

To: All firms  
From: Roger Morris  
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### HAT SRA ACCOUNTS RULES MANUAL – NOVEMBER 2020

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

With effect from 25 November 2019, the SRA Accounts Rules were 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 commenced on or after 25 November 2019, it is only necessary to report on compliance with the SRA Accounts Rules 2019. The Manual has been prepared on this basis.

The main changes reflected in this Manual are as follows:

- The removal of any requirements of the SRA Accounts Rules 2011; and
- In the absence of wording from the SRA to be included in the letter of engagement (although whistleblowing wording previously included within Rule 35, SRA Accounts Rules 2011 was substantially driven by the Solicitors Act 1974, section 34 (9)), this has been re-engineered as an Appendix to the letter of engagement, worded from the Reporting Accountant to the legal practice to reflect the style in all HAT Manuals.

Regarding Accountants Reports to the Council for Licensed Conveyancers (“CLC”) and guidance included within the Licensed Conveyancers Supplementary Manual:

- The CLC has made similar amendments to their Accounts Code, which came into effect on 30 September 2020. Care should be taken to ensure that any engagement for an Accountant’s Report to the CLC considers compliance with the correct version of the Accounts Code before / after 30 September 2020; and
- As the CLC will be dual running with two versions, it should be ensured that the correct Accountant’s Report is completed and submitted to the CLC, with any Accountant’s Report submitted on or after 31 March 2021 needing to be in the new format.

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 upon request.

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](mailto:roger@hatgroup.co.uk).