

CLC ACCOUNTS CODE

The following checks must be completed in order to satisfy the minimum examination requirements under requirement 16.11. Where the result of the checks is found to be unsatisfactory, further details must be reported in section 2 of this checklist or on a separate appendix as appropriate.

Name of Licensed Conveyancer(s)

Name of CLC Body

Results of test checks for all client money:

1	For the avoidance of doubt each of the questions should refer to test examinations	Satisfactory (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	
1	Book-keeping system for every office:					
1.1	The accounting records clearly distinguish between client and office monies dealt with by the firm.					
1.2	A separate ledger account is maintained for each individual client (except in cases referred to in 13.7) and the particulars of all client money received, held or paid on account of each client, including funds held on separate designated deposits, or elsewhere, are recorded.					
1.3	The current balance on each client and office ledger account is always 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 central record or file of copies of all bills of costs has been retained on a durable medium.					
1.6	The firm has established and maintained proper accounting systems, procedures, processes and internal controls to ensure compliance with the Accounts Code.					
1.7	Where it is possible to ascertain, the firm has accounted to their Clients' as soon as possible after completion of any transaction or after any retainers have been terminated.					
1.8	Where it is possible to ascertain, all monies held in client bank account have been paid promptly to the Rightful Recipient when due.					
2	Postings to ledger accounts and casts:					
2.1	All dealings with client money have been appropriately recorded in a client cash book or record of sums transferred from one client ledger account to another.					
2.2	All dealings with client money have been appropriately recorded on the client side of a separate client ledger account for each Client or each Client matter.					
2.3	Casts of client ledger accounts and receipts and payments records are correct.					
2.4	Postings have been recorded in chronological sequence with the date being that of the initiation of the transaction.					
3	Receipts and payments of client money:					
3.1	Sample receipts and payments of client money as shown in bank and building society statements have been compared with the records of receipts and payments of client money and are correct.					
3.2	The withdrawals from client bank account were made by payments other than in cash (i.e. CHAPS, BACS, Cheques etc).					
3.3	Sample paid cheques have been obtained and details agreed to payment records. (Where paid cheques are retained by the CLC Body's Bank as referred to in 13.14.1, copies of the selected sample of paid cheques will need to be requested from the Bank)					
3.4	A test examination of client ledger accounts revealed that no withdrawals on behalf of any client exceeded the total of the money held to the credit of that client.					
3.5	If the test in 3.4 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.					
3.6	Withdrawals from client bank account in respect of costs were properly required for or towards payment of the firm's costs where there has been delivered to the client a bill of costs or other written intimation of the amount of the costs.					
3.7	Where money has been withdrawn from client bank account in respect of disbursements, the withdrawal related to the reimbursement of money:-					
	A) already expended by the CLC Body out of office account and evidenced on a durable medium					
	B) for which the CLC Body has incurred a liability to pay out of office account as evidenced on a durable medium.					

Results of test checks for all client money:

4	System of recording costs and making transfers:	Yes	No	Yes	No	
4.1	The payments or liabilities mentioned in test 3.7 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 the appropriate client ledger accounts.					
4.3	The system of recording costs has been ascertained and is suitable.					
4.4	The withdrawals from client bank account have been made by way of a cheque to the CLC Body or by way of a transfer to the office bank account.					
5	Examination of documents for verification of transactions and entries in accounting records:	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.					
	<i>N.B. If (5.2) above is unsatisfactory have details been provided in the Accountant's Report? Yes <input type="checkbox"/> No <input type="checkbox"/> (tick appropriate box)</i>					
5.3	The financial transactions evidenced by documents in the client files were correctly recorded in the books of account in a manner complying with the Code.					
6	Office accounts:	Yes	No	Yes	No	
6.1	Check such client office ledgers, cash books and bank and building society statements as the CLC Body maintains with a view to ascertaining whether any client money has not been paid into a client account.					
6.2	Investigate client office ledger credit balances and ensure that such balances do not include client money incorrectly held in office account.					
6.3	In the event of client office ledger credit balances existing on client ledger accounts, the firm has investigated them and corrected the position without delay.					
7	Client money not held in client account:	Yes	No	Yes	No	
7.1	Has the CLC Body disclosed any dealings in which money has been withheld from client bank account?					
7.2	Has an appropriate written client instruction/acknowledgement or written authorisation from the CLC been received in each instance?					
8	Authorised Withdrawals from Client Bank Account(s):	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 CHAPS terminals or other 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	Client to Client Transfers:	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 Rules.					
10	Client ledger for Borrower and Lender:	Yes	No	Yes	No	
10.1	When acting for both lender and borrower 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	Deposit Interest:	Yes	No	Yes	No	
11.1	Where appropriate, the firm has accounted to clients' for interest earned in accordance with the Code.					
12	Information and Explanations:	Yes	No	Yes	No	
12.1	All records and explanations required have been received and satisfactorily cleared.					

