



Annual Return – guidance notes

EFFECTIVE FROM 5 NOVEMBER 2019

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These guidance notes are effective from 1 September 2019. If you received your firm's annual return before this date, please refer to the previous set of Annual Return Guidance Notes available from [icaew.com/annualreturn](https://www.icaew.com/annualreturn)

STANDING DATA

We have changed the annual return 'as at' to show the actual date of data extraction from our records. Where possible, the standing data sections of the return are pre-populated with data taken from ICAEW's database on the date the return was created.

You should review the standing data information and make sure that it is correct as at the date of the annual return. If anything is incorrect, please make the changes on the annual return. If a field is blank, we don't currently hold the information on our records and you need to provide the information on the annual return. You don't need to reflect any changes after the return date.

If you have told ICAEW about changes to your firm's details or structure close to the date of the annual return, they may not be reflected in the standing data section. You don't need to replicate this particular type of change on the annual return.

If you have any questions about the data printed in the standing data sections please contact:

- the Members Records team on +44 (0)1908 248 054 or records@icaew.com for general enquiries.
- the Regulatory Support team on +44 (0)1908 546 302 or regulatorysupport@icaew.com for enquiries about audit registration, probate accreditation, licensed practitioner scheme and DPB licensing.
- the Insolvency Support team on +44 (0)1908 546 302 or insolvency@icaew.com for enquiries about insolvency.

MAINTAINING YOUR FIRM RECORD

The *Audit Regulations and Guidance, DPB (Investment Business) Handbook, Insolvency Licensing Regulations and Guidance notes, Probate Regulations, Licensed Practice Handbook* and *Practice Assurance Regulations* state that you must tell ICAEW as soon as changes occur. You should not wait until you receive your next annual return.

If there are changes to the structure of your firm, please complete and return the [standing data changes form](#) within 10 business days. [Read more about how to maintain your firm record.](#)

REGISTER OF STATUTORY AUDITORS

Much of the information in the standing data sections also forms the basis of the required information regarding auditors on the [Register of Statutory Auditors](#). The information required for the register includes:

- the primary contact within your firm and your firm's website address (if it has one);
- the address of each office;
- the name and registration number of all responsible individuals (RIs) in your firm (ie, those responsible for statutory audit work on behalf of the firm);
- the legal form of your firm;
- names and business addresses of each member of a partnership (if a limited liability partnership); each partner (if a partnership); each director and shareholder (if a corporate practice); or the sole practitioner (if a sole practitioner);

- the name and business address of all individuals on any management board;
- details of any audit registrations your firm may have in another country;
- details of any responsible individual (RI) in your firm who is also registered in another country to undertake audits; and
- details of any network your firm belongs to and, if it does, an address (physical or web) where the public can inspect the names and addresses of all the member firms and affiliates in the network.

GUIDANCE ON THE STANDING DATA

We have provided detailed guidance notes on particular questions in the standing data section of the annual return.

Firm Information

Ref	Question	Guidance
F102	Does the firm describe itself as 'Chartered Accountants'?	A firm is entitled to call itself a firm of chartered accountants if it meets the detailed requirements of the Regulations governing the use of the description of 'Chartered Accountants' and ICAEW general affiliates and if any non-member principals are ICAEW affiliates. Our practice helpsheet, Practice names and letterheads also gives additional guidance.
F103	Is your firm an ICAEW member firm?	The definition of a member firm, as set out in the Principal Bye-laws , is: <ul style="list-style-type: none"> • a member engaged in public practice as a sole practitioner; or • a partnership engaged in public practice of which more than 50% of the rights to vote on all, or substantially all, matters of substance at meetings of the partnership are held by members; or • a limited liability partnership engaged in public practice of which more than 50% of the rights to vote on all, or substantially all, matters of substance at meetings of the partnership are held by members; or • any body corporate (other than a limited liability partnership) engaged in public practice of which: <ul style="list-style-type: none"> – 50% or more of the directors are members; and – more than 50% of the nominal value of the voting shares is held by members; and – more than 50% of the aggregate in nominal value of the voting and non-voting shares is held by members. <p>You can find our guide on whether your entity is an ICAEW member firm and whether ICAEW is your money laundering supervisor here.</p>
F105	Legal form of firm	Although not a definitive list, the most common legal forms include: sole practice, partnership, and limited liability partnership (LLP).
FI13	Name of money laundering report officer (MLRO)	Under MLR17 (Regulation 21 (3)), each firm must appoint a nominated officer to receive internal suspicious activity reports and

		to assess whether these should be reported to the National Crime Agency.
FI14b	Name of Money Laundering Compliance Principal (MLCP) if different from MLRO	<p>Under MLR17 (Regulation 21 (1) (a)), and where appropriate to the size and nature of the business, each firm must appoint an individual who is a member of the board (or equivalent managing body) or senior management who is responsible for compliance with the Money Laundering Regulations.</p> <p>We have assumed this person will be the same as the nominated officer required under MLR17 (Regulation 21 (3)), and have pre-populated the field with the name previously provided in FI13.</p> <p>If this is not the case, please email annualreturns@icaew.com</p>

Trading names

Ref	Question	Guidance
TN01-TN04	Trading names	Firms can use trading names that are registered with ICAEW. Full details can be found in practice helpsheet Practice names and letterheads .

Other offices

Ref	Question	Guidance
OO001-OO003	Other offices	'Other offices' means any office that is not a head office, for example, branch and/or market day offices.
OO004	Market day office	A market day office is a location where no records are held and where no staff are based. Typically it is a place only for collecting post or holding local meetings. This field requires a 'Yes' or 'No' answer.

Principals who are members of ICAEW

Ref	Question	Guidance
PMI01	Principals who are members of ICAEW	A principal is a generic term for a sole practitioner, partner in a firm, member of an LLP or director of a corporate practice.
PMI05	Do you hold a PC?	<p>All members engaged in public practice in the EU, Norway, Iceland and Liechtenstein must hold a PC; and, under the Audit Regulations and Guidance, all members who are RIs must hold a PC, wherever they are based.</p> <p>If you hold an insolvency licence from another body, and take appointments, you are in practice and need a practising certificate. The requirements are set out in the ICAEW statement on engaging in public practice. You can also contact Advisory Services on +44 (0)1908 248 250.</p>

All other principals (non-ICAEW members)

Ref	Question	Guidance
AOP01	Name	Please add details of any principal not already listed. A principal is a generic term for a sole practitioner, partner in a firm, member of an LLP or director of a corporate practice. This also includes corporate principals. Other principals are partners, members or directors who are not members of ICAEW. Please give details of the other partners, members or directors in your firm.
AOP05	Record number	If firms want to use the description 'Chartered Accountants', they must register any principals who are not Chartered Accountants as ICAEW general affiliates. The requirements can be found in the Regulations governing the use of the description of 'Chartered Accountants' and ICAEW general affiliates

Alternate contact information for single ICAEW members

Ref	Question	Guidance
CM01- CM04	Alternate contact information for ICAEW members holding clients' money	A firm that is wholly owned or controlled by a single ICAEW member who handles clients' money is required to have arrangements whereby another person (the alternate) can distribute or process clients' money in the event of the incapacity or death of that single ICAEW member. The data in this section shows the contact details of the clients' money alternate that are held in ICAEW's records. If these details are incorrect, please amend them on the return. Please refer to the Clients' Money Regulations , regulation 31 and explanatory note 10 for further details.

