

SELF ASSESSMENT FOR RULE COMPLIANCE

The purpose of this document is to help you assess for yourself, if you are in compliance with all the relevant requirements. The Chartered Certified Accountants' Global Practising Regulations 2003 (GPRs) set out the eligibility criteria for holding ACCA certificates and licences and detail the continuing obligations placed on certificate/licence holders.

This document has no regulatory status. It is issued for guidance purposes only, and in the event of any conflict between the content of this document and the content of the *ACCA Rulebook*, the latter shall at all times take precedence. Therefore, this document should not be regarded by a member as a substitute for familiarising himself or herself with the appropriate regulations or, where necessary, obtaining specific advice concerning a specific situation.

Rules that apply only to firms with auditing certificates are in italics and red. References to an Audit Regulation (AR) for United Kingdom are to the regulations in Annex 1 (Appendix 1) to the GPRs and references to an Audit Regulation (AR) for Ireland are to the regulations in Annex 2, Appendix 1 to the GPRs.

Rule category	ACCA Rulebook Ref	Criteria	Yes /No	Guidance
An explanation of the rulebook abbreviations are as follows: AR (Audit regulation), GPR (Global Practising Regulations), MR (Member Regulations), CEC (Code of Ethics and Conduct)				
<i>Control for firms with auditing certificate</i>	<i>AR 5(b) and AR7</i>	<i>Does the audit qualified principal(s) hold a minimum of 51% of the voting rights and have the controlling vote?</i>	<i>Yes / No / N/A</i>	<i>If the firm has audit registration it must be controlled by an audit qualified person(s) within the meaning of AR 7.</i>
Control	GPR 3(2)	Does any ACCA member in the firm hold more than 4.9% of the voting shares/rights. If they do, do they hold an ACCA practising certificate?	Yes / No / N/A	"No member shall hold rights in a firm where public practice is carried on in the name of the firm, or otherwise in the course of the firm's business, which in effect put him in the position of a principal of the firm, unless the member holds a practicing certificate." ACCA's position is



				that a holding of 5% or more would put the ACCA member in question in a position of principal of the firm. This is because such a holding would allow an individual to affect the business of the company in that he/she would be able to place an item on the agenda of an annual general meeting under the Companies Act 2006.
Control	MR 8(2)	Does any ACCA student in the firm hold more than 4.9% of the voting shares/rights?	Yes / No / N/A	“No student shall hold rights in a firm where public practice is carried on in the name of the firm, or otherwise in the course of the firm’s business, which in effect put him in the position of a principal of the firm, unless the member holds a practicing certificate.” ACCA’s position is that a holding of 5% or more would put the ACCA member in question in a position of principal of the firm. This is because such a holding would allow an individual to affect the business of the company in that he/she would be able to place an item on the agenda of an annual general meeting under the Companies Act 2006.

Dispensated PC holder		Does the firm earn less than £5,000 per annum?	Yes / No / N/A	If the firm earns more than £5,000 or projected figures indicate they will, then the firm must notify authorisation that they are no longer eligible to hold a dispensated PC.
Fit and proper declarations, and confidentiality	GPR8, AR8	Does the firm require staff and subcontractors to sign Fit & Proper and confidentiality declarations? Furthermore, are these declarations updated annually?	Yes / No / N/A Yes / No / N/A	The firm should obtain signed declarations from its staff and subcontractors to confirm that they are fit and proper, and update these annually.
PII	GPR 9 and AR 9	Does the firm ensure it has continuous cover with no gaps?	Yes / No	A break in cover is a serious breach and even if the firm stops trading for a while it will either need runoff cover or continuing PII cover.
PII retroactive cover	GPR 9 and AR 9	Does the firm have full retroactive cover or at least six previous years cover or from the date the firm started trading.	Yes / No	The firm must have retroactive cover for all work carried out within, at least, the last six years. Professional indemnity insurance is a 'claims made contract' which means that the policy that is in force at the time a claim is reported would respond. This means that any new insurer should pick up any past liability for work carried out prior to the new insurance. When transferring insurers, it is important that the policy should

