



# **The Code of Conduct**

**for  
The Institute of Surveyors  
(Saint Lucia) Inc.**



## **THE CODE OF CONDUCT (DRAFT) FOR THE INSTITUTE OF SURVEYORS (ST. LUCIA) INC.**

The Institute of Surveyors (Saint Lucia) Inc., rules of conduct provide a framework within which Members offer and deliver their services. They are designed to represent a transparent system of conduct and regulation and apply to all members. The same will form a platform for members to fulfil their duty to the Public, the Surveying professions and their fellow members. The Rules of Conduct shall not be construed as a denial of the existence of the other duties and rights equally imperative though not specifically mentioned.

Every Member shall conduct himself at all times in accordance with the provisions of the Rules of Conduct and Schedules in so far as the Rules do not conflict with the laws of Saint Lucia.

Members are bound by its provisions and the Bye Laws of the Institute.

The Institute of Surveyors (St. Lucia) Inc. is a registered non-profit company in St. Lucia. It was registered in the Registry of Companies of St. Lucia on the sixth day of September 2003.

## Summary of Rules

Members of ISSL Inc. shall:

- Hold paramount their obligation towards humanity and the environment and devote themselves to high ideals of personal honour and professional integrity.
- Extend and enhance public knowledge and regard for the Surveying professions by expressing opinions that are founded on technical competence, adequate knowledge and honest conviction;
- Undertake only such works as they are competent to perform by virtue of their training and experience and when advisable, retain and cooperate with other members or firms to ensure the highest standard of service;
- Accept responsibility by signing and sealing only work done by themselves or under their personal and direct supervision;
- Maintain confidentiality and avoid a conflict of interest, but where such conflict arises, fully disclose the circumstances without delay to employer/client;
- Not accept an engagement to review the work of another member for the same client, except with the knowledge of that member;
- Support and defend the principle of appropriate remuneration for the performance of their work;
- Advertise or promote in a manner that is not injurious to the public or to the dignity of the Surveying professions and report or expose without fear or favour any illegal or unethical professional decisions or practices of by other members;
- Maintain proficiency and competence and contribute to the development of the profession through the exchange of knowledge and experience;
- Uphold the name and title of the Institute and protect the Institute from misrepresentation and misunderstanding.

## PART I

### INTERPRETATION

1. In these Rules unless the context otherwise requires:

“**client**” includes a Member’s employer;

“**carrying on practice**” and “**practise**” means acting to provide a service(s) within the range of Surveying operations and activities recognized by the Institute;

“**disclose**” means a full declaration made promptly and made or confirmed in writing at the first opportunity;

“**firm**”, means a sole principal, a partnership, a company whether incorporated with limited or unlimited liability and any other body corporate in each case whether or not offering surveying services;

“**Board**” means the executive or any constitutional body under Bye-Laws of the Institute;

“**Institute**” means the Institute of Surveyors (St Lucia) Inc.;

“**Member**” means a member of the Institute;

a “**Member’s firm**” is the firm or organisation for which the Member works or through which he practises;

“**partner**” includes a member of a partnership;

“**partnership**” includes a limited liability partnership;

“**Practice Statement**” means a statement approved by or on behalf of the Board which sets out standards and/or other guidelines relating to professional conduct or practice;

“**professional**” includes “**technical**”; and “the public” includes professional, corporate, institutional and all other clients.

2. In these Rules, a person who is not a partner or a statutory director of a firm shall nonetheless be treated as a partner or a director if:

(a) he is employed by the firm and his job title includes the word “**partner**” or “**director**”; or

(b) he performs the functions of a partner or statutory director in relation to the firm.

3. In these Rules, unless the context otherwise requires:

(a) words denoting the masculine gender include the feminine; and

(b) words in the singular include the plural and words in the plural include the singular.

## **Part I - General Rules of Conduct**

### **1. Service of documents**

1. Any notice or other document required by or for the purposes of these Rules to be given or sent to a Member may be given to him personally or sent to him by post to his last address recorded by the Institute.