Alternate contact information for single ICAEW members

Ref	Question	Guidance
CM01- CM04	Alternate contact information for ICAEW members holding clients' money	A firm that is wholly owned or controlled by a single ICAEW member who handles clients' money is required to have arrangements whereby another person (the alternate) can distribute or process clients' money in the event of the incapacity or death of that single ICAEW member. The data in this section shows the contact details of the clients' money alternate that are held in ICAEW's records. If these details are incorrect, please amend them on the return. Please refer to the Clients' Money Regulations , regulation 31 and explanatory note 10 for further details.

Ownership, control and voting rights

Ref	Question	Guidance
SV01- SV09	Ownership, control and voting rights	This section is mandatory. It requires a minimum of one entry. The answer you give should reflect the answer you have given to FI05 Legal form of firm.

We use the information to determine whether your firm meets the definition of an ICAEW member firm, as set out in the [Principal Bye-laws](#). You can find our guide on whether your entity is an ICAEW member firm and whether ICAEW is your money laundering supervisor [here](#).

Please ensure you update the information on your annual return may be returned for re-submission.

Corporate practice – please give the names of the shareholders of all the shares in issue. You should provide information on all voting and non-voting shares. For each shareholder, give the percentage of the nominal value of the total share capital held by each in the ‘% shareholding’ box and the percentage of the nominal value of the voting shares held by each in the ‘% voting rights’ box. You should also record the nominal value of shares held by each person, checking that you have listed all classes of share (this information is relevant for determining whether your firm meets the ICAEW member firm definition). The individuals, or entities, listed should be those that directly hold the shares (both voting and non-voting) in the practice.

Limited liability partnership – please give the percentage voting rights of each member. You should provide the name of the person/entity that directly holds the voting rights.

Partnership – please give the percentage voting rights of each partner.

Sole practitioner – not applicable.

In an audit registered firm, the majority of the voting rights, or such rights under the firm's constitution as enable them to direct its overall policy or alter its constitution; must be held by:

- individuals that hold a UK appropriate (audit) qualification;
- individuals that hold an EEA appropriate (audit) qualification;
- a UK registered audit firm; or
- an EEA statutory audit firm.

If this section has been pre-populated, the percentage shareholdings will have been rounded up or down as appropriate. There's no need to add decimal places.

If you're providing this information for the first time, or if percentage shareholdings have changed, please give the exact percentage.

There's no need to give a private address. A business address, for example the firm's head office, is acceptable.

SV10- SV11	Shareholder and voting rights	<p>You should check that the percentage shareholdings and voting rights add up to 100%.</p> <p>You should also check that the total nominal value of shares is accurate and agrees to the total nominal value of shares in issue.</p>
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Management board members

Ref	Question	Guidance
MB01- MB08	Management board members	<p>The answer given in this section should be linked to FI05 Legal form of firm.</p> <p>Please ensure you update the information or your annual return may be returned for re-submission.</p> <p>This section should show the names of the individuals on the management board (if the firm has one), the status of each individual, and the percentage voting rights held on the management board by each individual. The Audit Regulations and Guidance define a management board as any committee, board or other management body that is responsible for setting and directing the implementation of the firm's policies.</p> <p>There's no need to give a private address. A business address, for example the firm's head office, is acceptable.</p>

Networks

Ref	Question	Guidance
NET01	Network name	<p>A network is defined in Audit Regulation 2.12 as a larger structure, aimed at cooperation, which a registered auditor belongs to and which is:</p> <ul style="list-style-type: none"> • controlled by the registered auditor; • clearly aimed at profit or cost-sharing; • under common ownership, control or management; or • affiliated or associated with the registered auditor through common quality control policies and procedures, a common business strategy, the use of a common name or through the sharing of significant common professional resources. <p>In this context, an affiliate is an entity, regardless of its legal form, which is connected to a firm by means of common ownership, control or management.</p> <p>The name of the network will be held on the Register of Statutory Auditors and at an address (physical or web) where the public can inspect the names and addresses of all the member firms and affiliates in the network. If you tick both the address boxes, the audit register will show the website address.</p> <p>Many groupings of firms are not networks as defined above. They may act as sources for referring work or as training providers. If</p>

		<p>you're in doubt about the status of the group you belong to, please contact your group company for advice.</p> <p>The annual return is split into two sections.</p> <ul style="list-style-type: none"> • Networks previously confirmed to ICAEW If you've reported details of networks in a previous annual return, the information will appear on your current annual return. Please review it to ensure it remains up to date and accurate and annotate any changes. • New networks Please add any new network that has not been disclosed to ICAEW.
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Connected entities

Ref	Question	Guidance
CE01-CE04	Connected entities	<p>If you've reported details of connected entities in a previous annual return, the information will appear on your current annual return. Please review it to ensure it remains up to date and accurate and annotate the return with any changes.</p> <p>You should enter additional connected entities in 'New connected entities'.</p>

New connected entities

Ref	Question	Guidance
NCE01-NCE30	New connected entities	<p>What is a connected entity?</p> <p>A connected entity is a legal entity connected to your firm by virtue of a direct or indirect common principal or where such principals are closely connected as spouses or parent/child.</p> <p>A principal includes a director or shareholder of a corporate practice, a sole practitioner, a partner in a partnership or a member of an LLP.</p> <p>What to notify us of</p> <p>Connected entities will be in public practice or registered with ICAEW as member firms, and should include any firm, company or LLP which provides accountancy, reserved (such as probate) or trust or company services to the public.</p> <p>Typical examples of such firms include entities offering bookkeeping, tax, payroll, management accounting and company formation/secretarial services, as well as audit and statutory accounts preparation services.</p> <p>If you are unsure what constitutes accountancy and reserved services, please see the ICAEW statement on engaging in public practice.</p>

		<p>You only need inform us of regulated entities (whether trading or not) and trading entities that provide accountancy, reserved (such as probate) or trust or company services.</p> <p>If the entity doesn't provide any accountancy, reserved or trust or company services, or it is dormant, you don't need to record it as a connected entity on the annual return.</p> <p>The exception to this is a non-trading entity that is regulated in order to meet other firms' regulatory requirements.</p> <p>eg, You do not need to record entities which only carry out investment business regulated by the FCA, and provide no accountancy or trust or company services.</p> <p>Professional indemnity insurance If any principal in a connected entity in public practice is an ICAEW member, that firm is required to have PII cover under ICAEW's Professional Indemnity Insurance Regulations, unless the only ICAEW principals are shareholders, but not directors, of a body corporate.</p>
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Responsible individual principals who are members of ICAEW

