



COUNCIL FOR LICENSED CONVEYANCERS

ACCOUNTS GUIDANCE NOTE 2

REPORTING ACCOUNTANTS' TERMS OF

ENGAGEMENT

Issued by the Council for Licensed Conveyancers on
16 January 2008

This Accounts Guidance Note comes into force on 1 January 2009.

Licensed Conveyancers are reminded that they must at all times act in compliance with the Council's Rules. Rule 3.1.3 of the Licensed Conveyancers' Accounts Rules 2008 provides that every Licensed Conveyancer must:-

"comply with the Accounts Guidance Notes unless he has good reason not to do so in the particular circumstances."

Rule 10.11 of the Licensed Conveyancers' Accounts Rules 2008 states:-

"A Licensed Conveyancer must ensure that his Reporting Accountant's rights and duties are stated in terms of engagement, which shall include such terms as are prescribed by the Council. The terms of engagement and a copy shall each be signed by the Licensed Conveyancer and the Reporting Accountant and the copy shall be retained by the Licensed Conveyancer."

This Accounts Guidance Note adopts the definitions set out in the Licensed Conveyancers' Accounts Rules 2008.

The terms on which a Licensed Conveyancer instructs a Reporting Accountant must include the following:-

1. In accordance with the Licensed Conveyancers' Rules 2008 (the Rules) you are instructed:
 - 1.1 to conduct tests and checks prescribed by the Council in accordance

with Rule 10.14 of the Rules;

- 1.2 to sign and deliver to the Council for Licensed Conveyancers (the Council) the Accountant's Report together with the completed checklist in accordance with Rule 10.15 of the Rules; and provide me with a copy;
 - 1.3 to report directly to the Council without prior reference to me/this firm/this company if, in the course of carrying out work in preparation of the accountant's report, you discover evidence of theft or fraud affecting client money or information which is likely to be of material significance in determining whether any licensed conveyancer is a fit and proper person to hold client money;
 - 1.4 to report directly to the Council should your appointment be terminated following the issue of, or the indication of intention to issue, a qualified accountant's report or following the raising of concerns prior to the preparation of an accountant's report;
 - 1.5 to retain these terms of engagement for at least two years after termination of the retainer and to produce them to the Council on request; and
 - 1.6 following any report made to the Council under 1.2, 1.3 or 1.4, to provide to the Council on request any further relevant information in your possession or in the possession of your firm;
2. You agree by accepting these instructions that:-
- 2.1 the Council will rely upon the content of your Report,
 - 2.2 a duty of care is owed by you to the Council; and
 - 2.3 your liability to the Council will be limited to the loss and costs suffered by the Council arising from items which you have negligently failed to specify in your Report.

To the extent necessary to enable you to comply with paragraph 1 above, I/We waive my/the firm's/the company's right of confidentiality. This waiver extends to any report made, document produced or information disclosed to the Council in good faith pursuant to these instructions, even though it may subsequently transpire that you were mistaken in your belief that there was cause for concern.
