactory system of control is in operation and the accounting records are in balance;
- (b) carries out a test check of the extraction against the individual records; and
- (c) states in the report that he or she has relied on this exception."

In carrying out work in preparation of this report, I/we have discovered the following substantial departures from the SRA's current Guidelines for Accounting Procedures and Systems (*continue on an additional sheet if necessary*):

Please tick the "Yes" or "No" box for the following items (i) to (v) to show whether, so far as you are aware, the relevant statement applies in respect of yourself or any principal, director (in the case of a company), member (in the case of an LLP) or employee of your accountancy practice. Give details if appropriate.

(i)	Any of the parties mentioned above is related to any solicitor(s)/REL(s)/RFL(s) or other manager(s) to whom this report relates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<input type="text"/>			
(ii)	Any of the parties mentioned above normally maintained, on a regular basis, the accounting records to which this report relates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<input type="text"/>			
(iii)	Any of the parties mentioned above, or the practice, places substantial reliance for referral of clients on the practice to which this report relates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<input type="text"/>			
(iv)	Any of the parties mentioned above, or the practice, is a client or former client of the practice to which this report relates.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<input type="text"/>			
(v)	There are other circumstances which might affect my independence in preparing this report.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<input type="text"/>			

The information is intended to help the SRA to identify circumstances which might make it difficult to give an independent report. Answering "Yes" to any part of this section does not disqualify the accountant from making the report.

Information within the accountant's personal knowledge should always be disclosed. Detailed investigations are not necessary but reasonable enquiries should be made of those directly involved in the work.

I/we have completed and signed the checklist and retained a copy. The original checklist has been sent to either each of the persons listed in Section 3 or to one of them on behalf of them all.

I/we confirm that a copy of this report has been sent to (* delete as appropriate):

- (a) * Each of the persons listed in Section 3; or
- (b) * The following manager in the recognised body/licensed body, on behalf of all the managers in the recognised body/licensed body:

The form should then be signed and dated. The report can be signed in the name of the firm of accountants of which the accountant is a partner (in the case of a partnership) or director (in the case of a company) or member (in the case of an LLP) or employee. Particulars of the individual accountant signing the report must be given in section 6.

Please note that if this report is not completed by an accountant with the qualifications required under rule 34 of the SRA Accounts Rules 2011 it will not be accepted and will be returned to the firm for which the report has been submitted.

Date

Signature

Name (Block Capitals)

Please return this form to: Authorisation – Accountant’s Reports
Solicitors Regulation Authority
The Cube
199 Wharfside Street
Birmingham
B1 1RN

OR DX 720293 Birmingham 47

The reporting accountant’s checklist should be retained by the practice which is the subject of the report for at least three years, and not submitted to the Solicitors Regulation Authority with this report.