Ref	Question	Guidance
RII01- RII05	Responsible individuals (RIs)	<p>Only those principals who have been designated RIs in accordance with Audit Regulation 4.01 are allowed to be responsible for audit work and sign audit reports. Such designations need the approval of the Audit Registration Committee (Audit Regulation 4.05).</p> <p>Do not add a new RI to this section unless you have already received formal approval from ICAEW.</p> <p>If an RI has joined your firm from another firm, that status does not transfer. The individual must be designated by the firm and approved by the Audit Registration Committee (Audit Regulation 4.01 and 4.05).</p>
RII05a	Has this responsible individual signed an audit report on the financial statements of entities covered by the Audit Regulations and Guidance at any time in the past (under this or any other current or	<p>Please tell us the year in which each of the firm's responsible individuals last signed an audit report. The year should be when the report was signed, rather than the entity's year-end.</p> <p>We recognise that the most recently signed audit report may have been signed while the RI held this role at a previous firm. However, please complete this question irrespective of whether the audit report was signed on behalf of the RI's current or previous firm.</p>

	previous firms' audit registration)?	
RII05aa	If RII05a is yes, what was the year this RI last signed such an audit report?	If the last audit report signed by the RI was signed before 2014, please select the '2014 or earlier' option. Otherwise please select the most recent year from the drop-down list.
RII05ab	If RII05a is no, please explain why this individual holds RI status but has not signed such an audit report.	Please provide a short explanation as to why the individual holds RI status but has not signed an audit report on an entity covered by the Audit Regulations and Guidance.
RII06 - RII11	Country	If an RI also has an audit registration in another country which enables that individual to audit entities incorporated in that country, you should disclose details here.

All other responsible individual principals (non-ICAEW members)

Ref	Question	Guidance
RIO01- RIO05	Responsible individuals (RIs)	Only those principals who have been designated RIs in accordance with Audit Regulation 4.01 are allowed to be responsible for audit work and sign audit reports. Such designations need the approval of the Audit Registration Committee (Audit Regulation 4.05). Do not add a new RI to this section unless you have already received formal approval from ICAEW. If an RI has joined your firm from another firm, that status does not transfer. The individual must be designated by the firm and approved by the Audit Registration Committee (Audit Regulation 4.01 and 4.05).
RIO05a	Has this responsible individual signed an audit report on the financial statements of entities covered by the Audit Regulations and Guidance at any time in the past (under this or any other current or previous firms' audit registration)?	Please tell us the year in which each of the firm's responsible individuals last signed an audit report. The year should be when the report was signed, rather than the entity's year-end. We recognise that the most recently signed audit report may have been signed while the RI held this role at a previous firm. However, please complete this question irrespective of whether the audit report was signed on behalf of the RI's current or previous firm.
RIO05aa	If RIO05a is yes, what was the year	If the last audit report signed by the RI was signed before 2014, please select the '2014 or earlier' option.

	this RI last signed such an audit report?	Otherwise please select the most recent year from the drop-down list.
RIO05ab	If RIO05a is no, please explain why this individual holds RI status but has not signed such an audit report.	Please provide a short explanation of why the individual holds RI status but has not signed an audit report on an entity covered by the Audit Regulations and Guidance.
RIO06- RIO11	Country	If an RI also has an audit registration in another country which enables that individual to audit entities incorporated in that country, you should disclose details here.

Employee responsible individuals (RIs) (as notified to ICAEW)

Ref	Question	Guidance
RI01- RI05	Employee responsible individuals (RIs)	<p>Only those employees who have been designated RIs in accordance with Audit Regulation 4.01 are allowed to be responsible for audit work and sign audit reports. Such designations need the approval of the Audit Registration Committee (Audit Regulation 4.05).</p> <p>Do not add a new RI to this section unless you have already received formal approval from ICAEW.</p> <p>If an RI has joined your firm from another firm, that status does not transfer. The individual must be designated by the firm and approved by the Audit Registration Committee (Audit Regulation 4.01 and 4.05).</p>
RI05a	Has this responsible individual signed an audit report on the financial statements of entities covered by the Audit Regulations and Guidance at any time in the past (under this or any other current or previous firms' audit registration)?	<p>Please tell us the year in which each of the firm's responsible individuals last signed an audit report. The year should be when the report was signed, rather than the entity's year-end.</p> <p>We recognise that the most recently signed audit report may have been signed while the RI held this role at a previous firm. However, please complete this question irrespective of whether the audit report was signed on behalf of the RI's current or previous firm.</p>
RI05aa	If RI05a is yes, what was the year this RI last signed such an audit report?	<p>If the last audit report signed by the RI was signed before 2014, please select the '2014 or earlier' option.</p> <p>Otherwise please select the most recent year from the drop-down list.</p>

RI05ab	If RI05a is no, please explain why this individual holds RI status but has not signed such an audit report.	Please provide a short explanation as to why the individual holds RI status but has not signed an audit report on an entity covered by the Audit Regulations and Guidance.
RI04	Do you hold a PC?	Under Audit Regulation 4.02, if an employee is an RI, they must hold a practising certificate.
RI06 - RI11	Country	If an RI also has an audit registration in another country which enables that individual to audit entities incorporated in that country, you should disclose details here.

Details of any other country in which the firm is registered for audit and therefore entitled to audit entities incorporated in that country

Ref	Question	Guidance
OCR01-OCR06	Firm audit registration in other countries	Please record details of any other country in which the firm is registered for audit and therefore entitled to audit entities incorporated in that country.

Insolvency practitioners (principals licensed by ICAEW, excluding non-appointment takers)

Ref	Question	Guidance
IP01-IP05	Insolvency practitioners	This section lists all insolvency practitioners (excluding non-appointment takers), their licence status and location. You can add new insolvency practitioners. Please note if you have over 10 insolvency practitioners in the firm you're likely to have an annual quality assurance visit to some of the IPs in your firm therefore you will not see the insolvency questions in the variable data section.

VARIABLE DATA

In this section, we collect information on your firm that may vary year-on-year. This information helps us to risk assess our firms as well as performing certain regulatory and monitoring checks on an annual basis (such as compliance with the *Clients' Money Regulations* or *Audit Regulations and Guidance*).

Guidance on the variable data

We have provided detailed guidance notes on particular questions in the variable data section of the annual return.

Firm profiles

Ref	Question	Guidance
FP01	How many professional staff are employed at the firm?	Professional staff means all staff, including sole practitioners, principals and subcontractors, directly engaged in the provision of services to clients, whether or not they are professionally qualified.
FP05	Is your firm licensed for DPB licensed activities	These are arrangements whereby a firm obtains a Designated Professional Body (DPB) licence to conduct a specific range of investment business activities in accordance with the <i>DPB (Investment Business) Handbook</i> . If your firm wishes to become DPB licensed, you should contact the Regulatory Support team on +44 (0)1908 546 302.
FP11- FP12d	Consumer credit-related regulated activities	<p>If you are undertaking consumer credit-related regulated activities and are not making use of ICAEW's arrangements, you will need to use another designated professional body's arrangements, be FCA authorised or be an appointed representative of an FCA authorised firm.</p> <p>As ICAEW has new regulatory arrangements in place for consumer credit, we also need to know what consumer credit activities you are undertaking and your firm's income from consumer credit activities.</p> <p>For more information on ICAEW's arrangements on consumer credit visit icaew.com/ccl</p>

Firm turnover

Ref	Question	Guidance
FT01- FT16	Turnover (income)	<p>Regulated and unregulated turnover (income) derived from the provision of accountancy services is defined in the ICAEW statement on engaging in public practice. Do not include in this return: turnover from profit share arrangements, management fees or management re-charges.</p> <p>Firms should give turnover information using the latest financial information available. Turnover should exclude VAT and disbursements. For those based overseas, please convert to sterling at the current rate of exchange and exclude any local sales tax.</p>

