

## Chartered Accountants Ireland or CCAB-I material

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### Technical Releases

#### TR 03/2018 - License applications under the Property Services (Regulation) Act 2011 and the Property Services (Regulation) Act (Client Moneys) Regulations 2012

June 2018

#### Representation and Technical Policy Department

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##### 1.Introduction

1.1The Property Services Regulatory Authority ("the Authority") was established by Ministerial Order on 3rd April 2012 pursuant to Section 9 of the Property Services (Regulation) Act 2011 ("the 2011 Act"), its primary function being to control and regulate Property Services Providers (such as Auctioneers/Estate Agents, Letting Agents and Management Agents). The Authority's remit includes the licensing of all such services providers, the establishment of a complaints investigation and redress system for consumers, the setting and enforcement of standards in the provision of property services, the administration of client accounts, the establishment and maintenance of a compensation fund and the creation of residential and commercial property registers.

1.2Section 2 of the 2011 Act defines 'property service' as:

"the provision, for consideration, in the State, in respect of property located within or outside the State, of any of the following -

- a) the auction of property other than land,
- b) the purchase or sale, by whatever means, of land,
- c) the letting of land (including a letting in conacre or for the purposes of agistment), or
- d) property management services".

Section 2 also defines land as having the meaning assigned to it by the Land and Conveyance Law Reform Act 2009, which defines land to include inter alia "buildings or structures of any kind on land and any part of them, whether the division is made horizontally, vertically or in any other way".

1.3 'Property management services' are also defined in section 2 of the 2011 Act to mean:

"Services in respect of the management of a multi-unit development carried out on behalf of a management body, and such services include -

- a) administrative services, and
- b) the procurement of or any combination of the maintenance, servicing, repair, improvement or insurance of the development or any part of the development".

1.4 The Authority, pursuant to the 2011 Act, made Regulations, known as the Property Services (Regulation) Act 2011 (Client Moneys) Regulations 2012 ("the Regulations"), which came into operation on 11th June 2012. The Regulations set out the requirements of Property Service Providers ('PSPs') with regard to:

- the keeping of client monies (Regulation 4)
- the opening and keeping of client accounts (Regulation 5);
- the general duty of licensees regarding client moneys (Regulation 6)
- the payment of moneys into client accounts by licensee (Regulation 7);
- the duty to furnish statement of fees and outlays (Regulation 8);
- office account (Regulation 9);
- accounting records to be maintained by licensees (Regulation 10);
- minimum accounting records (Regulation 11);
- verifying compliance with Regulations (Regulation 12);
- examination by auditor or accountant (Regulation 13);
- payment of interest on client moneys (Regulation 14);
- obligation of licensee to make good moneys to client account (Regulation 15);
- accounting for moneys lodged to relevant account (Regulation 16).

1.5 The Regulations are divided into those which apply to:

- all PSPs (Regulations 1 to 4, 12 and 13)
- PSPs which auction property other than land, purchase or sell land by whatever means or let land (Regulations 5 to 11, 14 and 15)
- PSPs which only provide property management services, as defined above (i.e. property management agents), and which do not hold client moneys (Regulation 16).

Members should ascertain the nature of their client's business in order to ensure that they understand the appropriate Regulations and paragraphs of this document that are applicable to their clients. In the remainder of this document, where references are made specifically to PSPs which auction property other than land, purchase or sell land by whatever means or let land, they are referred to as 'relevant PSPs'.

1.6 The Regulations came into effect on 11th June 2012, and all PSPs are required to apply for a renewal of their licenses annually at least six weeks in advance of the license expiring.

1.7 New PSPs, established after 6th July 2012, are required to apply for a license ("new business application") before commencing to trade and the date on which their license is issued will become their renewal date annually.

1.8 The 2011 Act requires the furnishing of an Accountant's Report in a specified format to accompany the application for a new business license and the application for a renewal of a license. In undertaking an engagement on behalf of a PSP client to prepare such a report, accountants should be familiar with the Regulations.

1.9 Following consultation with the Consultative Committee of Accountancy Bodies-Ireland ("CCAB-I"), the Authority has published the prescribed form of Accountant's Reports, both for new business applications and for renewal applications, on its website.<sup>4</sup> This Technical Release refers to the forms issued in April 2018. The Authority may update the forms and therefore users should check the Authority's website for the current forms.

1.10 The form of Accountant's Report required differs depending on the type of property service provided by the client - a different Accountant's Report applies to those who only provide property management services than that which applies to all other PSPs. The application forms are:

- New business applications for 'relevant PSPs' - PSRA/S30 Form A - 2014;
- New business applications for property management agents- PSRA/S30 Form - 2014;
- Renewal applications for 'relevant PSPs' - PSRA/S35 - Renewal ABC; ("Renewal ABC")
- Renewal applications for property management agents - PSRA/S35-Renewal D.(Renewal D")

PSPs which provide both property management services and services relating to the auctioning of property other than land and the buying, selling or letting of land will have to complete both applications and will require both types of Accountant's Reports.

The licence renewal forms, Renewal ABC and Renewal D, April 2018, are included in the appendices to this document.

1.11 The Licence Renewal forms are two parts:

- Part I, **Accountant's Report** is completed by the reporting accountant. The licensee's role is to provide any documents requested by the accountant and to comply with the accountant's requests for documents and/or explanations relating to the accounting records. The accountant reports to the Authority on the client account balancing statement at the year end. Breaches of the regulations identified during the course of the accountant's work are reported in Appendix 1 Appendix 2 or Appendix 3B of this form.
- Part II, **Licensee Submission** is completed by the licensee. Section 1 of Part II contains details of the person(s) listed on the bank mandate. Where breaches of the regulations have been identified and reported by the accountant in Part 1, Section 2 of Part II Licensee Submission details procedures that have been/will be put in place by the licensee to address these breaches.

The commentary which follows is intended to assist accountants when furnishing Accountant's Reports in accordance with the requirements of the 2011 Act and the Regulations. This guidance, which summarises significant provisions of the Regulations, should not be read in isolation. It should be read in conjunction with the 2011 Act and the Regulations, copies of which are available on the Authority's website.

## 2. Overview of the Regulations

2.1 The following paragraphs are intended to give a brief overview of the Regulations and are not intended to be comprehensive. Reference should be made to the Regulations to understand the exact requirements contained therein.

2.2 The PSP is responsible for dealing with client's moneys as required by the Regulations and for the maintenance of accounting records to reflect compliance with the Regulations. The accountant is responsible for carrying out an examination of the PSP's accounting records and for producing an Accountant's Report regarding the PSP's compliance with the Regulations for the relevant period.

2.3 **Regulation 1** brings the Regulations into effect on 11th June 2012.

