

Estate Agents and RICS Regulations



What do you need to know about this manual?

The estate agents and RICS regulations guidance notes and programme have been developed to enable the reporting accountant to provide the report required under the Estate Agents (Accounts) Regulations 1981 (EAAR), The National Association of Estate Agents - Rules of Conduct (NAEA Rules) and the RICS Accountant's Report rules (as detailed in Part IV of Schedule 1 of the Rules of Conduct).

What does this manual include?

The manual consists of five main parts:

- Guidance notes that summarise the requirements of the Regulations and the problems they present. They include the requirements of EAAR, NAEA and Accountant's Report rules and guidance on the use of the work programmes.
- Example engagement letters for audit, audit exempt and unincorporated assignments.
- Sample reports for RICS, EAAR and NAEA assignments.
- Permanent file information such as systems documentation.
- A work programme that consists of a planning section, a completion section and five sections of suggested tests.

Normal procedures relating to controlling and recording the work should be applied. As these will not differ from those required on audits no separate guidance is provided.

Accounting, audit, tax and other services

This manual does not deal with the accounts preparation work etc. undertaken for the unincorporated estate agent / surveyor. This will not differ from the same services provided to other unincorporated businesses and normal procedures should be followed. At the planning stage the additional work required by this manual should be dovetailed with other planned work for maximum efficiency.

For the corporate estate agents / surveyor an audit in accordance with the requirements of Company Law and Audit Regulations must be undertaken. This work should follow the normal procedures and documentation adopted for company audits. This standard documentation will be supplemented by the specific procedures and documentation in this section of the manual. Planning will include ensuring the extra work required is undertaken along with the normal audit procedures as efficiently as possible.

What else do you need?

Reporting accountants will need a copy of the following for chartered surveyor clients:

- RICS – Rules of Conduct. (Particularly Schedule 1 to these rules).
- Guidelines to the Rules of Conduct.
- National Association of Estate Agents - Rules of Conduct

For clients undertaking estate agency work a copy of the following will be needed:

- Estate Agents Act 1979 (EAA)
- Estate Agents (Accounts) Regulations 1981 (EAAR)

The requirements of these regulations are similar but not the same. In addition many chartered surveyors will undertake estate agency work and many businesses undertaking estate agency work will be chartered surveyors.

Due to the above this manual deals with estate agents and chartered surveyors within the same section. The reporting accountants must decide whether the client must comply with only one set of regulations (and if so which one) or both sets.

Training

Whilst no training is needed in order to use the manual, we run a number of complementary specialist courses throughout the year. For details of these specialist courses please contact Michelle Hammond on 0116 258 1200 or visit our website www.mercia-group.co.uk

Costs

The manual costs £195 (£145*).

You can enjoy peace of mind by subscribing to our updating service, which provides you with the assurance that your manual will be updated as needed on a timely basis. The annual update fee is £50 (£45*) per specialist assignment manual and will be invoiced on 1 July each year to cover all updates issued in the subsequent twelve months. New subscribers to SAM will receive all updates between the date of purchase and the next 1 July free of charge. The fee will entitle you to all routine updating, if however, a major rewrite is required due to a substantial change in legislation you may be notified of an additional fee.

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