FT03 - FT06	<p>Regulated income from:</p> <ul style="list-style-type: none"> • audit • investment business under FCA authorisation • investment business under DPB licence • insolvency 	<p>Firms registered for audit with ICAEW should include audit fee income under FT03a. Firms not registered for audit with ICAEW should include audit income under FT03b.</p> <p>Regulated insolvency work consists of services which need to be provided by, or which are under the control of, a licensed insolvency practitioner. The individual can draw his / her insolvency licence from ICAEW or from another recognised professional body.</p> <p>Probate accredited firms should include income from probate and estate administration in FT08a and FT08b and explain this at FT15.</p> <p>Please also refer to firm turnover guidance above.</p>
FT07- FT14	<p>Unregulated income from:</p> <ul style="list-style-type: none"> • tax • probate • estate administration • accounting, bookkeeping and payroll • consultancy • corporate finance • insolvency • forensic • training and file review • other 	<p>Firms should give income (turnover) information using the latest financial information available. Turnover should exclude VAT and disbursements. For those based overseas, please convert to sterling at the current rate of exchange and exclude any local sales tax.</p> <p>Probate accredited firms should include income from probate and estate administration in FT08a and FT08b and explain this at FT15.</p> <p>Firms which offer insolvency services should include details of their turnover from regulated appointments at FT06 above and income from unregulated work such as business reviews, solvency reviews and Law of Property Act receiverships in FT11a.</p> <p>Unregulated income includes a breakdown of information into specific reporting sections. If you do not have actual figures, please give best estimates in each section. Inaccuracies in estimated income levels will not be regarded as matters for disciplinary action if reasonably based on information available at the time.</p> <p>If you are unable to provide a breakdown, please enter an amount in FT14 'other'.</p> <p>Please also refer to firm turnover guidance above.</p>

Professional indemnity insurance (PII)

Ref	Question	Guidance
PI01d	<p>Can you confirm that you have carried out a risk assessment to determine whether the PII cover is appropriate given your firm's circumstances?</p>	<p>Even if a firm holds PII cover in accordance with the requirements of another professional body, it must still comply with PII Regulation 3.1(a) and take reasonable steps to meet claims arising from being in public practice. Firms should carry out regular risk assessments to satisfy themselves that the level and scope of cover is appropriate for their firm.</p>

PI01f	Most recent renewal date (DD/MM/YYYY)	Please give details of the PII policy in place at the date of the annual return. If you're renewing within seven days of the date of the annual return, give details of your new policy. We do not need a copy of your PII policy certificate.
PI02	Are your insurance arrangements met by another firm?	Most firms (ie, sole practitioners, partnerships, LLPs or corporate entities) arrange their own PII cover. However, if you act as a subcontractor to another firm, or if your firm is connected to another firm, some or all of your work may be covered by that other firm's PII.
PI06	Does your policy cover any other ICAEW members in public practice, ICAEW member firms or ICAEW regulated firms?	Please list any connected practices or other entities that are covered by a single PII policy.
PI10	Total gross fee income	<p>This includes all income for work carried on in public practice, including:</p> <ul style="list-style-type: none"> • income for personal appointments in respect of work covered by professional indemnity insurance; • income from third parties as commissions or brokerage (whether or not offset against charges to a client); and • income received for work sub-contracted to others. <p>It does not include:</p> <ul style="list-style-type: none"> • the recovery of disbursements and expenses which do not form part of the chargeable fee for professional services rendered; and • value added tax. <p>Gross fee income must include the income for work which the firm has subcontracted to others. This is unless the work is clearly shown as a disbursement in the invoice issued for the relevant work and the client knows that the firm is not taking professional responsibility for the work.</p>
PI13a	Name and address of insurer/underwriter (not broker)	We need to know the name of the insurer or underwriter, not the broker, who arranges the insurance on your behalf. It must be a participating insurer. The list of participating insurers is published at icaew.com/pii
PI14a – PI15a	Sum insured - please give the actual amount.	<p>The minimum amount of required cover is specified in Section 3 of the Professional Indemnity Insurance Regulations and Guidance (Terms of cover).</p> <p>If the gross fee income of a firm is less than £600,000, the minimum limit of indemnity must be at least two and a half times the firm's gross fee income for the previous accounting year, subject to a minimum of £100,000 (per claim and aggregate). If a firm's gross fee income is £600,000 or more, the minimum limit of indemnity must be at least £1.5 million (per claim and</p>

		aggregate). Different limits apply in cases where firms are accredited for probate or authorised/licensed to conduct insurance distribution activities.
PI16	Policy excess - please give the actual amount.	The minimum level of PII can include an excess, provided it does not exceed the limits in the PII regulations, which is no more than £30,000 per principal in the aggregate.
PI17 / PI17a	Excess per claim or aggregate	A PII policy will often have a 'per claim' excess. However, if a firm holds 'qualifying insurance' with a participating insurer, the maximum amount of excess that it should pay during the period of insurance should not exceed the maximum calculated in accordance with the PII Regulations (ie, £30,000 x the number of principals in the aggregate). This applies regardless of the amount of excess specified in the policy schedule (see clause C3.3 of the minimum approved wording).

Signing powers, clients' money and payroll

Ref	Question	Guidance
SI01	Does any individual in the firm, or a combination of individuals in the firm, have sole signing powers over any bank account of a client?	This question concerns access to a client's own bank accounts which could have independence implications for any other work you perform for the client.
SI02	For the period under review, did the firm handle clients' money and/or insolvency estate monies for non-UK insolvency appointments?	Clients' money is cash of any currency which a firm holds or receives for, or from, a client. This includes money held by a firm as stakeholder and which is not immediately due and payable on demand to the firm for its own account. For further details, please refer to the Clients' Money Regulations . In this section we ask you to give a summary of clients' money activity over the last year. Please exclude any monies held by an insolvency practitioner acting in that capacity.
SI03	Estimated total of clients' money received in the period under review.	This estimated amount is the aggregate maximum balance on all client bank accounts when taken together at close of business on a given business day during the firm's financial year.
SI04	How many clients' money bank accounts does the firm have in total?	A clients' money bank account is an account in the name of the firm, separate from other accounts of the firm. It may be either a general clients' money account or an account designated in the name of a specific client. For further details please refer to the Clients' Money Regulations .
SI05	Are all clients' money bank accounts under the	A clients' money bank account is considered to be under the day-to-day control of a principal if all transfers in and out of the