2.4 **Regulation 2** sets out key definitions such as "accountant" (required to be practising members of a prescribed accountancy body), "accounting records", "balancing date", "balancing statement", "client matter", "clients' ledger account", "office account", "relevant account" etc.

2.5 **Regulation 3** provides that the regulations apply to all property services employers or independent contractors, subject to the disapplication of Regulations 5 to 11, 14 and 15 to PSPs which only provide property management services.

2.6 **Regulation 4** sets out the requirements with regard to bank accounts. PSPs which only provide property management services are required to deposit client monies in a 'relevant account' nominated by the client. All other PSPs are required to keep client monies in a client bank account which is kept in a bank in the State.

2.7 **Regulation 5** requires relevant PSPs to make other provisions with regard to the keeping of client accounts, such as keeping all client accounts in a single bank unless otherwise authorised, maintaining proper accounting records for its handling of client moneys, preserving such records for a minimum of seven years from either the date of the last entry in such records or the date of the last dealing with client moneys.

2.8 **Regulations 6 and 7** set out the general duties of relevant PSPs with regard to clients' moneys and the payment of moneys into client accounts, such as:

- paying the moneys "without unnecessary delay" into client accounts on receipt;
- restrictions on withdrawals of moneys from client accounts; and
- not holding moneys to which the PSP is beneficially entitled in client accounts for longer than one month.

2.9 "Bank" is defined in section 2 of the 2011 Act<sup>2</sup> as means a credit institution authorised by the Central Bank "whose business consists of, or includes-

- (a) receiving deposits or other repayable funds from the public, and
- (b) granting credit on its own account;"

The definition explicitly excludes credit unions and friendly societies. If uncertainty exists as to whether a particular bank falls within the definition, enquiries may be made of the Central Bank of Ireland.

2.10 The word 'client' must appear in the title of every 'client account' as recorded by the bank. Failure to properly designate an account means that the client account may be seized by the bank in settlement of liabilities due to that financial institution by the PSP.

2.11 'Client moneys' is defined as "moneys received by a licensee, in the course of the provision of a property service, for or on the account of a client other than moneys owed to the licensee by the client in respect of the provision of such property services". Examples of 'client moneys' would include rents, deposits and moneys received for the disbursement of outlays not yet discharged, for example advertising fees.

2.12 Withdrawal of money from a client account against an uncleared cheque is not in itself a breach of the Regulation. However, if the cheque is subsequently not 'met' on presentation, and the amount drawn from the client account is in excess of the amount held for that particular client, other clients' moneys will have been used to make the payment. A breach of the Regulation will then have occurred which the accountant will be required to report in the Accountant's Report. On discovery of the breach, a relevant PSP should at once pay the appropriate amount from his or her own resources into the client account.

2.13 **Regulation 8** requires relevant PSPs to furnish to clients a statement of fees and outlays "as soon as may be" having provided the client the relevant service(s).

2.14 **Regulation 9** governs the opening and keeping of an 'office account'. This is a bank account, opened and kept by a PSP through which moneys belonging to the PSP are transacted in the course of and arising from the provision of property services. This regulation governs issues such as the transfer of moneys received in respect of fees from the client account to the office account "in a timely manner", where such moneys are originally paid in client accounts, and the correction "without delay" of credit balances on the office side of a clients' ledger account.

2.15 Members should be aware that, while some PSPs may operate office accounts in the manner envisaged by the regulations, that being standard practice in their particular sectors, others may not. The regulations mirror in many ways the Solicitors' Accounts Regulations, where such office accounts are standard practice. In circumstances where the PSP in question does not operate an office account, the accountant will have to consider the implications for their accountant's report in this regard.

2.16 **Regulation 10** governs the requirement of relevant PSPs to maintain accounting records. Particular attention is drawn to the following:

*Paragraph (1)* requires that a relevant PSP "shall in the course of and arising from the provision of property services, maintain as part of his or her accounting records proper books of account and such relevant supporting documents as will enable client moneys handled and dealt with by the licensee to be duly recorded and the entries relevant thereto in the books of account to be appropriately and properly vouched".

*Paragraph (2)(a)* requires a relevant PSP to maintain books of account "... which will show the true financial position in relation to the licensee's transactions with client moneys and with other moneys transacted by him or her through client account..".

*Paragraph 5(a)* obliges a relevant PSP to prepare a 'balancing statement' at each balancing date (6 months after commencement of the relevant accounting period and the end of the accounting period), balancing the total credit balances on the client ledger account with the balance on the client ledger control account and the client account bank statements. These balancing statements should be prepared no later than 2 months after the balancing date to which they relate.

2.17 **Regulation 11** sets out the minimum accounting records to be maintained by relevant PSPs.

2.18 **Regulation 12** sets out the requirement for all PSPs to furnish the Authority annually with an Accountant's Report when applying for a license renewal.

2.19 **Regulation 13** sets out the requirement for an examination of the accounting records of all PSPs for the purposes of the Accountant's Report, and includes the requirement for all PSPs to furnish the necessary information and documentation to allow the accountant to undertake the examination and complete the report.

2.20 **Regulation 14** governs the payment of interest on client moneys, and requires relevant PSPs to account for and pay interest on all client moneys where the interest involved would be equal to or greater than €50 in respect of any one client matter.

2.21 **Regulation 15** requires that moneys withdrawn from client account in contravention of Regulation 6(7) be made good, including any interest accruing on such amounts during the period in which the amounts were withdrawn.

2.22 **Regulation 16** applies the relevant requirements of the Regulations 5 to 11, 14 and 15 to PSPs which are property management agents, as these Regulations do not otherwise apply to PSPs which only operate as property management agents, pursuant to Regulation 3(3).

### **3. Accountant's responsibilities, engagement letter, other work**

3.1 The accountant's responsibility is to report, pursuant to Regulation 12, in the manner as specified by the Authority and included in Appendix (1), on whether in the accountant's opinion:

*For new business applications* - the PSP has stated the intention to have in place procedures with regard to client moneys and accounting records, as specified in the Regulations, prior to commencement of trade; and

*For renewal applications* - the PSPs has complied with the provisions of the Regulations.

### **Engagement acceptance and continuance**

3.2 Accountants need to have a knowledge and understanding of the Regulations sufficient to perform the engagement.

3.3 In accepting and continuing with the engagement, accountants also consider, inter alia :

- their knowledge of the industry sectors in which the PSP operates and the type of services provided in those sectors;
- whether there are any significant limitations on the scope of the work; and,
- whether there are significant threats to their independence in carrying out the engagement (the definition of "accountant" in Regulation 2 specifically excludes a person who is or has been a principal officer or employee, or an owner or part owner, of a PSP from preparing an Accountant's Report in respect of that PSP).

### **Agreeing the terms of the engagement, other work**

3.4 The terms of a PSRA engagement are agreed with the PSP by means of an engagement letter, covering all aspects of the engagement to prepare the Accountant's Report for submission with a license application to the PSRA, and are accepted in writing by the PSP.

