



MEMORANDUM

To: Technical Representatives
From: Matthew Shaw
Date: 20 May 2016
Ref: TM 12/16

HAT SRA ACCOUNTS RULES 2011 MANUAL ~ MAY 2016

HAT's Solicitors Accounts Rules Manual has been updated. This update is not fundamental.

This version of the Manual should be used for assignments with November '15 period ends. If these assignments are already in progress having utilised the November '15 version of the Manual, then they should not be switched over to use the new methodology, however, staff should be advised to read the new manual as it contains additional guidance notes both in the text, and throughout the appendices.

The Manual has been updated for the following reasons:-

- To incorporate the guidance issued in the ICAEW's Technical Release, Tech 16/15AAF ~ Solicitors Regulation Authority (SRA) Accountants Rules: Interim Guidance for Reporting Accountants following Changes to the Accountant's Report Requirements;
- The text of the manual gives guidance on tailoring the work programmes and emphasises that all staff must have strong audit and assurance practical work experience and a good understanding of the detailed transactions that are involved in the legal services undertaken by solicitors that they work on;
- The text also picks out which tests are likely to be key and which text could potentially be deemed not to be necessary, the level of tailoring needs to be fully discussed on the assignment plan;
- To clarify that the AR1 must be signed in the name of the Reporting Accountant. This has been confirmed by the SRA, historically practices had a choice to sign in the name of the individual or the name of the firm;

12 COCK LANE, LONDON EC1A 9BU
TEL: 020 7213 9911 FAX: 020 7213 9922
EMAIL: hat@hatgroup.co.uk
www.hatgroup.co.uk

ACCOUNTING DIRECT PLUS LIMITED . ALDER DEMAIN & AKERS LIMITED . ALWYNS LLP . APPLEBY & WOOD . ASHCROFT ANTHONY . BARRONS . BEAVIS MORGAN LLP
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- The risk, preplanning letter and letter of representation all now cover complaints against the solicitors practice, PII claims and disciplinary procedures regarding the practice or its principals and employees;
- Paragraph 1.2 on the Specimen Letter of Engagement has been changed to remove reference to what work may be undertaken, as the scope of the work to be undertaken is totally at the discretion of the Reporting Accountants (subject to any firm wide procedures); and
- As no opinion is given on PII insurance, this work programme has now been deleted;

Note that no amendments have been made to the Licensed Conveyancers Supplementary manual.

We are always pleased to receive feedback on our manuals. If you have any comments on this Manual then please email matthew@hatgroup.co.uk.