### Clients’ Money Regulations – Compliance Review

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| --- | --- |
| Firm name: | Click or tap here to enter text. |
| Period under review: | From Click or tap to enter a date. to Click or tap to enter a date. |
| Review completed by: | Click or tap here to enter text. |
| Date of review: | Click or tap to enter a date. |

*Regulation 10.2 of the ICAS Clients’ Money Regulations requires that Firms conduct a review, at least annually, of compliance with the Clients’ Money Regulations. Ideally, where possible, the compliance review should be conducted by a Principal or senior employee who is not involved in the day to day administration of the Client Money Bank Account or in the handling of clients’ money.*

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| **Question** | | | | | **Reg.** | **Yes / No / N/A** | | | | | | | **Notes** |
| **General** | | | | | | | | | | | | | |
|  | Is the Firm authorised by the Financial Conduct Authority? | | |  | | Choose an item. | | | | | | | Click or tap here to enter text. |
|  | If yes, have any monies received or held which are investment business clients’ money as defined by the Financial Conduct Authority’s Handbook been dealt with in accordance with that Handbook, which takes precedence over the requirements of the client money regulations? | | | *FSMA* | | Choose an item. | | | | | | | If No, please provide an explanation:  Click or tap here to enter text. |
|  | Except where instructed otherwise by the client in writing, has all client money been held in the currency in which it was received? | | | *4.3* | | Choose an item. | | | | | | | If No, please provide an explanation:  Click or tap here to enter text. |
|  | In respect of each case where the Firm has a power or control over a client’s own account: | | | *4.7* | |  | | | | | | |  |
|  | a) | Does the Firm have a specific written authority from the client? | |  | | Choose an item. | | | | | | | If No, please provide an explanation:  Click or tap here to enter text. |
|  | b) | Has each authority been acknowledged by the bank before being exercised? | |  | | Choose an item. | | | | | | | If No, please provide an explanation:  Click or tap here to enter text. |
|  | c) | Have adequate records of the transactions undertaken been maintained? | |  | | Choose an item. | | | | | | | If No, please provide an explanation:  Click or tap here to enter text. |
|  | Has event driven CDD (risk assessment) been considered and documented in respect of all client money received during the period? | | | *AML Regs / Guidance* | | Choose an item. | | | | | | | If No, please provide an explanation:  Click or tap here to enter text. |
| **Office procedures** | | | | | | | | | | | | | |
|  | Are all principals within the Firm aware of their personal responsibilities in respect of the Clients’ Money Regulations? | | *10* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Are all principals within the Firm aware of the Firm’s policy in respect of receiving clients’ money? | | *10* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Are all personnel responsible for opening post and/or banking arrangements aware of the importance of identifying the nature of a receipt of clients’ money? | |  | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| **Clients’ Bank Accounts** | | | | | | | | | | | | | |
|  | Are all Client Bank Accounts held separate from Firm bank accounts? | | *3.2.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Are all Client Bank Accounts held at a branch in the United Kingdom or Republic of Ireland of a bank as defined in regulation 3.1.1? | | *3.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | If a Client Bank Account is held outside the United Kingdom or Ireland does the account meet the requirements of regulation 3.1.2 or 3.1.3? | | *3.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Where a Firm holds Clients’ Money in a bank outside the United Kingdom or Republic of Ireland: | | *4.6* | | |  | | | | | |  | |
|  |  | has the client been informed in writing of the matters required by regulations 4.6.1; and | *4.6.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | has the requirements of regulation 4.4.4 been satisfied; and | *4.6.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | has the client confirmed their agreement in writing to the money being paid into, or remaining in, that client bank account? | *4.6.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Do all Client Bank Accounts include the word ‘client’ in their title, or where in relation to an insolvency estate the title clearly defines the insolvency estate to which it relates? | | *3.2.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Where any Client Bank Accounts are not general accounts, are the accounts designated by the name of the specific client, or by a number or letter allocated to the account to identify the client? | | *3.2.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | In respect of all Client Bank Accounts has the Firm notified, in writing, the Banks that: | |  | | |  | | | | | |  | |
|  |  | all money is held by the Firm as client money and that the Bank may not combine the account with any other account or exercise any right to set off or counterclaim against that account for any money owed to it by any other account of the Firm; | *4.4.1 / 4.4.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | interest payable must be credited to that account; | *4.4.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | the Bank must describe the account in its records to make it clear that the money in the account does not belong to the Firm. | *4.4.4* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Where it is not otherwise clear from the Bank’s terms and conditions that such terms are incorporated, has the Bank acknowledged in writing that the above terms have been accepted and was acknowledgement received within 30 business days of the Firm sending the notice? | | *4.4.5 and 4.5* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Where the Bank did not acknowledge acceptance of the terms set out in regulation 4.4 following notification within the required timescale, did the Firm timeously withdrawn all money from the account and either deposit the money in a Client Bank Account with another Bank or return the money to the client? | | *4.5* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Does the Firm have power or control over a client’s own bank account? | | *4.7* | | | Choose an item. | | | | | |  | |