2. To be valid a notice or other document sent by post shall be properly addressed and pre-paid.

### **2. Conduct befitting membership of the Institute**

1. Members shall at all times conduct themselves in accordance with the core values, which means that they are expected to:

- (a) act with integrity;
- (b) always be honest;
- (c) be open and transparent in their dealings;
- (d) be accountable for all their actions;
- (e) know and act within their limitations;
- (f) be objective at all times;
- (g) treat others with respect;
- (h) set a good example; and
- (i) have the courage to make a stand.

2. In addition, in the course of carrying out any work, the Member or any person acting on his behalf or at his instruction or inducement shall not act in a manner which compromises or impairs, or is likely to compromise or impair, any of the following:

- (a) the integrity of the Member;
- (b) the reputation of the Institute, the surveying profession or other Members;
- (c) the high standards of professional conduct expected of a Member;
- (d) compliance with any code, standard or Practice Statement of the Institute or any statute in force at the time;
- (e) the Member's duty to act in the legitimate interest of his client or employer subject to legal or similar constraints;
- (f) a person's freedom to instruct a Member of his choice.

### **3. Standard of service**

A Member shall in the performance of his professional work, the conduct of his practice and the duties of his employment provide the standard of service and competence which is legally expected and also which the Institute can reasonably expect.

## **Part II - Personal and professional standards**

### **4. Advertising**

A Member shall take all reasonable steps to ensure that:

- (a) any publicity, method of advertising or marketing activity for which he is responsible is not inaccurate, misleading or likely to cause public offence or annoyance;
- (b) any reference to the Institute, and the use of any logo or design belonging to it, shall be strictly in accordance with the guidelines for the use of that material;
- (c) use of any such logo or design does not adversely affect the standing of the Institute or its membership;
- (d) the authoritative standards for advertising applicable in the particular country are followed.

### **5. References to the Institute**

A Member shall not:

- (a) claim to or impliedly represent the views of the Institute without the Institute's authorisation; or
- (b) publicise the Institute or its Members generally, contrary to material already published by the Institute or which has received its approval.

### **6. Status and designations**

A Member shall ensure that any published or public list of partners, directors or staff of a Member's firm or any other organisation where that Member is listed does not:

- (a) misrepresent the status of any person named; and
- (b) include any designation or designatory initials whether for the firm or any individual to which that firm (or any other firm where that Member is listed) or individual is not entitled.

## **Part III - Conduct of professional activities and business**

### **7. Notification of terms of engagement**

1. Except where the client is the Member's employer, a Member shall provide notification to his client or prospective client of the terms on which he is to act, and shall inform his client of such terms in writing upon request.

2. The terms referred to in paragraph (1) shall include provisions relating to:

- (a) the Member's or his firm's charges;
- (b) the payment of expenses; and
- (c) the manner in which expenses and disbursements are to be calculated.

3. Where the terms on which a Member is to act are varied, the Member shall provide written notification of the variation to his client.

4. Subject to the provisions of any Practice Statement where the terms on which the Member is to act have previously been provided to a client, the Member shall confirm that these terms continue to apply unless otherwise agreed with the client.

5. Notifications under paragraphs (1) and (3) and confirmations under paragraph (4) shall be sent promptly.

### **8. Confidentiality**

1. Except with the client's consent or if paragraph (2) applies a Member shall keep confidential:

- a) the advice he has given to his client; and
- b) information concerning his client's affairs.

2. A Member may disclose advice or information in accordance with any enactment, order of a court or in the course of giving evidence as an expert witness or under oath.

3. In this Rule "client" includes a past client and a prospective client.

### **9. Timeliness in handling clients' affairs**

A Member shall:

- (a) act with due diligence on behalf of his clients or his firm's clients; and
- (b) reply promptly to correspondence in so far as the correspondents may reasonably expect to be entitled to such replies.

## **10. Complaints handling procedure**

1. The Board may make Rules on the minimum requirements for complaints handling procedures applicable to Members, but absence of such Rules does not absolve Members from their obligations.

2 This Rule applies to a Member who is a sole principal, partner or director of a firm and who is offering surveying services to the public (other than only to his employer).

