

## NOTES FOR ACCOUNTANTS



**Please ensure you initial the bottom of every page. If completing by hand, please use block capitals throughout. If completing digitally, we advise using Adobe Reader which can be downloaded free from the Adobe website. Unfortunately editable PDF documents do not work on a Mac and there is no solution other than to use a PC.**

This accountant's report must be completed:

- by a Chartered or Certified Accountant who is a member of one of the following supervisory bodies- ACCA, CAI, ICAEW or ICAS; and,
- on behalf of Members of divisions of Propertymark which are responsible for firms that:
  1. Hold or handle client money, and/or
  2. Act as Client Account Service Providers (CASPs), handling or holding client money for third party agents. If completing a CASP member report, the accountant must report on all client money held.

Accountants are required to form an opinion as to whether, during the period being reported, the records and controls have been suitably maintained by the Member Firm or (if using one) its CASP. This must be done in accordance with Propertymark's Accounting Rule 1 available at: [propertymark.co.uk/rules](https://propertymark.co.uk/rules).

Where you are not satisfied with any aspects of these tests or enquiries you should seek further information you consider necessary from the Member Firm or CASP.

After making your examination, you should promptly complete the Accountant's Report and deliver the original to the Member Firm who is responsible for sending it to Propertymark.

**Please exclude any funds relating to block management/holiday lets as these services are not covered by Propertymark's Client Money Protection (CMP) scheme.**



### COMPANY LEGAL NAME

Please ensure accurate legal entity name is used.

For example:

- Limited Company: John Smith & co Limited or John Smith & Co PLC
- LLP: Parkers & Smith LLP
- Partnership: Mr J Smith and Mrs S Jones or Mr J Smith and Partners (5), where Mr J Smith is our member
- Sole Trader: Mr John Smith

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### How to return this form

By post:            Membership Documents  
Propertymark  
Arbon House  
6 Tournament Court  
Edgehill Drive  
Warwick  
**CV34 6LG**

By email: [accountantsreport@propertymark.co.uk](mailto:accountantsreport@propertymark.co.uk)

# ACCOUNTANT'S REPORT

## MEMBER FIRM DETAILS

Company legal name	
Trading name	

See 'Notes for Accountants' page for clarification of company legal name.

### Head office

Address 1			
Address 2			
Town			
County		Postcode	

Does the client report cover client money held by a CASP* member for another agent?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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\*The term CASP, Client Money Service Provider, relates to companies who hold Client Monies on behalf of another company.

With which banking supplier is the member organisations client money held?	
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## TESTS FOR PROPERTYMARK ACCOUNTING REQUIREMENTS

		Relevant Rule Clause(s)	Does the Member Firm comply?		
1	The accountant should check that he/she is eligible to complete and submit an Accountant's Report. Go to: <a href="https://www.frc.org.uk/auditors/professional-bodies-supervision/oversight-of-audit/recognition-of-recognised-supervisory-bodies-and-r">https://www.frc.org.uk/auditors/professional-bodies-supervision/oversight-of-audit/recognition-of-recognised-supervisory-bodies-and-r</a>	1.24 , 1.25	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
2	Having ascertained from the Member Firm and/or Client Accounting Service Provider details of all relevant bank or building society accounts operating in connection with activities relevant to its PropertyMark division(s), establish that the banks/building societies used fall within the relevant definition. Go to: <a href="http://propertymark.co.uk/working-in-the-industry/member-requirements/client-account-reporting">propertymark.co.uk/working-in-the-industry/member-requirements/client-account-reporting</a>	1.2	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
3	Establish that the client (bank) accounts fulfil the requirements to be correctly designated and acknowledged, that client funds are available on demand and that any penalty for withdrawal is paid by the Member Firm or Client Accounting Service Provider.	1.7 , 1.9	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
4	Where interest is accruing on client money, confirm that this is being dealt with appropriately.	1.12	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
5	Take such random samples as to be satisfied that only appropriate payments have been made into client (bank) accounts and this is undertaken in a timely manner.	1.13 , 1.15.1	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