|  | If Yes, then   1. has the specific written authority of the client been acknowledged by the bank prior to the authority being exercised? | | *4.7.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| 1. have adequate records been maintained of transactions undertaken by the Firm? | | *4.7.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| **Payments into a Client Bank Account** | | | | | | | | | | | | | |
|  | Has the Firm only paid money into a Client Bank Account where:   1. it is required to make such payment under these regulations, or 2. the money is the Firm’s own money and is the required minimum for opening and maintaining the account, or 3. is paid to restore money paid out of the account in contravention of the regulations? | | *5.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Are all Client Bank Accounts used only for receiving or making payments which relate to accountancy services which the Firm is performing, has performed, or has been engaged to perform, for the client? | | *Guidance* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Are all client accounts confirmed as not being used as a banking facility for clients? | | *Guidance* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | In respect of a sample of both client and office account bankings confirm that: | |  | | |  | | | | | |  | |
|  |  | money is only paid into a client account in accordance with the regulations; and | *5.2.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | client money has not been banked in an office account. | *5.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Funds received have been paid to the client or paid into the client bank account no later than the end of the business day following receipt. | *5.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| *The sample for this test should be biased towards round sum amounts or other unusual receipts.* | | | | | | | | | | | | | |
|  | Where money of any one client in excess of £10,000 was held or was expected to be held by the Firm for more than 30 days, was the money paid into a Client Bank Account designated by the name of the client or by a number or letters allocated to that account? | | *5.4* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| **Interest** | | | | | | | | | | | | | |
|  | In respect of all clients’ monies has the Firm: | |  | | |  | | | | | |  | |
|  |  | placed the clients’ money in an interest-bearing account unless the interest earned would not be material;  (see Clients’ money helpsheet for guidance on what is material interest) | *6.1.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | ensured that an appropriate rate of interest on the money is earned; | *6.1.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | ensured that all interest earned is paid or credited to the client, or as the client instructs in writing; and | *6.1.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | obtained agreement in writing for any departures from these requirements? | *6.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Has the Firm complied with the specific terms of any agreements made with clients with respect to interest? | | *6.4* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| **Withdrawals from a Client Bank Account** | | | | | | | | | | | | | |
|  | Where Mixed Money was paid into a Client Bank Account, was the Firm element transferred as soon as the funds cleared? | | *7.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Has all client money been returned to the client promptly as soon as there was no longer any reason to retain those funds? | | *Guidance* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Are payments to third parties on the client’s behalf only made with the client’s written authority? | | *7.2.5* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Have bank charges been charged to the office account rather than client’s accounts? | |  | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Was the sum of the credit balances held for all clients, at all times at least equal to the total balance held in all Client Bank Accounts? | | *7.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | In respect of payments from a Client Bank Account, was the credit balance for that client always greater than or equal to the amount of the payment? | | *7.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | Where money was withdrawn from a client bank account for or towards payment of fees payable by the client to the Firm: | |  | | |  | | | | | |  | |
|  |  | was the precise amount thereof agreed by the client or finally determined by a court or arbiter; | *7.4.1* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | were the fees accurately calculated in accordance with a formula agreed in writing by the client on the basis of which the amount thereof can be determined; or | *7.4.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | had 30 days (or such other period as may have bene formally agreed with the client) elapsed from the date of delivery to the client of a statement of fees and the client had not questioned the amount therein specified as due? | *7.4.3* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  | For a sample of withdrawals from client account confirm that: | |  | | |  | |  | |  | |  | |
|  |  | all withdrawals are in accordance with the regulations; and | *7* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
|  |  | all withdrawals are made on the specific written authority of a principal in the Firm, or by an employee to whom authority in writing has been delegated from the principals of the Firm. | *7.2* | | | Choose an item. | | | | | | If No, please provide an explanation:  Click or tap here to enter text. | |
| **Records, controls and safeguards (including reconciliations)** | | | | | | | | | | | | | |
|  | Has the Firm kept clients’ money records which include: | |  | | |  |  | |  | |  | | |
|  |  | details of all money paid into and out of all Client Bank Accounts; | *8.1.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | entries of all clients’ money paid directly to the client or, on the client’s instructions, paid to a third party, identifying that person; | *8.1.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | entries of all cheques received and endorsed over by the Firm to the client or, on the client’s instructions, endorsed over to a third party, identifying that person; | *8.1.3* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | entries of all electronic transfers received or made of money and transferred direct to the client or, on the client’s instructions transferred to a third party, identifying that person; | *8.1.4* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | details of all transactions on each client’s ledger account which identify the balance held for each client and which reconcile to the total of clients’ money held in the Client Bank Accounts; | *8.1.5* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | the notice and acknowledgement concerning the status of the client account under Regulation 4.2? | *8.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Does the Firm have documented financial controls and safeguards in place to adequately protect Clients’ Money from misapplication or misappropriation? | | *Guidance* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Have the financial controls and safeguards been reviewed for adequacy as of the Annual Compliance Review? | | *Guidance* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Do the documented financial controls and safeguards remain proportionate to the number of Client Bank Accounts, the quantum of funds held, the number of transactions processed and the structure and ownership of the Firm? | | *Guidance* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Has the Firm, at least once every five weeks, reconciled the total balances on all its Client Bank Accounts with the total corresponding credit balances in respect of its clients, as recorded by it? | | *9.1.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Were any differences found by the above reconciliations corrected immediately? | | *9.1.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Did the Firm, at the same time as carrying out the above reconciliation, reconcile the balance on each client bank account, as recorded by it, with the balance on that account as set out in the statement issued by the bank? | | *9.1.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | With the exception of differences that arose solely as a result of timing differences, were any differences from the above reconciliation corrected immediately? | | *9.1.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Has the Firm kept all records that are required to be kept under the Client Money Regulations for at least six years from the date on which they were made? | | *9.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
| **Unidentified or untraced clients** | | | | | | | | | | | | | |
|  | Does the firm agree in writing with clients how unclaimed monies are dealt with? | | *Guidance* | | | Choose an item. | | | | | Click or tap here to enter text. | | |
|  | Has there been, or are there any, unclaimed funds? | | *12* | | | Choose an item. | | | | |  | | |
|  | If Yes, have reasonable and proportionate steps been taken to trace the client? | | *12.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | If any unclaimed funds were paid out during the period, in respect of each payment were they dealt with in accordance with either the written agreement with the client or as provided for within the regulations? | | *12.2 - 12.6* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
| Where the money was held in Scotland   * < £50 – can pay to QLTR or a registered charity * £50+ – can pay to the QLTR   Where the money was outside of Scotland, but in the UK   * < £500 - can be remitted to charity * £500+ - can be remitted to charity but ICAS approval required, and the charity must provide an indemnity against any subsequent claim against the unclaimed money   Money held in the UK but not paid to QLTR or charity per the above   * retain on deposit for the benefit of the unidentified or untraced client   Where unclaimed funds were held outside of the UK   * Obtain legal advice and deal with the unclaimed money as appropriate | |  | | |  | | | | |  | | |
| **Compliance review** | | | | | | | | | | | | | |
|  | Has the Firm conducted a review, at least annually, to consider whether systems it has maintained have been adequate to enable it: | | *10.2* | | |  | | | | |  | | |
|  |  | to comply with the regulations; | *10.2.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | to carry out the reconciliations in accordance with the regulations; and | *10.2.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  |  | to prepare any return required under the regulations and to confirm its compliance with these Regulations? | *10.2.3* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Has the Firm reported any significant breaches of the Client Money Regulations to ICAS no later than 10 working days after identification of the breach? | | *10.3* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
| **Firms wholly owned and/or controlled by a single member** | | | | | | | | | | | | | |
|  | Are there arrangements in place in accordance with the regulations in the event of the incapacity or death of the member, and are these arrangements regularly confirmed as being up to date? | | *11.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Has the Firm informed ICAS in writing of these arrangements before or immediately following the first receipt of clients’ money? | | *11.1* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | Has the Firm informed ICAS in writing immediately following any change (including cancellation) in the arrangements? | | *11.4* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
|  | 1. Is the alternate arrangements with either    1. a corporate entity in which the majority of the principals are members of CCAB bodies; or    2. an individual who is a member of a CCAB body and holds a current practicing certificate issued by that body. 2. does the individual and/or corporate entity have at least the same authorisations for regulated activities as the Firm; and 3. has the bank has formally consented to the arrangements in place. | | *11.2* | | | Choose an item. | | | | | If No, please provide an explanation:  Click or tap here to enter text. | | |
| **Conclusion** | | | | | | | | | | | | | |
|  | Are there any areas of significant non-compliance with the client money rules? | |  | | | Choose an item. | | | | | If Yes, please provide an explanation:  Click or tap here to enter text. | | |

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| ***Action points*** | | | | |
| *Detail below any action required in respect of any answers which have notes.* | | | | |
| Click or tap here to enter text. | | | | |
| *Action points cleared by:* | Click or tap here to enter text. |  | *Date:* | Click or tap to enter a date. |
| *Partner:* | Click or tap here to enter text. |  | *Date:* | Click or tap to enter a date. |