	day-to-day control of a principal?	account are authorised by that principal, and bank statements and reconciliations are regularly reviewed by that person.
S105a	Do you have written acknowledgement from the bank for each client's bank account, that the bank is managing those accounts in accordance with Clients' Money Regulation 9b?	When you open a client bank account you must notify the bank of the matters covered by the Clients' Money Regulation 9b . The bank must acknowledge in writing that it accepts these terms.
S106	Are all clients' money bank accounts reconciled at least once every five weeks?	Clients' money accounts must be reconciled at least every five weeks. See the Clients' Money Regulations , regulations 24 and 25 for further details.
S107	Does the firm review compliance with the Clients' Money Regulations annually?	At least once a year, the firm should conduct a clients' money compliance review. See the Clients' Money Regulations , regulation 27 for further details.
S108	If required, have you made written arrangements with an alternate covering clients' money?	A firm that is wholly owned or controlled by a single ICAEW member who handles clients' money is required to have arrangements whereby another person (the alternate) can distribute or process clients' money in the event of the incapacity or death of that single ICAEW member. At least once a year, the firm should conduct a clients' money compliance review. See the Clients' Money Regulations , regulation 27 for further details.
S109	Amount of unclaimed clients' money paid to registered charities in the last 12 months	The Clients' Money Regulations were amended with effect from 1 May 2010. If a client account cannot be attributed to a specific client, or if a client cannot be traced for at least five years, any money held may now be paid to a registered charity. If the amount paid to charity is more than £10,000, the registered charity must provide an indemnity against any claim subsequently made by the client for the money. See the Clients' Money Regulations , regulations 32 and 33 for further details.
S109a	Estimated total of insolvency estate monies received in the period under review for non-UK insolvency appointments	Include money held by the firm in respect of non-UK insolvency appointments, this could include, for example, insolvencies in the Isle of Man, Cayman Islands, and will include unregulated insolvency work.

SI10 - SI12	Managing or operating payrolls for clients	<p>'Payrolls' means all payrolls that you manage for clients and not just where clients' money is held.</p> <p>For SI12 the figure you provide should be the total number of payrolls you manage or operate with 20+ employees.</p> <p>You should consider subsidiary payrolls individually.</p>
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Other information

Ref	Question	Guidance
OI01	Has any principal or employee acted as a trustee or executor and discharged that duty, in whole or in part, through the firm?	Answer 'Yes' if a principal or employee acts as a trustee for a trust or as an executor, and discharges their services through the firm. Using the firm's letterhead, keeping files at the firm's office and signing work in the firm's name are factors indicating that services are being discharged through the firm.
OI04	Is the practice (or any principal) the subject of an individual voluntary arrangement (IVA), a trust deed in Scotland or Ireland in favour of their creditors, a partnership voluntary arrangement (PVA), or a corporate voluntary arrangement (CVA)?	IVAs, PVAs and CVAs are arrangements made with creditors under the Insolvency Act 1986 as amended. Under the Disciplinary Bye-laws, members must notify ICAEW of any IVAs, PVAs or CVAs in which they are involved or similar arrangements with creditors, such as trust deeds in Scotland or Ireland. If firms have questions on this, they should contact Advisory Services on +44 (0)1908 248 250, or email informationcentre@icaew.com

Money Laundering Regulations 2017

Ref	Question	Guidance
AM01	Is ICAEW your anti-money laundering supervisory authority?	Answer 'Yes', if your firm is a member firm as set out in the Principal Bye-laws (see question FI01) or you have a Practice Assurance contract with ICAEW. The exception will be if you are a member firm in Jersey, Guernsey or Isle of Man, where ICAEW won't be your supervisory authority.

AM03	Who is the firm's anti-money laundering supervisory authority?	Even if you confirmed ICAEW is your money laundering supervisory authority at question AM01, you need to repeat the confirmation here. We ask this question as some firms have more than one supervisor.
AML01 - AML14		These questions are designed to assess your compliance with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR17). You can find more information and guidance here .
AML6a	Has the firm performed a firm-wide risk assessment to identify and assess the risk that it could be used for money laundering, including terrorist financing?	Under MLR17 (regulation 18), you are now required to perform, and document, an assessment of the risk that your firm may be used to conceal or launder the proceeds of a crime. Your assessment should take into account factors such as your customer base, the countries and geographies in which the firm operates, and the products and services you offer (eg, clients' money accounts or incomplete records engagements). You should also consider the circumstances where there might be high risk of money laundering or terrorist financing published by ICAEW . Once you have identified the risks, and concluded the risk rating, you must identify the procedures you will put in place, and the actions you will take, to mitigate those risks. You can find further guidance on how to perform a firm-wide AML risk assessment on the ICAEW website .
AML07 a-e	Providing trust and company services	We are interested in knowing whether the firm provides any of the trust and company services either directly to clients, or uses a nominee company to act as a director, secretary, partner, trustee, or nominee shareholder for its clients. The nominee company will be a separate legal entity to the main firm and may be dormant (ie, does not bill for its services) but its name will appear in the financial statements or be registered at Companies House as a director, secretary, partner, trustee or nominee shareholder.
AML07 a-e	HMRC's trust register	Under Regulation 54 of MLR17, HMRC must maintain a register of all relevant persons who are trust or company service providers (TCSPs) that are not already registered with FCA. Firms that are not on the register are not permitted, under the MLR17, to provide TCSP work. If you perform TCSP work when not on the register, you may be subject to disciplinary action. In order to maintain the register, HMRC has requested ICAEW (along with the other professional body supervisors) notifies them of all the firms we supervise that perform TCSP work (including firms where the TCSP work is incidental to the accountancy services.). We will have to send HMRC the name and address of each firm and confirm

		<p>they are 'fit and proper'.</p> <p>If you tell us that you have performed TCSP work in the last 12 months (ie, by answering 'yes' to any of questions AML07a to AML07e), we will include your firm on HMRC's TCSP register.</p> <p>You do not need to take any further action.</p> <p>If you answered 'no' to all of the Annual Return questions AML07a to AML07e but you want to be included on HMRC's TCSP register, please email AMLR@icaew.com with your firm name and firm number and we will add you.</p> <p>Please note ICAEW is your supervisor and you don't need to separately register with HMRC. We will pass your details to HMRC as they must maintain a register of all TCSPs.</p>
AML07d	'other'	<p>This question requires a response so please enter N/A if you don't do any 'other' TCSP work.</p>
AML15	How many clients do you have in the following categories:	<p>Under MLR17 (regulation 17), we must assess the risk that the firms we supervise may be used for money laundering or terrorist financing, or that the firms we supervise will fail to identify the risks within its own business. We are also required to record a risk profile for each firm.</p> <p>This question collects information on your firm that will help us to perform this assessment.</p> <p>Under MLR17 (regulation 18), you must perform a firm-wide AML risk assessment. You need to, from a whole-firm perspective, assess the services you provide and the types of client that you might provide them to, to understand how criminals may use you to conceal the proceeds of a crime or use your services to create an arrangement that may facilitate money laundering.</p> <p>Use the ranges provided to give your best estimate of the number of clients you have in each category.</p> <p>We will not regard an inaccuracy in the estimated range of clients as a matter for disciplinary action if they were reasonably based on information available at the time.</p> <p>Domestic and foreign PEPs</p> <p>Under MLR17 (regulation 35), a politically exposed person (PEP) means an individual who is entrusted with prominent public functions, other than as a middle-ranking or more junior official. A list of prominent functions is given in regulation 35 (14) of MLR17. In MLR17, the definition of PEP includes both foreign and domestic PEPs.</p>

The international standards issued by the Financial Action Taskforce (FATF) recognise that a PEP may be in a position to abuse their public office for private gain and a PEP may use the financial system to launder the proceeds of this abuse of office. The risk associated with domestic and foreign PEPs may be different and so we ask you to use the ranges provided to give your best estimate of the number of clients you have in each category.