3.5 In addition to the typical provisions to be found in an engagement letter, including those relating to liability, an engagement letter should clearly indicate the work to be undertaken by the accountant and the respective responsibilities of the accountant and the PSP. Other matters which may be referred to in the engagement letter include the responsibility of the PSP and its management to comply with the 2011 Act and the Regulations and the requirement for the PSP to cooperate with the accountant under Regulation 13.

3.6 Members may, in agreement with the PSP, undertake further audit, accountancy, or other work additional to his or her responsibilities under these Regulations. If intending to agree to undertake further engagements for the PSP, accountants refer to the independence requirements of the Code of Ethics for Members (section 290) or, if the assignment is a statutory audit, to the IMSA Ethical Standards for Auditors, in particular section 5 - Non-audit/ Additional Services.

3.7 The terms of the engagement for the provision of additional services to the PSP may be included in a separate section of a composite engagement letter encompassing those other services. Alternatively, accountants may agree a separate engagement letter for the Accountant's Report under the Regulations or the provision of additional service.

### **PSRA engagement.**

3.8 The engagement in relation to the PSRA licence application is separate to any engagement undertaken by the accountant in relation to the PSP's financial statements. Accountants should note that the form of report specified by the Authority is not intended to encompass such wider responsibilities. Accordingly, accountants may refer, as appropriate, to guidance contained in:

- International Standards on Auditing (Ireland);
- Miscellaneous Technical Statement 41 Chartered Accountants' Reports on the Compilation of Financial Statements of Incorporated Entities - "M41";
- Miscellaneous Technical Statement 48 Chartered Accountants' Reports on the Compilation of Historical Financial Information of Unincorporated Entities- "M48".

## Planning the engagement

3.9 In planning the engagement, accountants obtain an understanding of the PSP's business model and of the Regulations with which the PSP must comply.

3.10 Understanding the PSP's business model includes an understanding of:

- the nature of the services it provides to clients;
- how the PSP is remunerated for those services and other ancillary services;
- the nature of the transactions which it undertakes with or on behalf of, facilitates or advises on, for clients and how those transactions are executed and settled;
- the sources and destinations of cash inflows and outflows in its own accounts and any accounts it holds or controls on behalf of clients and other parties.

3.11 Such an understanding provides a basis for establishing expectations about the existence or otherwise of client moneys and enables a consideration of:

- whether all categories of client moneys are encompassed in the examination and reporting; and
- where a PSP asserts not to hold client moneys, whether this is valid based on the accountant's knowledge of the business model.

3.12 Members may meet with management in making their initial assessment of engagement risk and may consider the licensee's documentation of its processes and procedures for the protection of client moneys, evidence of monitoring of the effectiveness of those processes and procedures and any evidence of client complaints in arriving at this assessment.

3.13 Members will design procedures on a sample basis to test the PSP's compliance with each of the Regulations. The work required in reporting under the Regulations is extensive. However, it does not amount to an audit of the PSP's accounts.

3.14 Members will note that the Authority may, under Regulation 6(7)(b) of the Regulations, provide a derogation to PSPs to pay money which is not client money into a Client Account. The Authority has indicated to CCAB-I that any such derogation will be considered on a case-by-case basis and will, if granted, be time-limited. Members consider whether such a derogation has been applied for and received by the PSP client in designing their procedures.

3.15 Materiality is not a relevant consideration in determining if a Regulation has been breached. For example, a failure to pay client moneys "without unnecessary delay" into client account in accordance with Regulation 6 is a breach of the Regulations, regardless of whether the amount concerned is material or not.

## Carrying out the work

3.16 *Section 2* of the prescribed Accountant's Report Part 1 (both Renewal ABC and Renewal D) sets out the work required in forming the opinion expressed in the report:

- examine on a sample basis the books of account and other relevant documents kept by the PSP in relation to the provision of property services.
- obtain from the PSP such information and explanations as necessary to form an opinion in order to make the report.
- (for 'PSRA/S35 - Renewal ABC in respect of relevant PSPs) obtain the half-yearly client account balancing statements and check that the information therein is in agreement with the books of account and records of the PSP.
- (for 'PSRA/S35 - Renewal ABC in respect of relevant PSPs) obtain the details of interest credited to client accounts and check that the information therein is in agreement with the books of account and records of the PSP.

3.17 The work above is carried out to enable the accountant to form an opinion on whether the PSP was in compliance with the Regulations during the period and to set out any non-trivial breaches of the Regulations in the appropriate appendices to the report.

3.18 Some practical problems that could be encountered in assessing the client account and office account balancing statements may include:

- the timing of completion of the balancing statements (Regulations 12(5) and 12(6) require that the balancing statements be completed no later than two months after the balancing date to which they relate);
- the reliability of the data used in the statements and the integrity of the books of account and other source documents from which the data is extracted;
- an excessive number of manual corrections and entries on the reconciliations;
- bank accounts being incorrectly included in, or omitted from, the statements;
- evidence of reconciling items not being followed up/resolved appropriately;
- evidence that a derogation, as discussed in 3.14 above, has been applied for but no evidence that the derogation has been granted.

3.19 Members may obtain written representations from management of the PSP on matters relevant to the accountant's opinion. However, such written representations do not replace the evidence that the accountant could reasonably expect to be available to support the opinion given. The absence of such evidence regarding a matter could represent a limitation of scope even if a representation has been received on the matter.

3.20 Members are alert for evidence that might contradict or bring into question the reliability of the documents or representations.

3.21 A key objective of the Regulations, of keeping client moneys separate from the moneys of the firm, is to ensure that should the PSP become insolvent there are no legal impediments preventing the ultimate beneficial owners of the moneys from recovering those moneys.

3.22 Members may encounter a limitation in scope such that documents and/or information and explanations which they reasonably expect to be available are not available or forthcoming. Such instances are reported in Appendix 1 to both specified Accountant's Reports for renewal applications.

3.23 Members note that the absence of such evidence may be a breach of Regulation 11 or 12, but also may represent a limitation to the accountant being able to form his or her opinion on compliance with other Regulations.

3.24 Members should consider the implications for their report of such evidence not being available- see section 5.

3.25 The information to be recorded in working papers is a matter of professional judgement since it is neither necessary nor practical to document every matter considered by the accountant. The accountant prepares documentation sufficient to enable an experienced accountant, having no previous connection with the engagement, to understand:

- (a) The nature, timing and extent of the procedures performed to meet the requirements of the Regulations with respect to the Accountant's Report;
- (b) The results of the procedures and the evidence obtained;
- (c) Significant matters arising during the engagement, and the conclusions reached thereon; and
- (d) The significant judgements made in the course of the engagement including those relating to the conclusions referred to in (c) above.