3. A Member shall ensure that his firm has and operates a formal procedure for dealing with complaints from a client and from any person, other than an employer, to whom, in the opinion of the Institute, a duty of care is owed.

4. Except where a statutory scheme is being operated, the procedure for dealing with complaints shall, as a minimum:

- (a) state the name of the person with whom initial contact can be made;
- (b) include a timescale both for the timely acknowledgement of the complaint and the timescale within which the outcome of the investigation will be completed;
- (c) include reference to:
  - (i) a right of the complainant to a separate review by an appropriately qualified person;
  - (ii) mediation, where both parties agree; and
  - (iii) a right of the complainant, where the complainant remains dissatisfied with the result of the internal investigation or where the separate review or mediation has proved unsuccessful, to have his complaint referred to an independent third party decision.

5. The procedure for dealing with complaints shall be in writing and shall be made available to the client and to any member of the public on request.

6. If a Member is being required to provide particulars in respect to paragraph (3) and (4), he shall do so within 28 days of this being required.

7. Where a statutory scheme is being operated, the parties may opt to refer the complaint for resolution under the Institute's complaint procedure prior to making a submission in accordance with the statutory scheme.

## **11. Practice through the medium of a company or a partnership**

1. Every Member who is a director of a company or a member of a partnership which is offering surveying services to the public shall ensure that a clause is included in:

- (a) the Memorandum of Association or equivalent constitutional document of that company or limited liability partnership in such a manner as to qualify the powers of the company or limited liability partnership to offer surveying services, to the effect that:

“To the extent that there is no conflict with applicable law, any business of surveying for the time being carried on by the company or partnership shall at all times be conducted in accordance with the Bye-Laws, Conduct Regulations of Institute of Surveyors (St Lucia) Inc., and Practice Statements made under the Institute’s Bye-Laws.”

- (b) the Articles of Association or equivalent constitutional document of that company or limited liability partnership, to the effect that:

“It shall be the duty of the directors of the company or the members of the limited liability partnership to ensure that any business of surveying for the time being carried on by the company or partnership shall at all times be conducted in accordance with the Bye-Laws, Conduct Regulations of the ISSL and Practice Statements made under the Institute’s Bye-Laws.”

2. If the obligation laid down in paragraph (1) conflicts with the laws of the jurisdiction in which the Member’s company is incorporated or with the rules of a relevant professional society in that jurisdiction to which the Member or his firm belongs, the laws of Saint Lucia and the rules of the Institute shall take precedence.

3. Notwithstanding the inclusion of the clauses set out in paragraph [1], where the personal liability for practice is established under statute a Member will continue to be so liable.

## **12. Particulars of practice**

1. A Member shall within 28 days of being required to do so provide to the Institute such particulars in such form as the Board requires:

- (a) of his firm if he is carrying on professional practice as a sole principal, partner or director of the firm; or
- (b) of his employment if he is employed under a contract of service or a contract for services.

2. Where a Member has so provided particulars and any change occurs in the circumstances notified in those particulars, he shall provide full particulars of the change to the Institute no later than 28 days after such change has come into effect.

3. Within 28 days of being required in writing by the Institute to do so, a Member shall supply to the Institute a certificate signed by him providing such information as the Institute has required as to whether he undertakes and/or accepts responsibility for work to which any Practice Statement applies and about the nature, purpose and extent of such work and for whom it is undertaken.

### **13. Co-operation**

1. A Member shall co-operate with staff and any appointees of the Institute who:

- (a) are investigating a complaint or allegation made against a Member or a Member's firm; or
- (b) have sent to the Member a written enquiry relating to a Member's:
  - (i) compliance with the Bye-Laws, any Rules or undertaking which may have been given to the Institute, or
  - (ii) conviction of an offence referred to in the Bye-Laws; or
- (c) are undertaking a visit of inspection and shall provide full and prompt responses to their enquiries.