<b>6</b>	Take such random samples as to be satisfied that only appropriate payments have been made out of client (bank) accounts and that this is undertaken in a timely manner; including test-checks of the system for calculating and recording fees and disbursement by sampling transactions against supporting documentation.	1.14 , 1.15.2	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>7</b>	Take such random samples Member Firm and/or Client Accounting Service Provider company bank accounts as to be satisfied that client money has only been paid into client accounts which are correctly designated and acknowledged.	1.6.1 (b)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>8</b>	Make such test examinations on a sample of client ledger accounts as thought necessary to ascertain whether any such account has gone into debit.	1.14.10	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>9</b>	Obtain a copy of the schedule of signatories and through sampling and/or enquiry be satisfied that only appropriate people have made or authorised payments.	1.17 , 1.3.1(e) 1.3.2(f)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>10</b>	Compare a random selection of lodgements into and payments out of client bank accounts (as evidenced by reference to bank and/or building society statements) with entries in the cash book records of receipts and payments.	1.18 , 1.19	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>11</b>	Make test-checks of postings to clients' ledger accounts from cash book records of receipts and payments of clients' money and make test-checks on the casts (additions) of such accounts and records. Review the clients' ledger account to ensure there are no inappropriate entries therein.	1.18 , 1.19	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>12</b>	Examine the bookkeeping system to be satisfied that appropriate ledger accounts are kept and are sufficiently detailed.	1.18 , 1.19	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>13</b>	Enquire into, test-check the reasons for, and examine documents in support of any transfers found to have been made from one client ledger account to another – ascertaining that entries and transactions are adequately described or explained.	1.19	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>14</b>	Confirm a reconciliation has been carried out within the relevant time frames and suitable documentation has been both produced and retained by the Member Firm.	1.23	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>15</b>	Select two reconciliation dates from the accounting period, the first date to be within one month of the end of accounting period covered by the report. The second date to be 3 to 9 months earlier than the first date:  <ol style="list-style-type: none"> <li>1. Comparing the sum total of the individual balances due to clients, as shown by the ledger accounts, with the cash book balance on the client (bank) account.</li> <li>2. Reconciling the sum total of client balances with the balance of funds held according to the client account cash book.</li> <li>3. Checking the additions of the lists of individual client balances, on both (or more) of the dates selected.</li> </ol> <p>Obtain direct confirmation from the bank or building society of the balance on the client (bank) accounts by requesting bank certificates or appropriate confirmation letters in respect of at least one of the dates selected.</p>	1.23	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

<b>16</b>	Ascertain by enquiry or investigation whether any unidentified or dormant client funds are held and if so, being dealt with appropriately.	1.42, 1.43, 1.44 1.45	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>17</b>	Ascertain by enquiry or investigation whether the requirements of Accounting Rule 1 are both readily available to and, understood by, the relevant persons within the Member Firm and (if appropriate) Client Accounting Service Provider (CASP).	1.5	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

If you have ticked No, N/A or left any test blank please state why in the Details of Non-Compliance section on page 6.

## SOFTWARE AND SERVICES

Please select the form of lettings and/or management software used by the member firm.

Internal (bespoke) software <input type="checkbox"/>	Spreadsheets (e.g Excel/Access) <input type="checkbox"/>	External (off-the-shelf) software <input type="checkbox"/>
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If an external off-the-shelf software package, please state the name of the software provider.

Name of software provider	
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Does the member firm provide Rent to Rent or Guaranteed Rent services?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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### Rent to Rent

The member firm enters into a tenancy agreement with the landlord, and then in turn becomes a landlord in another agreement on the same property.

### Guaranteed Rent

The member firm provides payment to the landlord of a property irrespective of whether or not the tenant pays in any given month.

## COMPLETING THE RECONCILIATION FIGURES



### Block Management funds/holiday let are not to be included in the reconciliations.

**Insured/Protected Deposits** are those registered with a deposit scheme, listed in your bank ledger and held in your client account. **Custodial Deposits** are passed directly to a deposit scheme and held by them in their own bank accounts.

**Box A:** is for the insured/protected deposits listed in the client ledger (and held in the client bank account).

**Box B:** is for any other client money listed in the client ledger (i.e rent payments). Transitional Deposits should be listed here, Transitional Deposits are those in the process of being or which have not yet been registered with a deposit scheme.

**Box C:** is boxes A and B added together, showing the total listed in the client ledger.

**Box D:** is the actual amount held in the client account.

## ACCOUNTING DETAILS

<b>Member Firm's accounting year end date (dd/mm):</b>		
Has this Member Firm had a year end since starting to handle client money?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If this firm has not had a year end since starting to handle client money, the report should cover the period from when the Member Firm started to do so until now (Interim Report). In this case, you should complete one recent reconciliation for an Interim Report. Otherwise, it should be the Member Firm's normal accounting period (Full Report).

### Accounting Period covered by this Accountant's Report (maximum 12 months)

Beginning		Ending	
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Please provide details of the two comparisons undertaken in accordance with PropertyMark Accounting Requirement 15 (on page 2). First reconciliation date to be the end date of accounting period covered by the report, the second reconciliation date to be 3–9 months prior to the first reconciliation date.