Use the ranges provided to give your best estimate of the number of clients you have in this category.

We will not regard an inaccuracy in the estimated range of clients as a matter for disciplinary action if they were reasonably based on information available at the time.

High net worth individuals

Based on the information you currently hold on your personal tax clients, include all personal tax clients that have personal wealth greater than £20m and are considered 'wealthy individuals' by HMRC.

Use the ranges provided to give your best estimate of the number of clients you have in this category.

We will not regard an inaccuracy in the estimated range of clients as a matter for disciplinary action if they were reasonably based on information available at the time.

Connections to high risk countries

Include those clients that operate in high risk countries, as determined by your own firm-wide risk assessment and client due diligence.

ICAEW has written guidance on how to identify geographical risk and provided links to relevant reference material.

Use the ranges provided to give your best estimate of the number of clients you have in this category.

We will not regard an inaccuracy in the estimated range of clients as a matter for disciplinary action if they were reasonably based on information available at the time.

High risk business activities

Include those clients that have high risk business activities, as determined by your own firm-wide risk assessment and client due diligence.

ICAEW has written guidance on client activity risk.

Use the ranges provided to give your best estimate of the number of clients you have in this category.

We will not regard an inaccuracy in the estimated range of clients as a matter for disciplinary action if they were reasonably based on information available at the time.

AML16	How many clients does your firm have, in total?	<p>Under MLR17 (regulation 17), we must assess the risk that the firms we supervise may be used for money laundering or terrorist financing, or that the firms we supervise will fail to identify the risks within its own business. We are also required to record a risk profile for each firm.</p> <p>This question allows us to give context to the information you have provided in AML15.</p> <p>If you don't have actual figures, give your best estimate. We will not regard an inaccuracy in estimates as a matter for disciplinary action if they were reasonably based on information available at the time.</p>
AML17	If you have become suspicious, or you know that one of your clients is subject to sanctions, has the firm met its legal obligation to report relevant information to HM Treasury's Office of Financial Sanctions Implementation (OFSI)?	<p>Accountants are now legally required to report information if they know – or have reasonable cause to suspect – that a person or organisation they are dealing with is subject to sanctions.</p> <p>This applies where:</p> <ul style="list-style-type: none"> the business holds assets for a sanctioned person or organisation (which should be frozen under sanctions policy); or a breach, or suspected breach, of financial sanctions has occurred. <p>The information must be reported to the Treasury's Office of Financial Sanctions Implementation (OFSI) immediately. A failure to comply with these reporting requirements may result in a monetary penalty or criminal prosecution. OFSI has updated its Guide to Financial Sanctions to help individuals and businesses understand and comply with their sanctions reporting requirements.</p>

Audit voting rights

Ref	Question	Guidance
AVR01	Please give the aggregate % voting rights held by the principal(s)/shareholder(s) who are holders of an appropriate (audit) qualification, other registered auditors, EEA qualified auditors or EEA statutory auditors.	<p>Under Audit Regulation 2.03b, a majority of the voting rights in the firm must be held by a combination of the following:</p> <ul style="list-style-type: none"> individuals who have a UK appropriate (ie, audit) qualification; membership of ICAEW does not necessarily mean that a member has the appropriate (audit) qualification; please see chapter 4 of the Audit Regulations for more information on this matter; individuals who have an equivalent qualification from an EEA state (an EU member state, Iceland, Norway or Liechtenstein); firms which are themselves registered auditors; or firms which are registered in another EEA state to undertake audit work in that state. <p>This question asks for the total voting rights held by the above persons.</p>

Regulated audit clients

This section is designed to give us a profile of the number and types of audits carried out by the firm. The categories should be self-explanatory.

Please give details of the number of audit appointments held. For example, a group with three subsidiaries is four audits including the holding or parent company. However, if this approach presents difficulties, please count groups as '1' and state how you arrive at your response. Please exclude any entities taking advantage of audit exemptions. If a company below the audit threshold asks for an audit, this should be included in the annual return. Most company audits, including any audits that are not covered by questions in areas AC1 to AC18, probably fall into area AC20.

Firms that have audits of entities incorporated or constituted in the Republic of Ireland (ROI) (question AC01) are asked to provide the numbers of UK and ROI audits separately in each category. This detail has been requested by IAASA, the Competent Authority in ROI.

Ref	Question	Guidance
AC1a and AC1b	Public interest entities (PIEs) and other retained audits	These terms are defined beneath the relevant questions within the annual return. Please also refer to the Audit Quality Review section of the FRC website frc.org.uk . Firms should include any audits within FRC scope.

For the remaining categories of audit client (questions in areas AC2a to AC20), firms should only include audits of entities incorporated or constituted in the UK or Republic of Ireland.

Ref	Question	Guidance
AC2c	Companies quoted on any other recognised investment exchanges	There is a link to the HMRC website beneath this question within the annual return. This provides a list of recognised investment exchanges.
AC8	Entities authorised under legislation for investment, insurance or mortgage business, including incorporated appointed representatives of authorised entities	You should exclude any entities already included in questions in areas AC1 and AC2.
AC10	Friendly societies	You should exclude any friendly societies already included as Public Interest Entities in area AC1a.
AC18	Partnerships	You should include partnerships as defined by the Audit Regulations and Guidance : 'a partnership is ... where all the partners are companies or Scottish partnerships and, in the latter case, each partner in the partnership is a limited company.'

AC23	Amount of the largest total of fees (for all services) receivable from an audit client and its subsidiaries	If this total will regularly exceed 10% of total firm turnover, you should refer to section 4 of the FRC Ethical Standard (2016) or call ICAEW's Advisory Services team on +44 (0)1908 248 250.
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Audit appointments and cessations

Ref	Question	Guidance
AAC01	Has the firm taken on any Public Interest Entities or other audits retained by the FRC in the period covered by the return?	Please see the definitions below questions AC1a and AC1b. You can also view the scope of FRC inspections at frc.org.uk
AAC02	During the period covered by this return, have you informed the Financial Reporting Council (FRC) about the cessation of any audit appointments of Public Interest Entities or other audits retained by the FRC, and their subsidiaries?	The Companies Act 2006 and other regulations made under it require auditors, in specified circumstances, to inform ICAEW and the FRC if an audit appointment ceases. See also guidance to Audit Regulation 3.08. You'll find further information on the notification of change of auditor at frc.org.uk

Responsible individuals (RIs)

Ref	Question	Guidance
RIR01	How many responsible individuals (RIs) have signed audit reports in the period covered by this return?	The firm must apply to ICAEW to appoint new RIs. Such individuals are not eligible to sign audit reports until formal ICAEW approval of RI status has been received. The Audit Registration Committee (ARC) views signing of audit reports by non-RIs as a serious matter.