3.26 There is no provision in the Regulations for the period of retention of the accountant's working papers. PSPs are required to retain the accounting records for at least 7 years<sup>3</sup>, including the Accountant's Report. Members may consider it appropriate to retain the working papers for the same period of time.



#### **4. Accountant's Reports for initial application for licences**

4.1 As noted in 1.8 above, a separate Accountant's Report is required by the Authority for new business applications.

4.2 The Accountant's Report for new business applications includes the accountant's opinion, on the basis of representations made by management, that the applicant is intending to have in place "financial systems and controls in place for the protection of client moneys" prior to commencing operations as a PSP. Reference to such 'financial systems and controls' in the Accountant's Report have been limited to matters as set out on the application forms on the Authority's website .

4.3 The only evidence likely to be available to accountants in completing this report is management representations to this effect. Members are advised to make reference to such management representations in their opinion, and to obtain the management representations in writing.

#### **5. Accountant's Reports for renewal of licences**

5.1 For PSPs in operation at the date the Regulations were signed, 6th July 2012 was the date of initial application and the 6th July becomes their annual renewal date.

5.2 For PSPs established after the date the Regulations were signed, 6 July 2012, the date the initial license is issued becomes their renewal date in subsequent years.

5.3 Section 35(2) of the Act provides that renewal applications must be made "at least 6 weeks before the expiration of the licence".

5.4 Regulation 12 requires all PSPs to forward an Accountant's Report in the specified form to the Authority annually as part of their license renewal applications. Following consultation with the CCAB-1, the Authority has published the prescribed form of Accountant's Reports, both for new business applications and for renewal applications, on its website. The current prescribed forms are also included in Appendices 1 and 2 to this document and readers are advised to check the website for any updates or amendments to these forms<sup>5</sup>.

5.5 The accounting date is the last date of the PSP's accounting period in each year.

5.6 If a PSP is proposing to change the accounting date, such that it would extend the accounting period to a period longer than one year from the immediately preceding accounting date, prior consent in writing of the Authority is required.

5.7 PSPs are required to satisfy themselves that the person completing the Accountant's Report is an auditor or accountant within the meaning of the Regulations:

Auditor: "has the meaning given to it in section 2(1) of the Companies Act 1963"<sup>6</sup>;

Accountant:

"a person who-

- (a) has been admitted as, and is, a member of a prescribed accountancy body,
- (b) is currently practising in the profession of accountancy,
- (c) is not and never has been a principal officer or employee, or an owner or part owner, of the licensee in respect of whom he or she is preparing an Accountant's Report, and
- (d) is maintaining such minimum level of professional indemnity insurance as is required by the prescribed accountancy body concerned".

5.8 The accountant must disclose, in Appendix 1 to both specified Accountant's Reports, details of any matter about which the accountant has been unable to satisfy himself or herself and the reasons therefore.

5.9 The accountant considers the implications for their opinion of such evidence not being available. In particular, both renewal forms contain three alternative opinions at paragraph 4.1, the first for circumstances where no such limitation is encountered; the second for an 'except for' opinion and the third where the accountant effectively disclaims the opinion on compliance with the Regulations.

5.10 The accountant notes that the unavailability of a document and or information or explanations may, in its own right, to be a breach of Regulations 10 or 11, but may also limit the evidence available to the accountant in forming his or her opinion on compliance with other Regulations. In such circumstances, accountants report accordingly.

5.11 Details of any matters coming to the accountant's attention in respect of which, in the accountant's opinion, the PSP has not complied with one or more relevant provisions of the Regulations must be disclosed in Appendix 2 to the Accountant's Report pertaining to Renewal ABC and Renewal D.

5.12 Where a derogation referred to in 3.14 above has been granted by the Authority under Regulation 6(7) (b) of the Regulations, the Authority expects this to be referred to in Appendix 2 also. Breaches of Regulations 6 and 7 should be reported, if there is a derogation.

5.13 Trivial breaches of the Regulations, except for those disclosed by the reconciliation of client accounts at the year-end (which must be reported in Appendix 38 to the Accountant's Report in Renewal ABC), due to clerical errors or mistakes in book-keeping, all of which were rectified on discovery, need not be disclosed. Although a breach may be immaterial in the context of the accounting records examined the immateriality does not necessarily render it trivial. For example a breach of the fundamental principles of the Regulations - e.g., lodging client's money to the office account, withdrawing an amount from a client account in excess of the amount held for that particular client, lodging money in a branch of a bank branch located outside the Republic of Ireland - could not be classified as trivial.

5.14 Whether clerical errors or mistakes in book-keeping may be regarded as trivial breaches will depend not only on the individual amounts involved, but also on their nature and frequency. Therefore, for a breach to be classified as trivial, the accountant must be satisfied that:

1. The breach is trivial in amount; and
2. The breach must be due to a clerical error or a mistake in book-keeping ; and
3. The breach is not due to an error of principle; and
4. The breach must have been rectified on discovery; and
5. The breach did not result in loss to any client.

5.15 Appendix 3 to the Accountant's Report in Renewal ABC contains information extracted from the PSP's accounting records in relation to balancing the client account, completed as of the date six months after the commencement of the relevant accounting period and as of the end of that accounting period. Differences arising are to be explained in Appendix 3B to the report. The accountant seeks to rely on the PSP's explanations and will review those explanations for reasonableness and obtain supporting documentation. If a trivial breach affects this reconciliation, it must be reported.

5.16 Where differences arise in the year-end client account the Accountant's Report in Renewal ABC must specify the amount the PSP has paid into/withdrawn from client account following discovery of such differences. The accountant merely confirms that a specified amount has been lodged or withdrawn. He or she is not required to express an opinion as to whether that is the appropriate amount to correct the differences that have arisen.

5.17 The aggregate of the balances in clients' bank accounts may exceed, but should never be less than, the total balances due to all of a relevant PSP's clients as shown by the client ledger accounts. When comparing client ledger account with the client bank account, credit balances on clients' ledger accounts should not be reduced through anticipation of unbilled costs.

5.18 Appendix 5 to the Accountants' Report - Renewal ABC, reproduces details from the office balancing statement carried out as of the accounting date.

5.19 The completed Accountant's Report, as set out in Part I of the License Renewal , is furnished to the Authority by the PSP with its application for renewal of license. The PSP completes Part II - Licensee Submission and

this is submitted (online) to the Authority together with the application for renewal of the PSP's license and the Accountant's Report.

5.20 The objective of the accountant's examination in respect of the work to be carried out under the Regulations is to ascertain whether or not the PSP has complied with the accounting and related record-keeping requirement applicable to transactions involving client accounts and office accounts.

5.21 The scope and extent of the accountant's tests will be determined having regard both to the requirements of Regulation 13 and the particular circumstances of the individual PSP's business. The nature of the evidence will be a matter for professional judgment. In determining the extent of his or her work the accountant will examine transactions from different aspects to ensure accuracy and completeness of the records.