Results of test checks for all client money:

13	Reconciliations and extraction of client ledger balances:	Yes	No	Yes	No	
13.1	The client bank reconciliation, extraction of client and office ledger balances and comparison between liabilities to clients and cash available has been checked on no fewer than two separate dates in the period subject to this report.					
	<i>The following tests relate to the dates selected in (13.1) above</i>					
13.2	All accounts, disclosed by the firm or the firm's Bank's, containing client money have been included in the reconciliation.					
13.3	The client bank reconciliation total is complete and correct having being calculated by:- the closing client bank account balance plus an accurate and complete list of outstanding lodgements less an accurate and complete list of unrepresented cheques.					
13.4	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.					
13.5	The client cash account balance is correctly calculated by the accurate and prompt recording of transactions.					
13.6	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.					
13.7	The total liabilities to clients as shown by such ledger accounts has been compared to the balance on the bank reconciliation statement and agreed.					
13.8	Where the comparison in 13.6 and/or 13.7 shown above revealed differences, a reconciliation statement showing the cause of the differences had been prepared.					
13.9	In the event of debit balances existing on client ledger accounts, the firm has investigated them and corrected the position without delay.					
13.10	In the event of the reconciliations selected not being in agreement, the differences have been investigated and corrected promptly.					
13.11	The reconciliations were completed within 7 days of the reconciliation date to which they relate.					
13.12	Each reconciliation selected has been achieved by the comparison and agreement without adjusting or balancing entries of the: Client ledger balances total; Client cash book(s) balances total; Client bank accounts total.					
	<i>The following tests relate to a further sample of reconciliation statements:</i>					
14.1	Reconciliations have been carried out at least once in each calendar month.					
14.2	All client reconciliations were prepared to a date not more than five weeks after the date to which they were last prepared.					
14.3	Each reconciliation is in the form of a statement set out in a logical format which is likely to reveal any discrepancies.					
14.4	The client bank reconciliation total has been compared with the balance on the client cash book(s).					
14.5	The total of the client ledger credit balances has been compared with the balance on the client bank reconciliation statement.					
14.6	Reconciliation statements have been retained on a durable medium.					
14.7	In the event of the reconciliations selected not being in agreement, reconciliation statements showing the cause of the differences have been prepared and the differences have been investigated and corrected promptly.					

Explanation of the use of terms

- 1.7 "As soon as possible" - this term implies that payment was made when the funds became due to the Client taking into account any practical or other reasons why the funds could not be paid "without delay".
- 1.8 "Promptly" - this term implies that payment was made when the funds became due to the Rightful Recipient taking into account any practical or other reasons why the funds could not be paid "without delay".
- 6.3 Working Day". "Working Day" is defined as "any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank
- 13.5 "Prompt" - this term implies that the books of account have been written up to ensure that they always show clearly all dealings with Client and Office Money.

Please give further details of unsatisfactory items in Section 2 over the page.

Results of test checks for all client money:

2. Further details of unsatisfactory items *(Please attach additional schedules as required)*

Signature:

Date:

Name of Reporting Accountant: