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|  | **ICAEW** Technical Advisory service | ../ICAEW_Logo_Kit%20part%201/Logo/ICAEW_Main_logo/Main%20logo%20screen/ICAEW_logo_BLK_RGB.png |  |
|  | **subcontracting Accountancy services - appendices** | Issued October 2013Last Reviewed February 2022 |  |
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## Appendix 1: Subcontractor Checklist

The checklist will help you to clarify the terms of your engagement as a subcontractor and address potentially difficult issues.

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| **1.0** | **ACCEPTING APPOINTMENT** | **YES NO** |
| 1.1 | Has the subcontracting firm provided you with information about the work it requires you to perform? | [ ]  [ ]  |
| 1.2a)b)c) | Does this information include details of:The likely technical requirements of the work?The time budget for the work?The timeframe within which the service is required? | **[ ]**  [ ] **[ ]**  [ ] [ ]  [ ]  |
| 1.3 | Are you confident that you have the necessary competence and available time to complete the required work? | **[ ]  [ ]**  |
| 1.4 | Have you confirmed in writing that you will be providing services to the subcontracting firm and not to the ultimate client? | **[ ]  [ ]**  |
| 1.5 | Has the subcontracting firm agreed to provide you with cover under its own professional liability insurance policy and advised its insurers of that fact and your name? | **[ ]  [ ]**  |
| 1.6a)b)c)d)e)f)g)h) | Have you discussed and agreed with the subcontracting firm details concerning:Place of work?Hours of work?Recording of time worked?Rates of pay?Payment terms?Insurance cover for any client property held outside your office (eg, consequential loss, etc.)?Collection and delivery (if appropriate) of work?Use of the firm’s equipment and other resources? | **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]**  |
| 1.7a)b)c) d)e) | Have you researched the subcontracting firm and recorded appropriate information about:The nature of the practice vehicle (limited company, LLP, unincorporated sole practitioner or partnership)?The names and professional qualifications of its principals (or if numerous those for whom you will be working)?The name and contact details of the subcontracting firm’s MLRO?The address of the subcontracting firm’s principal office and, if different, the address(es) of office(s) that you will be working with?The identity (professional body or HMRC) with whom the subcontractor is registered for the purposes of MLR 2017? | **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]**  |

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| **2.0** | **COMPLYING WITH money laundering regulations** | **YES NO** |
| 2.1a)b)c)d) | Have the following conditions (set out in [guidance issued by HMRC](https://www.gov.uk/guidance/money-laundering-regulations-accountancy-service-provider-registration)) been fully satisfied:If you meet the conditions and are taking the exemption not to be AML supervised (see above), have you confirmed that the subcontracting firm is properly registered as an Accountancy Service Provider for AML purposes either with its professional body or with HMRC?Are you contracting to do work for the subcontracting firm and rather than contracting directly with clients of that firm?Are you included within the scope of the Anti-Money Laundering procedures of the supervised firm, including suspicion reporting procedures and appropriate training?Can both you and the firm provide evidence in the form of a written contract between yourselves to demonstrate compliance with all the AML requirements in respect of the entire subcontracting arrangements? | **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]**  |

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| **3.0** | **PRACTICAL CONSIDERATIONS** | **YES NO** |
| 3.1a)b)c) | Have you considered and satisfied yourself about the appropriate treatment to adopt in respect of:Personal taxation?National Insurance?VAT status? | **[ ]**  [ ] **[ ]**  [ ] [ ]  [ ]  |
| 3.2 | If you do not have your own PII, have you informed the firm the you do not carry PII and obtained written confirmation that you are included in the subcontracting firm’s PII policy by name? | **[ ]  [ ]**  |
| 3.3 | Have you been provided with adequate training in respect of any operating procedures and working paper systems operated by the firm? | **[ ]  [ ]**  |
| 3.4 | If you have been engaged to provide services in the ‘regulated areas of practice’ (Audit, ATOL Reporting, Investment Business Advice, Insolvency work or Probate) are you confident that you satisfy all the requirements of the relevant regulations (eg, independence, fit and proper status, adequacy of relevant CPD)? | **[ ]  [ ]**  |

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| **4.0** | **WRITTEN CONTRACT** | **YES NO** |
| 4.1 | Have all relevant matters between you and the firm been documented in a formal and legally binding contract? | **[ ]  [ ]**  |
| 4.2 | Has this contract been reviewed by your solicitor? | **[ ]  [ ]**  |
| 4.3a)b)c)d)e)f)g)h)i)j)k)l)m) | Does your written contract with the subcontracting firm include suitable provisions governing:Compliance with anti-money laundering requirements?Compliance with data protection legislation (including status and applicable contractual wording necessary as a data processor, data controller or joint controller)?Inclusion of your work under the firm’s professional indemnity insurance policy?Cover under other insurance policies that may be appropriate?Payment for your work?Contact within the practice?Contact within the client?Use of office facilities?Arrangements for the review of work?Arrangements for supervision?Arrangements concerning the periodic appraisal of work?Provision by you of relevant confirmations dealing with independence, absence of conflicts of interest and fit and proper status?Assessment of relevant CPD and training needs (including those relating to money laundering and any regulated areas of work)? | **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ] [ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]** **[ ]  [ ]**  |
| 4.4 | Has the contract been formally signed and copies provided to both parties? | **[ ]  [ ]**  |

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