5.22 In making that professional judgement, the accountant identifies areas of high and low risk in the work to be carried out and ensures the weighting of work is appropriately directed to relevant areas. The accountant considers, inter-alia, such matters as:

- The approach of the PSP in administrative matters.
- An assessment of the PSP's knowledge of the Regulations.
- The organisation of the business and establishment of clear lines of responsibility.
- The competence of the accounts staff and the degree of supervision by the PSP.
- Experience of past problems with the client.

5.23 The accountant will, whenever possible, seek independent verification of transactions rather than place substantial reliance on internally generated documentation. The accountant should obtain in writing "material representations" made by a PSP and accepted in pursuance of the examination under Regulation 13. In accepting such representations, the accountant will exercise appropriate care and may refer to the guidance in International Standard on Auditing (Ireland) 580 Written Representations.

5.24 When carrying out the examination, if it appears to the accountant that "there is evidence that these Regulations have not been complied with" the accountant must make the necessary further examination so as to be able to complete his or her report with or without qualification.

5.25 The accountant may become aware that the PSP is in breach of the Regulations, but the accountant is not yet in a position to complete his or her formal report. In such circumstances the accountant is not obliged to bring these matters to the Authority's attention prior to submitting the Accountant's Report.

5.26 Regulation 13 obliges a PSP to produce any document which the auditor or accountant "...considers necessary to inspect".

5.27 Appropriate correspondence covering payments or receipts should be made available to the accountant to assist him or her to check the transaction into the PSP's accounting records.

5.28 Regulation 13(4) requires a PSP with two or more places of business to provide the Authority with one Accountant's Report covering all locations on a combined basis ("as if each place of business together comprised one place of business"). Each place of business shall have the same accounting date.

## **6. Part II Licensee Submission**

6.1 Part II of the licence renewal application should be completed and signed by the PSP. There are two sections to Part II:

- Section 1 contains details of the persons mandated to withdraw from the client account;
- Section 2 addresses client account breaches identified by the accountant and detailed in the appendices to the Accountant's Report - Part I.

Each of these sections should be signed by the PSP. The accountant has no involvement in the completion of Part II to the License Renewal, which is the sole responsibility of the PSP.

6.2 In section 1, for each client account held, the PSP lists:

- the persons named on the client bank mandate;
  - whether such persons hold a PSRA licence;
  - the number of that licence, if relevant; and,
  - their relationship to the licensee. (eg Director/ Partner/ Manager/ Secretary/ Employee/ Family member/ Other (please specify))
- 6.3 Section 2 should be completed by the PSP where breaches of the regulations have been identified by the accountant and set out in:
- Appendix 1, Appendix 2 and/or Appendix 3B of Accountant's Report for Renewal ABC
  - Appendix I or 2 in Renewal D.
- 6.4 In section 2 the licensee details the procedures they have/will put in place to address the breaches identified in the appendices by the accountant.

## Appendices

- Appendix 1 Specified Accountant's Report for renewal of licence - Renewal ABC
- Appendix 2 Specified Accountant's Report for renewal of licence - Renewal D

These appendices contain the forms issued in April 2018. The Authority may update the forms and therefore users should check the Authority's website for the current forms.

<http://www.npsra.ie/website/npsra/npsraweb.nsf/page/publications-forms-en>

## Accountant's Report - Explanatory Note

(not part of the form)

An accountant's report must be submitted by a property services employer (company, partnership or sole trader) or an independent contractor when making an application to renew a licence and other types of accountant's reports are to be completed when applying for a first licence.

This Form is used where a licensee provides property services A and/or B and/or C. It is also to be used where the licensee provides property service D and the service charges and/or sinking fund contributions are paid into a client account rather than a "relevant account" (a "relevant account" is an account which is not a client account).

Where a licensee provides property service D and some clients' money is paid into a "relevant account" and others are paid into a client account then both this Form and PSRA/S35 - *Renewal D* will have to be completed to reflect the different ways in which client moneys are kept safe.

## PSRA/S35 - Renewal ABC

Part I, **Appendices 1 - 5** are to be submitted as part of the reporting accountant's report. The licensee's role is to provide any documents requested by the accountant and to comply with the accountant's requests for documents and/or explanations relating to the accounting records.

**Part II, Licensee Submission is to be completed by the licensee providing in Section 1 details of the bank mandate on each client account and completing Section 2 if breaches are recorded on any of the Appendices 1, 2 or 3B by the Accountant.**

**PSRA/S35 - Renewal ABC was specified on 9th April 2018 and Accountants should check, on [www.psr.ie](http://www.psr.ie), that it has not been superseded before using it.**

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## Instructions relating to completion of Accountant's Report - Part I

A. Where the space provided in respect of Part I of the Report, or of the appendices to Part I of the Report, is inadequate, any additional information, explanations and elaborations may be set out on the headed notepaper of the accountant and appended to Part I of the Report. Where this occurs, reference should be made to the existence of the appended document in Part I of the Report or the relevant appendix.

B. Blank copies of this Report may be obtained from the Property Services Regulatory Authority (PSRA) website ([www.psr.ie](http://www.psr.ie)). The format of Part I of the Report may be reproduced on the accountant's headed notepaper. Where so reproduced, it must be reproduced without abbreviation in the format set out.

C.Items in UPPERCASE within square brackets"[...]" are to be replaced with the relevant information e.g. " [ACCOUNTANT'S FORENAME AND SURNAME IN BLOCK CAPITALS]" is replaced with "DARA MURPHY" where Dara Murphy is the accountant.

D.The advice/important note in square brackets [] at Appendices 1, 2, 3A and 3B of Part I of the Report may be deleted by the Accountant on completion of the Report.

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## Accountant's Report - Part I

(to accompany an application by an employer or an independent contractor to renew a licence, pursuant to section 35 of the Property Services (Regulation) Act 2011 and S.I. 199 of 2012)

### Section 1 - Particulars of Licensee

1.1 Full name of the Licensee (as it appears on the first line of the licence):

1.2 All address(es) at which business is carried on:

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1.3 Licensee's PSRA Licence Number: \_\_\_\_\_

1.4 The accounting date<sup>z</sup>: \_\_\_\_\_

1.5 Period covered by this Report ["Ending on" is the most recent "accounting date" and "Commencing on" is a year earlier] -

Commencing on: \_\_\_\_\_ Ending on: \_\_\_\_\_

### Section 2 - Respective Responsibilities of Licensee and Accountant Concerned

2.1 The Licensee concerned is responsible for complying with the Property Services (Regulation) Act 2011, (Client Moneys) Regulations 2012. It is the responsibility of the Accountant concerned to form an independent opinion, as set out in section 4.1 of this Report, on the Licensee's compliance with the Regulations.