First reconciliation date (accounting period end date)			/	/20
<b>A</b>	Total value of protected deposits as shown by the Member Firm's or CASP's clients' <b>ledger</b> accounts.*	£		
<b>B</b>	Total value of all other client money as shown by the Member Firm's or CASP's clients' <b>ledger</b> accounts, <b>including any Transitional Deposits but excluding block management and holiday lets.</b> ^	£		
<b>C</b>	Total liability to Member Firm's clients as shown by the Member Firm's or CASP's clients' <b>ledger</b> accounts, <b>including any Transitional Deposits but excluding block management and holiday lets.</b> *	£		(A + B)
<b>D</b>	Client money held for this Member Firm in its own, or the CASP's client <b>bank</b> account(s) after allowance for outstanding cheques and lodgements cleared after date, <b>including any Transitional Deposits but excluding block management and holiday lets.</b> *	£		
<b>Difference</b>		£		(C – D)

Second reconciliation date (between 3–9 months prior to first reconciliation date)			/	/20
<b>A</b>	Total value of protected deposits as shown by the Member Firm's or CASP's clients' <b>ledger</b> accounts.*	£		
<b>B</b>	Total value of all other client money as shown by the Member Firm's or CASP's clients' <b>ledger</b> accounts, <b>including any Transitional Deposits but excluding block management and holiday lets.</b> ^	£		
<b>C</b>	Total liability to Member Firm's clients as shown by the Member Firm's or CASP's clients' <b>ledger</b> accounts, <b>including any Transitional Deposits but excluding block management and holiday lets.</b> *	£		(A + B)
<b>D</b>	Client money held for this Member Firm in its own, or the CASP's client <b>bank</b> account(s) after allowance for outstanding cheques and lodgements cleared after date, <b>including any Transitional Deposits but excluding block management and holiday lets.</b> *	£		
<b>Difference</b>		£		(C – D)

\* Protected deposit: Deposits held in the Member Firm's or Client Accounting Service Provider's client account that are properly protected by a Government-authorised, insurance-backed Tenancy Deposit Protection scheme. **Do not include deposits held in a custodial deposit protection scheme.**

^ If £0 balance, please provide an explanation on page 6 of this report.

## INSURED TENANCY DEPOSITS

Registered funds held in Firm's client account.

Please confirm the name(s) of the Insured Tenancy Protection Scheme(s) used. If more than one scheme, please confirm the split of funds held in each.

All deposits held by the Member Firm or for the Member Firm by its Client Accounting Service Provider (CASP) must be included in the reconciliation figures. **The reason for any difference must be stated in the 'Details of Non-Compliance' section on page 6. NOTE: Transitional Deposit payments should be included in box B in the reconciliation figures on page 4.**

## CUSTODIAL TENANCY DEPOSITS

Registered funds held by the deposit scheme.

Please confirm the name(s) of the Custodial Tenancy Protection Scheme(s) used. If more than one scheme, please confirm the split of funds held in each.

Value of deposits properly protected in a Government-authorized Custodial Tenancy Deposit Protection scheme, as shown by the Member Firm's or CASP's clients' ledger at the first reconciliation date. If not available, please provide current figures.

£

If the deposit value for the first reconciliation date is not available then the value at a more recent date would be acceptable.

## RESULTS

I, the accountant, have examined the books, accounts and all other necessary documentation relating to the above-named Member Firm/Client Accounting Service Provider to the extent required under PropertyMark's Accounting Rule 1 and:

I am **satisfied** that during the Accounting Period covered by this Accountant's Report, the Member Firm/Client Accounting Service Provider complied with the provisions of PropertyMark's Accounting Rule 1 other than in respect of certain trivial breaches due to clerical errors or mistakes in bookkeeping, all of which were rectified on discovery and none of which, I am are satisfied, resulted in any loss to any client.

In the case of trivial breaches due to clerical errors or mistakes in bookkeeping, if a difference is noted in the "Accounting Details" on page 4, an explanation is required in the "Details of Non-Compliance" section on page 6.

I am **not satisfied** that during the Accounting Period covered by this Accountant's Report the Member Firm/Client Accounting Service Provider complied with the provisions of PropertyMark's Accounting Rule 1 for the reasons set out in the "Details of Non-Compliance" section on page 6.

## DETAILS OF NON-COMPLIANCE / ADDITIONAL COMMENTS

Please detail below where the Member Firm and/or the Client Accounting Service Provider have not complied with all or some of PropertyMark's Accounting Requirements; or where you are not satisfied that they have complied; and the reasons why. You can also add any other information you think relevant.

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## ACCOUNTANT DETAILS

Full name			
Qualifications			
Accounting supervisory body	ACCA / CAI / ICAEW / ICAS (circle as appropriate)		
Name of firm			
Address 1			
Address 2			
Town			
County		Postcode	

## SERVICE ON MEMBER FIRM

The original version of this Accountant's Report has been sent to

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as a Principal, Partner or Director of the Member Firm.

## DECLARATION

I confirm that I am eligible and qualified to complete this Accountant's Report in accordance with PropertyMark's Accounting Rule 1 clauses 1.24 and 1.25, believe that the information contained within this Accountant's Report is true, and understand that PropertyMark will rely on this report.

In addition, I can confirm I have advised the Member Firm that a copy of the PropertyMark Conduct and Membership rules should be available via a link on the Member Firm's website.

<b>Print name</b>			
<b>Signature</b>		<b>Date</b>	

**!** Please make sure you have initialed every page.