				<p>provide full retroactive cover (or at least have the retroactive date set to date that the accountant started trading).</p> <p>New Policies that set a retroactive date as the commencement of the policy are often a lot cheaper and this is often because they do not cover any past work, which is an ACCA requirement.</p>
PII Level of Cover	GPR 9 and AR 9	<p>Does the firm have the correct level of cover?</p> <p>Note that fees/income includes all practising income including that from sub-contract work. Any subcontract work should also be taken into account when considering the largest fee and is the fee from a single source (not related to individual clients within that source)</p>	Yes / No	<p><u>Firms should have at least the following cover</u></p> <p><u>Fees under 200k</u> 2.5 times annual income Or 25 times largest fee Or if the calculation above is below £50,000 the firm must have the minimum cover of £50,000</p> <p><u>Fees £200k - £700k</u> £300k plus turnover Or 25 times largest fee</p> <p><u>Fees £700k plus</u> 1 Million Or 25 times largest fee</p>
PII Excess	GPR 9 and AR 9	Does the firm have the correct excess amount?	Yes / No	Ensure excess is 2 per cent or less of the limit of indemnity in respect of each and every claim.

PII - ATOL registration	GPR 9 and AR 9	If the firm has ATOL registration, does it have the minimum PII cover required?	Yes / No / N/A	Minimum requirement of £250,000
PII – Subcontractors	GPR 9 and AR 9	If the firm uses subcontractors has it notified the insurers?	Yes / No / N/A	Although the firm’s proposal form often does not include a question to notify the insurers about subcontractors the firm should still ensure that they are aware.
If registered for Investment business or Insurance distribution under the DPBRs DPBR 4 (3)(a)		Has the firm notified the insurers of any of the additional registrations? If the firm is registered for insurance distribution does it have the requisite cover in place?	Yes / No / N/A Yes / No / N/A	It is in the firm’s best interest to make sure the insurers are aware they have any other registrations to ensure they have the necessary cover. The minimum limits of indemnity are £1,000,000 in relation to each and every claim and £1,500,000 in the aggregate per year.
PII fidelity cover	GPR 9 and AR 9	If the firm has more than one principal or any staff does it have fidelity guarantee insurance (FGI) in place	Yes / No / N/A	If the firm has any staff/partners or subcontractors, the firm must have FGI cover in place. (cover for dishonesty and fraud of staff, partners or subcontractors)
Continuity	GPR 11 and AR 11	Does the firm have a <u>written</u> continuity agreement in place with an appropriate nominee? Note: If the firm has more than one professionally qualified principals with a practising certificate then continuity can be within the firm either via a partnership agreement or the Memorandum and Articles of Association.	Yes / No	Written signed agreement that covers the principal in the in the event of his death and continuing incapacity. The continuity provider must be a member of a similar professional body and hold a practising certificate.

				<p>If the firm has ATOL registration the continuity provider should also have ATOL registration.</p> <p><i>If the firm is audit registered the continuity provider must also hold audit registration.</i></p> <p>The continuity provider must also be located in the same country as the firm. If the firm operates in more than one country it will need a nominee in each country</p>
Notification	GPR 12 and AR 12	<p>Has the firm ensured that the details about the firm that ACCA holds are all correct?</p> <p>Contact partner</p> <p>Correct shareholdings supplied.</p> <p>Address</p> <p>All branches notified.</p> <p>Any changes are notified to ACCA prior to the changes happening.</p> <p>If the firm incorporates notify authorisation.</p>	<p>Yes / No</p> <p>Yes / No</p> <p>Yes / No / N/A</p> <p>Yes / No</p> <p>Yes / No</p> <p>Yes / No</p> <p>Yes / No / N/A</p>	<p>GPR 12 requires a firm to notify ACCA 28 days in advance of any changes to the firm, this includes: structure of the firm, address changes, shareholding changes, incorporation etc.</p>

ISQC1	(ISQC 1)	<i>Has the firm put written ISQC1 procedures in place?</i>	Yes / No <i>Only applicable to audit registered firms</i>	<i>These are required even if the firm does not have any audit clients. These should be in place so that should the firm take on an audit client they are ready to go assess if they are able to do the work straight away and be ready to begin.</i> <i>These should cover:</i> <i>Engagement acceptance and continuance</i> <i>Human resources</i> <i>Engagement performance</i> <i>Monitoring.</i>
Professional clearance	CEC 320.8	Does the firm always obtain professional clearance when it takes on a new client from another accountant?	Yes / No	The firm should always obtain professional clearance before taking on a new client from another accountant.
Engagement letters	CEC B9.5	Does the firm issue every client with an engagement letter? Do you require clients to acknowledge receipt of the engagement letter as evidence of their agreement to the terms?	Yes / No Yes / No	Engagement letters should set out the firm's services and fees etc. and include: - terms of business - complaint procedure - the relevant GDPR reference - the correct data protection act - - reference DPA2018 - the correct money laundering - - regulation MLR 2017 - a privacy notice

Client money	CEC 350	If the firm handles client money does it have a separately designated client account with “client” in the title?	Yes / No / N/A	If the firm is handling client money it must have a client account. The bank must not be able to offset balances against the office account. A firm must not accept client money into its office account. Tax refunds must never be paid into the office account.
Designated Professional Body Regulations (DPBRs) Exempt Regulated Activities	DPBR's	If the firm offers fee protection insurance to clients, does the invoice to the client include VAT (if the firm is VAT registered)? Are the receipts from the client banked in the office account? Does the firm make the claim? Does the firm ensure that if a client asks for advice on an investment business matter that it refers the client to an independent financial advisor (IFA)?	Yes / No / N/A Yes / No / N/A Yes / No / N/A	If the answer to any of these questions is ‘no’ then it is possible the policy may fall within the definition of insurance distribution. The firm should check whether it needs to be authorised by ACCA for this work. The firm should refer clients to an IFA if they ask for advice on and investment related matter, unless the principal is an IFA.
Commission	CEC310.17 to 310.19	If the firm earns commission does it inform the client immediately in writing that it will receive commission and of the amount?	Yes / No / N/A	If the firm earns commission, it must inform the client immediately in writing that it will receive commission and then when the actual figure is finalised notify them of the amount?



<p>Firms stationery (website and letterhead)</p> <p>Note: The term “professional stationery” includes websites and other electronic materials by which a firm communicates or markets itself.</p>	<p>CEC B4</p>	<p><i>If the firm is a registered auditor and it refers to this does it include the required statement on its letterhead and website?</i></p>	<p>Yes / No / N/A</p>	<p><i>The firm must use the following statement on its letterhead and website if it refers anywhere to the fact that it is a registered auditor “Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants” (it is a statutory requirement to make it clear which professional body has registered the firm and in which country it is eligible to operate)</i></p>
		<p><i>Does the firm hold audit registration and DPB registration?</i></p>	<p>Yes / No / N/A</p>	<p><i>If the firm has both audit registration and DPB registration it may use the following statement on its stationery “Registered as auditors and regulated for a range of investment business activities in the United Kingdom by the Association of Chartered Certified Accountants”</i></p>
		<p>Does the firm refer to itself as a Chartered Certified Accountant? If so, does the ACCA principal(s) hold the majority of the shares?</p>	<p>Yes / No / N/A Yes / No</p>	<p>The firm can only refer to itself as a Chartered Certified firm if ACCA members hold the majority voting shares/rights in the firm.</p>
		<p>If the firm uses the ACCA logo on its stationery is it the correct version and has it used it correctly?</p>	<p>Yes / No / N/A</p>	<p>The firm should read the guidance pack for logo usage. The ACCA logo needs to be</p>

	<p>Companies (Trading Disclosures) Regulations 2008</p>	<p>If the firm is incorporated does the letterhead and website include the necessary information?</p>	<p>Yes / No / N/A</p>	<p>either black or panatone red unless the firm has obtained permission to use its own colour from ACCA brand. The logo should not be distorted in any way and needs to be the current ACCA logo.</p> <p>An incorporated firm's stationery must include the following:</p> <ul style="list-style-type: none"> - Full registered name of the firm. - Its registered office address. - The company registration number. - Place of registration.
	<p>Companies Act 2006 Part 41</p>	<p>If the firm is a sole practice or partnership does the stationery include the relevant information?</p>	<p>Yes / No / N/A</p>	<p>A sole practice's stationery must include the principal's full name and business address</p> <p>A partnership's stationery must include the name of each member of the partnership. (unless there are too may partners to name and instead state where a full list of partners can be found) and the main business address.</p>

For any further information or guidance please refer to the practice information handbook which can be found at the below link.
<https://www.accaglobal.com/vn/en/member/sectors/smp/practising-certificates-and-licences/practice-information-handbook.html>