### Section 3 - Work carried out in preparing report

3.1I, [NAME OF ACCOUNTANT], an accountant within the meaning of the Property Services (Regulation) Act 2011, (Client Moneys) Regulations 2012 (*the Regulations*), have examined the accounting records in place for the protection of client moneys as outlined in sections 3.2 to 3.5 below. The accounting records (as more particularly described in the said Regulations and, in particular, Regulation 10 and 11 thereof) produced to me in respect of the above-named Licensee were examined by me in accordance with the guidance given by [NAME OF PROFESSIONAL ACCOUNTING BODY].

3.2I have examined on a sample basis the books of account, and other relevant documents (including bank lodgement records, statements and accounts) kept in relation to the provision of property services by the Licensee.

3.3I have obtained the client account balancing statement(s) prepared by the Licensee as set out in Appendix 3A and checked that the information therein is in agreement with the books of account and records of the Licensee.<sup>8</sup> **(An explanation is contained in Appendix 3B as there is a surplus/deficit recorded in (k) of Appendix 3A) (Appendix 3B has not been completed as there is no surplus/deficit recorded in Appendix 3A).**

3.4I have obtained details of the interest credited to the client account(s) as set out in Appendix 4 and checked that the information therein is in agreement with the books of account and records of the Licensee.

3.5I have obtained, from the Licensee, such information and explanations as I identified as being required to enable me to form an opinion in order to make this report.

### Section 4 - Opinion of Accountant

**(NOTE: There are three versions of paragraph 4.1 - remove the two paragraphs that do not apply and the word "OR" between those versions of 4.1)**

4.1I hereby report in respect of the above-named Licensee, insofar as an opinion can be based on this examination, I am of the opinion that during the above-mentioned Period, the provisions of the said Regulations have been complied with by the above-named Licensee, other than (certain trivial breaches due to minor clerical errors or mistakes in accounts - keeping, each of which was rectified by the above-named Licensee on being discovered and none of which, in my opinion, resulted in any loss to any client and)<sup>9</sup> those issues which are identified in the Appendices 2 and 3B to this Report.

**OR**

4.1I hereby report in respect of the above-named Licensee, insofar as an opinion can be based on this examination, and except for the possible effects of the matters described in Appendix 1, I am of the opinion that during the above-mentioned Period, the provisions of the said Regulations have been complied with by the above-named Licensee, other than (certain trivial breaches due to minor clerical errors or mistakes in accounts - keeping, each of which was rectified by the above-named Licensee on being discovered and none of which, in my opinion, resulted in any loss to any client and) those issues which are identified in the Appendices 2 and 3B to this Report.

**OR**

4.1I hereby report in respect of the above-named Licensee that, as a result of the matters in Appendix 1, I am unable to express an opinion as to whether the provisions of the said Regulations have been complied with by the above named Licensee during the above-mentioned Period.

4.2Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Accountant**

4.3[ACCOUNTANT'S FORENAME AND SURNAME IN BLOCK CAPITALS]

4.4(for and on behalf of [NAME OF ACCOUNTING FIRM])<sup>10</sup>

### Section 5 - Particulars of Accountant

5.1(Firm's)<sup>11</sup> Name: \_\_\_\_\_

5.2(Firm's)<sup>11</sup> Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5.3Accountancy body of which a member: \_\_\_\_\_

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

### Appendix 1

Matters in respect of which I have not been able to satisfy myself, and the reasons therefore (**Please state "NIL" if there are no such matters**):

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

**[ADVICE NOTE: Where breaches have been identified, please advise your client, the licensee, to complete Part II]**

### Appendix 2

Matters (other than trivial breaches due to minor clerical errors or mistakes in accounts-keeping each of which was rectified by the licensee on being discovered and none of which, in my opinion, resulted in any loss to any client) in respect of which, in my opinion, the provisions of the Regulations have not been complied with by the Licensee concerned (**Please state "NIL" if there are no such matters**):

Signed (for identification purposes):

Accountant

Date: \_\_\_\_\_

**[ADVICE NOTE: Where breaches have been identified, please advise your client, the licensee, to complete Part II]**

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

### Appendix 3A

#### CLIENT ACCOUNT BALANCING STATEMENT

(PREPARED BY THE LICENSEE)

**(IMPORTANT NOTE:- ANY SURPLUS AT (K) MUST BE REMOVED FROM THE CLIENT ACCOUNT, OR ANY DEFICIT AT (K) MUST BE RECTIFIED IN THE CLIENT ACCOUNT. PROVIDE DETAILS IN RELATION TO SURPLUS WITHDRAWAL/DEFICIT LODGEMENT ON APPENDIX 3B]**

(a)	Balancing statement date:	_____	_____
		€	€
(b)	Liabilities to clients as shown by clients' ledger account balances:		
(c)	Debit balances included in (b), which are not off settable by credit balances:		
(d)	Gross liabilities to clients (i.e. addition of (b) <i>plus</i> (c)):		
(e)	Liabilities to clients as per clients' ledger control account:		
(f)	Clients' moneys held, as per bank statements:		
(g)	Outstanding bank lodgements		
(h)	Outstanding cheques/withdrawals:		
(i)	Moneys to which the licensee is beneficially entitled, for not longer than 3 months, which remain in the client account:		
U)	Adjusted clients' moneys held (i.e. (f) <i>plus</i> (g) minus (h) <i>minus</i> (i) ):		
<b>*(k)</b>	<b>Surplus/deficit (i.e. (j) <i>minus</i> (d) ) :</b>		

The half-yearly balancing statements, as provided for in Regulation 10 of the Regulations, have been prepared by the above-named Licensee in respect of the above-mentioned Accounting Period and I have set out in this Appendix particulars of such half yearly balancing statements.

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

### Appendix 3B

I confirm that an amount of € \_\_\_\_\_ has been (paid into/withdrawn from)<sup>12</sup> client account by the above- named Licensee following discovery of the difference(s) identified in (k) of Appendix 3A.

I have set out hereunder explanation(s) of the difference(s) recorded in (k) of Appendix 3A, insofar as could be established from the examination carried out by me.