2 In order to establish whether a Member has complied with any Practice Statement the Board or its appointee may require a Member at a time and place agreed or notified by the Board or its appointee:

- (a) to produce for inspection by a person appointed by the Institute his relevant records;
- (b) to supply reproductions of any such materials as the appointed person may require, (which information shall be used solely for the purposes of the administration of the Institute's Conduct and Disciplinary Regulations); and
- (c) to supply to such person any necessary information or explanation.

3. The appointed person shall supply to the Member a written confirmation that any information obtained in the course of a compliance inspection shall be used solely for the purposes of the administration of the Institute's Conduct and Disciplinary Regulations.

## **Part IV Conflicts of interest, impartiality and independence**

### **Interpretation**

In this part of these Rules, unless the context otherwise requires:

- (a) a person is an associate of the Member if such a person is:
  - (i) any person or firm so associated with, dependent on or controlled by, the Member such that his or its interest may conflict with that of the client or be reasonably liable to be seen by the client as liable to interfere with the Member's independent professional judgement;
  - (ii) a member or employee of an organisation in which the Member holds public office.
- (b) **“client”** includes a past client and a prospective client;
- (c) **“conflict”** means a conflict of interest, which includes any circumstance or potential circumstance:
  - (i) where the Member's interest is or could be in conflict with that of his client; or
  - (ii) where two or more clients' interests conflict or may conflict; or
  - (iii) which is reasonably liable to be seen as interfering with the Member's objective judgement.

### **Group arrangement**

It is not a conflict where the Member's firm is part of a group of firms and one firm in the group acts for one client and another acts for another client with conflicting interests, provided that:

- (a) the firms are separate legal entities;
- (b) there are no directors, partners or employees in common between the firms;
- (c) there is no direct or indirect fee sharing between the firms; and
- (d) there is no access to information or common internal data sharing arrangements relating to the area of conflict.

### **Conflict of interest and confidentiality**

1. Without prejudice to any other situation where a conflict may arise, a conflict arises where a Member, the Member's firm or associate is in possession of confidential information concerning a past or existing client which may be of relevance to the interest of a new or prospective client or to another existing client.

2. Where a Member, the Member's firm or associate is in possession of confidential information concerning a client, he may not use that information against the interest of that client, except where Rule 8 (2) applies.

### **Conflict between a Member's interest and a client's interest**

Where a conflict arises or may arise between a Member's interests or those of any associate of his and the interests of his client, a Member shall consider whether or not he or his firm is prepared to act or continue to act for that client and, if he decides to act or continue to act, he shall:

- (a) disclose to the client at the earliest opportunity the possibility and nature of the conflict, the circumstances surrounding it and any other relevant facts;
- (b) advise him in writing to seek independent advice on the conflict; and
- (c) inform the client in writing either that he and his firm are not prepared to continue to act for the client in this capacity or that he personally or his firm cannot act or continue to act for him unless thereafter:
  - (i) the client requests him to do so unconditionally; or
  - (ii) subject to specified conditions that the Member has put in place arrangements for handling the conflict which the client has approved in writing as acceptable to him.

### **Conflict between the interests of clients**

Where a conflict arises or may arise between the interests of two or more clients of a firm, a Member shall consider whether or not he or his firm is prepared to act or continue to act for any or all of those clients and, if he decides to act or continue to act, he shall:

- (a) disclose to each client the possibility and nature of the conflict, the circumstances surrounding it and any other relevant facts;
- (b) advise them in writing to seek independent advice on the conflict; and
- (c) inform each client in writing that neither he personally nor his firm can act or continue to act for him unless thereafter either:
  - (i) the clients request him to do so unconditionally; or
  - (ii) subject to specified conditions that the Member has put in place arrangements for handling the conflict which the clients have approved in writing as acceptable to them.

### **Public office holders**

Where a Member holds public office which might lead to a conflict with the interest of any client of the Member, the Member shall disclose the scope of:

- (a) the appointment to his client; and
- (b) the client relationship known to the Member to the public body to which he has been appointed.

## **Transparency of fees and benefits**

A Member shall disclose to his client the nature and, where known, the basis or amount of any fee, commission or other benefit (other than that agreed with his client) that he stands to gain as a result of his appointment by the client.