Audit procedures, compliance and training

Ref	Question	Guidance
APC01	Does the firm use a commercially	The firm's audit manual might consist of a commercially available audit manual with standard audit programmes and whole-firm

	available, updated audit manual?	procedures or an internally developed system. Both should be regularly updated by the originator.
APC02	Does the firm subscribe to an update service?	For accounts disclosure checking, you might refer to an up-to-date, commercially available checklist or a current standard technical reference.
APC14	Has the firm completed an ACR during the period covered by this return?	<p>An ACR is a review of a firm's audit procedures and methods to assess its compliance with the Audit Regulations and Guidance. The ACR consists of a whole-firm review and cold file reviews on individual audit files. The full requirements are detailed in Audit Regulation 3.20.</p> <p>The Audit Regulations require an ACR to be carried out at least annually. This is the case even if the firm has no audit clients although, in such cases, some of the requirements, such as cold file reviews, may not be relevant.</p> <p>Commercially available checklists are available or you may refer to standard 4, helpsheets PAS4/HS5 and PAS4/HS6 (available at icaew.com/helpsheets). The review can be carried out internally (subject to some restrictions), by an external training organisation or by another firm of registered auditors.</p>
APC24	Cold file reviews	Audit Regulation 3.20 requires annual cold file reviews. In addition, at least every three years, cold file reviews should be performed by someone not involved in the audit. Smaller firms may therefore need to engage an external reviewer at least every third year. Cold file reviews are still required in the intervening years but could be carried out in-house as long as they are effective. Many small firms find external reviews to be very helpful and therefore have them every year.

DPB (Investment Business)

Regulated investment business activities in the UK can only be undertaken by FCA authorised firms and include activities such as recommending the purchase of certain investments (eg, listed company shares, pensions).

Firms with a DPB (Investment Business) licence can carry out a range of investment business activities which are incidental to other professional services carried out for clients. These are known as exempt-regulated activities (ERAs).

The most common ERAs include advising on private company shares, commenting on specific advice given by an FCA authorised person or taking part in discussions with your client and an FCA authorised adviser. A full list can be found in Part 3, Schedule 2 of the **DPB (Investment Business) Handbook** (page 22 onwards). The handbook is available at icaew.com/dpb

Ref	Question	Guidance
DPB01	Has the firm recommended, arranged or undertaken any	All types of general and long-term insurance are regulated, with a few minor exceptions. The most common area where firms may get involved with regulated insurance is through fee protection insurance where the client is the insured party. Firms should refer

	work to do with insurance contracts other than introducing to insurance brokers or insurers? This includes offering fee protection under a regulated policy (ie, if the client has rights under the policy).	to the DPB (Investment Business) Handbook , Part 3, Schedule 6 or 9. This is available at icaew.com/dpb
DPB02	Please confirm that you have the minimum PII cover required for all claims relating to the activities in question DPB01	From 1 October 2018, for any service where you are advising or arranging insurance contracts, you must have an aggregate amount of PII of €1,850,000 and a per-claim amount of €1,250,000 or the equivalent amounts in sterling. The amounts until 1 October 2018 are €1,680,300 and €1,120,200 respectively. If your only activity in relation to insurance contracts is to make an introduction to an insurance broker, there's no need to arrange this insurance. For the PII requirements for insurance contracts, please see the notes to Part 2 of the DPB (Investment Business) Handbook .
DPB05	Has the firm provided regulated corporate finance services? See DPB Handbook , Part 3, Schedule 5.	Firms should refer to the DPB (Investment Business) Handbook
DPB06	Has the firm issued or approved financial promotions? See DPB Handbook , Part 4, Schedule 1.	Firms should refer to the DPB (Investment Business) Handbook
DPB09	If you carried out any DPB (Investment Business) licensed activity for any client(s) during the period of this return, was it incidental to the firm's other professional services for each client? See DPB	Firms should refer to the DPB (Investment Business) Handbook

	Handbook , Part 3, Regulation 3.08.	
DPB10	During the period covered by this return, did you carry out and record a DPB compliance review?	A DPB compliance review (DPBCR) is an annual review of a firm's procedures and methods to assess its compliance with the DPB (Investment Business) Handbook . There are commercially available checklists, or firms can use ICAEW's DPB annual compliance review checklist . The review can be carried out internally or by an external training organisation or firm. A DPBCR is a condition of a DPB (Investment Business) licence. This requirement is set out in Regulation 4.04 of the DPB (Investment Business) Handbook

Insolvency compliance review (ICR)

Ref	Question	Guidance
ICR11	What were the key issues in the most recent ICR?	<p>It is difficult to be definitive about what you need to disclose here. We expect you to tell us about:</p> <ul style="list-style-type: none"> • Any material issues identified by the ICR. • Any unauthorised fees or disbursements identified or any systemic breaches of SIP9. <p>If you use an external ICR provider, they may have advised you to disclose certain issues to us. If you are not sure what should be disclosed, you can send us a copy of the ICR itself.</p>

ICAEW Licensed Practice scheme

Ref	Question	Guidance
LPS01a – LPS03d	Licensed practitioner principals and employee licensed practitioners	Within a licensed practice, only those principals and employees who have been designated licensed practitioners in accordance with 5.03 and 5.04 of the ICAEW Licensed Practice Handbook can be responsible for ATOL Returns work and sign an annual accountant's report.
LPS04	Enter the number of ATOL reports signed by the firm, under the ICAEW Licensed Practice scheme	The ATOL Return work is defined as that required by ATOL Standard Term 3 of the Official Record Series 3.
LPS05	How many licensed practitioners have signed ATOL reports in the period covered by this return?	The firm must apply to ICAEW to appoint new licensed practitioners. Such individuals are not eligible to sign ATOL reports until they receive formal ICAEW approval of licensed practitioner status.
LPS07	Has the licensed practice reviewed, at least once a year, how	The annual compliance review consists of a whole-firm review and cold file reviews on individual files. The full requirements are detailed in 3.12 of the ICAEW Licensed Practice Handbook.

	effectively it is complying with the ICAEW Licensed Practice Handbook and taken action to deal with any issues found and communicated any changes in procedures to principals and employees on a prompt basis?	Commercially available checklists are available or you may refer to the ATOL whole-firm compliance review checklist .
LPS08	Did the review cover the licensed practice's obligations in relation to competence, professional indemnity insurance and continuing eligibility for a category of licensed work?	The annual compliance review is a review of a firm's audit procedures and methods to assess its compliance with the ICAEW Licensed Practice Handbook . It consists of two parts. The first part covers a licensed practice's obligations in relation to: <ul style="list-style-type: none"> a. competence; b. professional indemnity insurance; and c. continuing eligibility for a category of licensed work.
LPS09	Did the review involve checking that the work was completed in accordance with the licensed practice's procedures, by selecting and reviewing client files?	The second part of the review involves checking that the work was completed in accordance with the licensed practice's procedures. Client files should be selected and reviewed to make sure that the procedures had been followed.
LPS10	Has/will the licensed practice used/use an independent reviewer, at least once every three years, to perform a review of a sample of client files?	ICAEW Licensed Practice Handbook 5.07 requires that, at least once every three years, those performing the engagement, or the licensed practitioner responsible for a particular ATOL Return, are not involved in inspecting the engagement as part of the annual compliance review.
LPS11	Does the firm have sufficient PII to cover the liability cap in the Civil	ICAEW Licensed Practice Handbook 5.08 requires that, in addition to having PII in accordance with 2.04d (that the firm complies with the PII Regulations), it must also have sufficient PII to cover the liability cap in Guidance Note 10 – Annex 5.

	Aviation Authority's Guidance Note 10 – Annex 5?	Guidance Note 10 requires the ATOL Reporting Accountant to acknowledge a duty of care to CAA and the Air Travel Trust (ATT). CAA accepts that the liability of the ATOL Reporting Accountant for any breach of that duty of care will not be unlimited. CAA has agreed that the ATOL Reporting Accountant can cap its liability. Guidance Note 10 – Annex 4 sets out model engagement terms, which include a liability cap. Guidance Note 10 – Annex 5 provides guidance on the liability cap formula.
LPS12	Has the firm made arrangements so that all licensed practitioners, principals and employees doing licensed work are, and continue to be, competent to carry out the licensed work for which they are responsible or employed?	ICAEW Licensed Practice Handbook 5.09 requires that this should include any updates issued by CAA to the CAA/ATOL training package. The CAA webpage will be updated with information and guidance on the ARA scheme and will feature news, documents and revisions to guidance. CAA has also developed the CAA ATOL training package. CAA may, from time to time, update the CAA/ATOL training package.

Probate – ownership and control

Ref	Question	Guidance
PR01	Are all principals and shareholders in the firm (whether individuals or bodies corporate) individually authorised to conduct probate work?	If a firm is authorised under the Probate Regulations all principals and shareholders must be individually authorised to conduct probate work (see Probate Regulation 2.2).
PR02	If another body is a principal in your firm, are non-authorised persons entitled to exercise, or control the exercise of, less than 10% of voting rights in that other body?	If an authorised firm has a corporate principal, non-authorised persons may not exercise, or control the exercise of, 10% or more of the voting rights in that entity (see Probate Regulation 2.2). A “person” includes a body of persons (corporate or unincorporated).

PR04	Is at least one principal in the firm (other than a licensed firm) authorised to conduct probate work?	If a firm is licensed, at least one principal in the firm must be authorised to conduct probate work, other than a licensed entity (see Probate Regulation 2.3).
PR05 - PR06	Are all non-authorized persons (whether individuals or bodies corporate) who hold, together with their associates, a material interest in the firm or the firm's parent entity, individually approved in that capacity by ICAEW?	All non-authorized persons that hold, together with their associates, a material interest in a licensed firm, or the firm's parent entity, must be approved by ICAEW. Probate Regulations 6.2 and 6.3 specify what constitutes a 'material interest' and an 'associate'. A "person" includes a body of persons (corporate or unincorporated).
PR12a - PR12e	Authorised individuals – principals	An individual who conducts, or controls the conduct of, probate work must be approved in that capacity by ICAEW. If your firm wishes to add a new principal as an authorised individual you should email the Regulatory Support team at regulatorysupport@icaew.com
PR13a - PR13e	Non-authorized persons holding a material interest in a licensed firm	If a person holds, together with their associates, a material interest in a licensed firm (or the firm's parent entity) they must be approved in that capacity by ICAEW. Probate Regulations 6.2 and 6.3 specify what constitutes a 'material interest' and an 'associate'. If your firm wishes to add a new non-authorized person holding a material interest you should email the Regulatory Support team at regulatorysupport@icaew.com
PR14a - 14c	Authorised individuals – employees	An individual who conducts, or controls the conduct of, probate work must be approved in that capacity by ICAEW. If your firm wishes to add a new employee as an authorised individual you should email the Regulatory Support team at regulatorysupport@icaew.com
PR15	Does the firm have at least one office in England and Wales from which it conducts probate work (unless it is a company or limited liability partnership whose registered	It is a requirement of the Probate Regulations that accredited probate firms have at least one office in England and Wales from which they undertake probate work (unless the firm is a company or LLP which has a registered office in England and Wales).

	office is in England and Wales)?	
PR23 - PR28	Acting as executor – holding of estate monies or assets	Please provide the actual or estimated value of monies or assets held by the firm at any time during the period covered by the return. Assets can be reported generally as ‘property’, ‘shares’ or ‘other’.
PR29 - PR36	Assistance to an executor – holding estate monies and assets	Please provide the actual or estimated value of monies or assets held by the firm at any time during the period covered by the return. Assets can be reported generally as ‘property’, ‘shares’ or ‘other’.
PR37 - PR40	Compliance reviews – probate	Probate Regulation 3.11 requires firms that conduct a compliance review at least annually to assess compliance with the Probate Regulations and to complete returns to ICAEW. You can use our compliance review checklist .
PR41	During the period covered by this return, has the firm informed ICAEW within 10 business days of any change of circumstances affecting the firm or its eligibility to be accredited, as required by Probate Regulations 2.7-2.9?	Chapter 2 of the Probate Regulations sets out the continuing obligations which accredited probate firms must comply with.
PR45	Does the firm hold PII of at least £500,000 per claim for authorised work (ie, probate and estate administration) as required by the PII Regulations and Probate Regulation 2.10?	It is a requirement of both the PII and Probate Regulations for accredited probate firms to hold PII of at least £500,000 per claim for claims arising out of authorised work (ie, probate and estate administration).
PR46 - PR47	Probate complaints	Chapter 7 of the Probate Regulations sets out the requirements that accredited probate firms must comply with in relation to complaints.
PR48 - PR49	Probate – diversity monitoring	It is a requirement of the Probate Regulations for accredited probate firms to have in place arrangements for monitoring and publishing the diversity of its principals and employees. ICAEW has published guidance on this requirement for firms.

Using the annual return

Depending on your choice of browser (eg, Windows Explorer, Google Chrome, Firefox, Safari) it may take up to two minutes to download a PDF version of your completed annual return. The PDF may appear as a file to save or in a download tray or folder on screen.

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We will treat your personal information in accordance with data protection legislation. We will use your information to carry out our responsibilities as a regulator and as a professional body. We may, either as required by law or to carry out those responsibilities, share your personal information to comply with the requirements of government departments, agencies and regulators.

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Questions and feedback

If you have any questions, or any feedback on the design and content of the return or these notes, please contact us on +44 (0)1908 546 335 or email annualreturns@icaew.com

ICAEW's regulatory role is distinct from its representative role. Managed by our Professional Standards department, we protect the reputation of ICAEW, our members and the chartered accountancy profession. We ensure our students, members and firms act with integrity and are competent. Our role is to:

- authorise our members and firms to undertake work regulated by law: audit, local audit, investment business, insolvency work, and probate;
- monitor firms and insolvency practitioners to ensure they undertake work correctly and to the highest standards;
- investigate complaints and hold members and firms accountable where they fall short of standards;
- lobby and comment on proposed changes to the law and regulation affecting our stakeholders; and
- provide guidance, advice and award-winning training films to ensure our stakeholders comply with laws, regulations and professional standards.

There are over 1.8m chartered accountants and students around the world – talented, ethical and committed professionals who use their expertise to ensure we have a successful and sustainable future.

Over 180,000 of these are ICAEW Chartered Accountants and students. We train, develop and support each one of them so that they have the knowledge and values to help build local and global economies that are sustainable, accountable and fair.

We've been at the heart of the accountancy profession since we were founded in 1880 to ensure trust in business. We share our knowledge and insight with governments, regulators and business leaders worldwide as we believe accountancy is a force for positive economic change across the world.

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