**[IMPORTANT NOTE:-**

**ANY SURPLUS AT (K) ON APPENDIX 3A MUST BE REMOVED FROM THE CLIENT ACCOUNT, OR ANY DEFICIT AT (K) ON APPENDIX 3A MUST BE RECTIFIED IN THE CLIENT ACCOUNT. PROVIDE DETAILS IN RELATION TO SURPLUS WITHDRAWAL/DEFICIT LODGEMENT BELOW.]**

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

**[ADVICE NOTE: Where breaches have been identified, please advise your client, the licensee, to complete Part II]**

Name of the Licensee: _____
Licensee's PSRA Licence Number: _____

**Appendix 4**

**CLIENT BANK ACCOUNT(S) REGISTER<sup>13</sup>**

**(PREPARED BY THE LICENSEE)**

<b>Name On Account</b>	
<b>N.B. "CLIENT" must appear in the title of the client account</b>	
<b>Account Number</b>	
<b>Financial Institution at which Account is Held</b>	
<b>Branch at which Account is Held</b>	
<b>Date Opened</b>	
<b>Date Closed</b>	
<b>Interest Bearing (Yes/No)</b>	
<b>Interest in account at beginning of Period</b>	
<b>Interest credited during Period</b>	
<b>Interest transferred to Office Account during Period</b>	
<b>Interest in account at end of Period</b>	
<b>Person(s) Named on Client Bank Mandate</b>	
<b>(Authorised Signee on Client Account)</b>	

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

Name of the Licensee: _____
Licensee's PSRA Licence Number: _____

**Appendix 5**

**OFFICE BALANCING STATEMENT**

**(information extracted from the Licensee's accounting records)**



<b>As at.....[most recent "balancing date"]</b>		
		€
(a)	Balance on office ledger control account:	
(b)	Net total of debit and credit balances on office ledger:	
(c)	Credit balances included in the list of office ledger balances (relating to client matters only) not off settable by debit balances:	
(d)	Reasons for the above credit balances: (i) Fees not debited: (ii) Outlays inappropriately lodged to office account: (iii) Other reason(s) as per details set out below:	

The office balancing statement as at the accounting date in respect of the above-mentioned Period, as provided for in

Regulation 10(6)(b) of the Regulations, has been prepared by the above-named Licensee(s) and this Appendix set out particulars of this office balancing statement.

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

**Part II - Licensee Submission**

**INSTRUCTIONS ON THE COMPLETION OF PART II OF THE REPORT**

To be completed by the licensee applying for the renewal of their licence. Licensee Submission is to be completed and signed by the licensee.

Details of the person(s) mandated to withdraw from the client account should be provided in Section 1.

Where breaches of the Regulations have been identified in Appendix 1/Appendix 2/Appendix 3B of the **Accountant's Report** contained in Part I, the Licensee should outline procedures they have/will put in place to address any such breaches in Section 2.

<b>Name of the Licensee:</b> _____
<b>Licensee's PSRA Licence Number:</b> _____

**Section 1 Details of person(s) mandated to withdraw from the client account<sup>16</sup>**

<b>Name on Client Account</b>			
<b>Account Number</b>			
<b>Person Named on Client Bank Mandate</b> (Authorised Signee on Client Account)	Holder of a PSRA Licence? YES /NO	<b>PSRA Licence Number</b>	<b>Relationship to Licensee</b> EG Director/Partner/Manager/Secretary/Employee /Family Member/Other(please specify)

Signed: \_\_\_\_\_

Licensee

PRINT NAME: \_\_\_\_\_

Date: \_\_\_\_\_

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

## Section 2 Addressing Client Account Breaches

### Completion required by Licensee

#### **ONLY IF breaches have been identified on Appendix 1/Appendix 2/Appendix 3B**

I confirm that I (have/will).<sup>17</sup> put the following procedures in place to address the breaches identified on Appendix 1/Appendix 2/Appendix 3B.

Signed: \_\_\_\_\_

Licensee

PRINT NAME: \_\_\_\_\_

Date: \_\_\_\_\_

### Accountants' Report - Explanatory Note

(not part of the form)

An accountant's report must be submitted by a property services employer (company, partnership or sole trader) or an independent contractor when making an application to renew a licence and other types of accountant's reports are to be completed when applying for a first licence.

This Form is used where a licensee provides property service D and the service charges and/or sinking fund contributions are paid into a "relevant account" (a "relevant account" is an account which is not a client account). Where a licensee provides property service D and some clients' money is paid to a "relevant account" and others are paid to a client account then both this Form and *PSRA/S35 - Renewal ABC* will have to be completed to reflect the different ways in which client moneys are kept safe.

### PSRA/535 - Renewal D

Part I, **Appendices 1 and 2** are to be completed by the reporting accountant. The licensee's role is to provide any documents requested by the accountant and to comply with the accountant's requests for documents and/or explanations relating to the accounting records.

**Part II, Licensee Submission is to be completed by the licensee if breaches are recorded on either Appendices 1 or 2 by the Accountant.**

**PSRA/535 - Renewal D was specified on 9th April 2018 and Accountants should check, on [www.psr.ie](http://www.psr.ie), that it has not been superseded before using it.**

### Instructions relating to completion of Accountant's Report - Part I

E. Where the space provided in respect of Part I of the Report, or of the appendices to Part I of the Report, is inadequate, any additional information, explanations and elaborations may be set out on the headed notepaper of the accountant and appended to Part I of the Report. Where this occurs, reference should be made to the existence of the appended document in Part I of the Report or the relevant appendix.

F. Blank copies of this Report may be obtained from the Property Services Regulatory Authority (PSRA) website ([www.psr.ie](http://www.psr.ie)). The format of Part I of the Report may be reproduced on the accountant's headed notepaper. Where so reproduced, it must be reproduced without abbreviation in the format set out.

G. Items in UPPERCASE within square brackets "[...]" are to be replaced with the relevant information e.g. "[ACCOUNTANT'S FORENAME AND SURNAME IN BLOCK CAPITALS]" is replaced with "DARA MURPHY" where Dara Murphy is the accountant.

H. The advice note in square brackets [] at the end of Appendices 1 and 2 of Part I of the Report may be deleted by the Accountant on completion of the Report.

**Accountant's Report - Part I**

(to accompany an application by an employer or an independent contractor to renew a licence pursuant to section 35 of the Property Services (Regulation) Act 2011 and S.I. 199 of 2012)

**Section 1 - Particulars of Licensee**

1.1 Full name of the Licensee (as it appears on the first line of the licence):

1.2 All address(es) at which business is carried on:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1.3 Licensee's PSRA Licence Number: \_\_\_\_\_

1.4 Accounting Date<sup>18</sup>: \_\_\_\_\_

1.5 Period covered by this Report ["Ending on" is the most recent "accounting date" and "Commencing on" is a year earlier] -

Commencing on: \_\_\_\_\_ Ending on: \_\_\_\_\_

**Section 2 - Respective Responsibilities of Licensee and Accountant Concerned**

2.1 The Licensee concerned is responsible for complying with the Property Services (Regulation) Act 2011, (Client Moneys) Regulations 2012. It is the responsibility of the Accountant concerned to form an independent opinion, as set out in section 4.1 of this Report, on the Licensee's compliance with the Regulations.

