

To: All firms
From: Roger Morris
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HAT SRA ACCOUNTS RULES MANUAL – NOVEMBER 2019

We have today published a new HAT SRA Accounts Rules Manual, which should be used for any accounting period which commences before and ends on or after 25 November 2019.

With effect from 25 November 2019, the SRA Accounts Rules have been rewritten and are much shorter in length ~ detailed prescriptive rules have been substantially replaced by principles, for which legal practices should create their own systems and procedures. Any legal practice which was previously compliant and continues with their existing systems and procedures (adjusted where necessary to reflect changes in the Rules) is likely to remain so.

For any accounting period which includes 25 November 2019, it is necessary to report on compliance with the SRA Accounts Rules 2011 from the start of the accounting period until 24 November 2019 and on compliance with the SRA Accounts Rules 2019 from 25 November 2019 until the end of the accounting period. The Manual has been prepared on this basis.

The following observations should be borne in mind by any user of the Manual:

- The SRA has yet to provide “whistleblowing wording” to be included in the letter of engagement (previously included within Rule 35, SRA Accounts Rules 2011); and
- Although it was expected that the Council for Licensed Conveyancers would make similar amendments to their Accounts Code, these changes have yet to be finalised. Any engagement which results in an Accountant’s Report to the CLC should therefore continue to be performed using the HAT SRA Accounts Rules Manual ~ May 2016.

The main changes reflected in this Manual are as follows:

- Inclusion of pre-planning considerations at the commencement of the assignment;
- Detailed consideration of systems and controls during assignment planning; and
- Combination of certain of the work programmes to more clearly reflect the emphasis of the SRA Accounts Rules 2019, which results in a simpler structure to the Manual.

Experienced members of the team involved in SRA Accounts Rules assignments should be trained on the changes. HAT can provide a half day course at a firm’s office, or team members can attend the course being held on either 24 March / 23 June 2020 at the HAT office.

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