

Introduction

During a monitoring visit the ACCA compliance officer will check that the firm and all of the principals have complied with what the ACCA call your continuing obligations. The continuing obligations are the ACCA rules specifically for members in practice. The checklist below serves as a useful summary of all of the rules concerned.

Where you do not comply with one or more of the rules please contact Advisory Services (01 4988907) where you can seek confidential advice on what non compliance might mean if it was discovered during a monitoring visit and how best to remedy the problem. There are number of remedies, for example, rule waiver applications, which can be used and advisory services will provide guidance on what may be the best option.

Disclaimer

While every effort has been made to ensure that this checklist is complete, the checklist is a summary of the rule book and does not purport to be totally comprehensive and is not a substitute for reading the rule book itself.

FIRMS CONTINUING OBLIGATIONS CHECKLIST

Initial		Date
1.	<p>Maintenance of competence</p> <p>Have all principals in the firm undertaken at least 21 hours of Continuing Professional Development (CPD) this year?</p> <p>A further minimum of 14 hours of unstructured self-study must also be undertaken.</p> <p>Has a review of both the formal training and on the job training requirements for staff and principals been undertaken and a training programme been put in place?</p> <p>Has the office technical library been kept up to date?</p> <p>A checklist of what should, at a minimum, be included in a technical library is included at appendix 7.</p>	
2.	<p>Continuity</p> <p>Sole practices must arrange for a continuity provider to run their practice in the event of incapacity or death. Has this arrangement been put in place?</p> <p>Partnerships may make this provision in the partnership agreement or with another practice.</p> <p>The continuity provider must be authorised to undertake all regulated work that your practice already undertakes, i.e. audit, investment business or insolvency.</p>	
3.	<p>Control</p> <p>Confirm that 51% of voting rights and 50% or more of the partners or</p>	

		directors of the firm are qualified individuals.		
		Are all partners in the firm qualified or under the control of a qualified person?		
4.	Disclosure	Has all information requested by the Association been supplied?		
5.	Notification	Has the ACCA been notified of: <ul style="list-style-type: none"> • practice name changes; or • opening or closing of branch offices; or • cessation of practice; or • any instances where the firm no longer meets any of the continuing obligations; or • financial or other difficulties of any principal in the firm as set out in the Practising Regulations paragraph 4.18 (2). 		
6.	Fitness and proprietary	Have all partners and staff completed a fitness and proprietary form? Have any matters identified on the fitness and proprietary forms been addressed by the firm?		
7.	Insurance	Has professional indemnity Insurance been put in place in accordance with the formula in Practising Regulations paragraph 4.15 (3)? <u>Fees 0 - £200,000</u> The higher of: 2.5 times gross fees; or 25 times the highest fee; or £50,000. <u>Fees £200,000 - £700,000</u> The higher of: £300,000 + gross fees; or 25 times the highest fee. <u>Fees of £700,000 +</u> The higher of: £1million; or 25 times the highest fee. Uninsured excess less than 2% and £20,000 Fidelity guarantee insurance must be in place if you employ staff.		
8.	Scope of authorisation	Is the firm authorised to undertake the scope of work currently undertaken by		

		<p>the practice:</p> <ul style="list-style-type: none"> • statutory audit work UK; • statutory audit work ROI; • investment business UK; • investment business ROI; • insurance business ROI; • mortgage arrangements ROI; • insolvency business UK. 		
9.	Objectivity and Independence	<p>Have procedures been put in place to ensure that the firm and principals are both objective and independent?</p> <p>There is a checklist attached at appendix 4 of ACCA factsheet 54.</p>		
10.	Descriptions	<p>Confirm that the firm only uses the description "Chartered Certified Accountants" when 50% or more in number and 51% or more of the voting rights are held by ACCA members.</p>		
11.	Client money	<p>Ensure that client money is held in a clearly designated client account over which there is no right of set off.</p> <p>Client investment business money should never be held by the practice.</p>		
12.	Procedures manual in place	<p>Has an audit procedures manual been put in place?</p> <p>Has staff been made aware of the procedures?</p>		
13.	Quality assurance	<p>Have consultation arrangements been put in place as required by SAS 240?</p> <p>Have audit file reviews, prior to the signing of the audit report, been undertaken for all listed, public interest or high risk clients?</p> <p>Have audit file reviews been undertaken, after the audit report is signed, for a sample of other clients?</p> <p>An audit file review checklist has been</p>		

attached at appendix 6 of the ACCA
technical factsheet 54.

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