**Section 3 - Work carried out in preparing this Report**

3.1 I, [NAME OF ACCOUNTANT], an accountant within the meaning of the Property Services (Regulation) Act 2011,

(Client Moneys) Regulations 2012 (*the Regulations*), have examined the accounting records in place for the protection of client moneys as outlined in sections 3.2 to 3.3 below. The accounting records (as more particularly described in the said Regulations and, in particular, Regulation 16(5) to 16(8) thereof) produced to me in respect of the above-named Licensee were examined by me in accordance with the guidance given by [NAME OF PROFESSIONAL ACCOUNTING BODY].

3.2 I have made a general test examination of the books of account and other relevant documents (including bank lodgement records, statements and accounts) kept in relation to the provision of property services by the Licensee.

3.3 I have obtained, from the Licensee, such information and explanations as I identified as being required to enable me to form an opinion in order to make this report.

**Section 4 - Opinion of Accountant**

**NOTE: There are three versions of paragraph 4.1 - remove the two paragraphs that do not apply and the word "OR" between those versions of 4.1**

4.1 I hereby report in respect of the above-named Licensee, insofar as an opinion can be based on this examination, I am of the opinion that during the above-mentioned Period, the provisions of the said Regulations have been complied with by the above-named Licensee, other than (certain trivial breaches due to minor clerical errors or mistakes in accounts - keeping, each of which was rectified by the above-named Licensee on being discovered and none of which, in my opinion, resulted in any loss to any client and) those issues which are identified in Appendix 2 to this Report.

**OR**

4.1 I hereby report in respect of the above-named Licensee, insofar as an opinion can be based on this examination, and except for the possible effects of the matters described in Appendix 1, I am of the opinion that during the above-mentioned Period, the provisions of the said Regulations have been complied with by the above-named Licensee, other than (certain trivial breaches due to minor clerical errors or mistakes in accounts - keeping, each of which was rectified by the above-named Licensee on being discovered and none of which, in my opinion, resulted in any loss to any client and)<sup>19</sup> those issues which are identified in Appendix 2 to this Report.

**OR**

4.1 I hereby report in respect of the above-named Licensee that, as a result of the matters in Appendix 1, I am unable to express an opinion as to whether the provisions of the said Regulations have been complied with by the above named Licensee during the above-mentioned Period.

4.2 Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Accountant**

4.3 [ACCOUNTANT'S FORENAME AND SURNAME IN BLOCK CAPITALS]

4.4 (for and on behalf of [NAME OF ACCOUNTING FIRM])<sup>20</sup>

**Section 5 - Particulars of Accountant**

5.1 (Firm's)<sup>21</sup> Name:

5.2 (Firm's)<sup>21</sup> Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5.3 Accountancy body of which a member: \_\_\_\_\_

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

**Appendix 1**

Matters in respect of which I have not been able to satisfy myself, and the reasons therefore (**Please state "NIL" if there are no such matters**):

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

**[ADVICE NOTE: Where breaches have been identified, please advise your client, the licensee, to complete Part II]**

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

**Appendix 2**

Matters (other than trivial breaches due to minor clerical errors or mistakes in accounts-keeping each of which was rectified by the licensee on being discovered and none of which, in my opinion, resulted in any loss to any client) in respect of which, in my opinion, the provisions of the Regulations have not been complied with by the Licensee concerned (**Please state "NIL" if there are no such matters**):

Signed (for identification purposes): \_\_\_\_\_

Accountant

Date: \_\_\_\_\_

**[ADVICE NOTE: Where breaches have been identified, please advise your client, the licensee, to complete**

Part II]

**Part II - Licensee Submission**

**INSTRUCTIONS ON THE COMPLETION OF PART II OF THE REPORT**

To be completed by the licensee applying for the renewal of their licence.

Part II - Licensee Submission is completed and signed by the licensee where breaches of the Regulations have been identified in Appendix 1 or Appendix 2 of the **Accountant's Report** contained in Part I.

Name of the Licensee: \_\_\_\_\_

Licensee's PSRA Licence Number: \_\_\_\_\_

## Part II

### ADDRESSING BREACHES OF THE PROPERTY SERVICES (REGULATION) ACT 2011 (CLIENT MONEYS) REGULATIONS 2012 S.I. 199 OF 2012

#### Completion required by Licensee

#### **ONLY IF breaches have been identified on Appendix 1 or Appendix 2 of the Accountant's Report contained in**

#### Part I

I confirm that I (have/will) put the following procedures in place to address the breaches identified on Appendix 1/Appendix

Signed: \_\_\_\_\_

Licensee

PRINT NAME: \_\_\_\_\_

Date: \_\_\_\_\_

#### Footnotes

<http://www.psr.ie/website/npsra/npsraweb.nsf/page/licenceapplications-renewal-en>

<sup>2</sup>2011 Act section 2 "bank", in relation to a client account of a licensee, means a credit institution authorised by a competent authority in an EEA Member State, within the meaning of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions. Section 2(1) of the Central Bank Act 1971 (as amended) defines "'credit institution' means an undertaking (including an electronic money institution (within the meaning of the European Communities (Electronic Money) Regulations 2002( S.I. No. 221 of 2002 )), but not a credit union or friendly society) whose business consists of, or includes- (a) receiving deposits or other repayable funds from the public, and (b) granting credit on its own account;";

<sup>3</sup>Regulation 15.10 (a)

<sup>4</sup>Licence forms <http://www.psr.ie/Website/npsra/npsraweb.nsf/page/licenceapplications-newlicence-en> Application

<sup>5</sup><http://www.psr.ie/website/npsra/npsraweb.nsf/page/index-en>

<sup>6</sup>Readers should be aware that the Companies Act 2014 defines auditors in section 380, the Regulations have not been updated to reflect this legislation.

#### Footnotes for Appendix 1

<sup>7</sup>"accounting date" means the last date of the licensee's accounting period in each year.

<sup>8</sup>Remove if not applicable to the Report being made.

<sup>9</sup>Delete text within the brackets if that text is not applicable

<sup>10</sup>Delete brackets and text within brackets where the Report is not being made "for and on behalf of" a firm of accountants

<sup>11</sup>In row (a), column "1" is the less recent of the two balancing dates and column "2" is the more recent. Column 1 and 2 must be completed - insert "0" where appropriate

<sup>12</sup>Delete text within the brackets if that text is not applicable

<sup>13</sup>Where more than one client account is held, a copy should be made of this Appendix to record information on each client account.

<sup>14</sup>"Interest" means interest net of Deposit Interest Retention Tax

<sup>15</sup>Delete (d)(iii) if not applicable

16Where more than one client account is held, a copy should be made of this Section to record details of person(s) mandated to withdraw from each client account.

17Delete text within the brackets if that text is not applicable

**Footnote for Appendix 2**

18"accounting date" means the last date of the licensee's accounting period in each year.

19Delete text within the brackets if that text is not applicable

20Delete brackets and text within brackets where the Report is not being made "for and on behalf of a firm of accountants

21Delete text within the brackets if that text is not applicable