1. A Member who is instructed by a client to negotiate with a third party shall not:

- (a) stipulate that he be retained by that third party in any capacity; or
- (b) recommend a transaction or course of action concerning land, property or construction or give preference to the third party solely or partly in expectation either of the procurement of future fees or other financial gain whether directly or indirectly for himself or his firm, unless:
  - (i) he has his client's consent in writing to do so, and
  - (ii) he has advised the third party promptly and in writing to obtain independent professional advice.

2. Where a Member is to be or has been appointed to act for a client in a contract in which he owes a duty of good faith to a third party, he must notify that third party promptly and in writing of any interest which he has as a result of his appointment other than his normal fee or commission.

3. A Member may pay a fee or commission or give a gift or a favour to a third party in recognition of the introduction of a client provided that he promptly discloses to the client the amount or nature of the fee, commission, gift or favour and the identity of the third party.

4. For the purposes of paragraph (3), a “**favour**” includes the provision of business.

## **RULES**

### **Obligation to keep client accounts**

1. A Member who receives or holds money belonging to or held in trust for others, and over which the Member has exclusive control, shall keep it separate from his own, his firm's or his company's money and it shall be clearly identifiable.

2. A Member shall ensure that money which belongs to a client is available on demand to that person, except where the client has given written instructions otherwise.

## **Obligation to keep accurate records**

A Member shall at all times keep properly written records as are necessary:

- (a) to show his dealings with:
  - (i) all money, belonging to or held in trust for others, received, held and paid by him; and
  - (ii) any other money dealt with through any or each separate account; and
- (b) to show separately the money of each person whose money is received, held or paid by him on account; and
- (c) to enable the current balance held on behalf of each person to be identified.

## **Part I - Continuing Professional Development**

### **Interpretation**

1 In this part of these Rules, unless the context otherwise requires:

**“Continuing Professional Development”** (CPD) means the systematic maintenance, improvement and broadening of professional knowledge, understanding and skill and the development of professional and technical duties throughout the practitioner’s working life;

**“qualifying activity”** means the study of:

- (a) some part of the theory and practice of surveying as defined in the Bye Laws
- (b) other professional and/or technical surveying topics related to a Member’s current or potential occupations;
- (c) topics relating to the acquisition of personal, business management or consultancy skills; and/or
- (d) such other topics as may be advised or promoted as qualifying by the Institute from time to time, intended to increase a Member’s management or business efficiency and effectiveness, by one or more of the following means:
  - (i) attendance at conferences, workshops, seminars and courses and technical meetings having some formalised structure including, for example, objectives, an introductory paper or speech, video or audio cassette presentations or computer or other similar facilities and, in the case of technical meetings, there must be a competent person in charge of the proceedings and the subject must be announced in advance;

- (ii) undertaking a programme, which may include participation in distance, multi or flexible learning opportunities, or other supervised study involving a programme of reading or recorded lectures, on completion of which programme a qualification may be awarded;
- (iii) attendance at meetings, working groups and panels requiring a significant contribution from Members and based upon a paper, audio, television programmes or other presentations;
- (iv) job development and experience based learning, including through project secondments and placements, temporary job changes, exchanges and development of subordinates and trainees;
- (v) preparation for publication of technical work, research and the preparation and first delivery of presentations to colleagues and other professionals;

2. In paragraph (1), regular reading of professional journals does not normally count as “private study” although study of articles in professional journals relevant to the Member’s structured programme of study is eligible.

3. In this part of these Rules a “year” means a calendar year and “years” shall be construed accordingly.

## **Application**

This part of these Rules applies to a Member who is a Fellow, a Professional Member or a Technical Member except when the annual subscription of such a Member is subject to a concession) of the Subscriptions, Entrance Fees and Contributions Regulations.

## **Obligation to undertake lifelong learning**

1. A Member shall complete a minimum of 60 hours CPD comprising qualifying activity in every period of three consecutive years a minimum of 10 hours CPD shall be carried out in every year. CPD shall be computed as follows:

- (a) the maximum time attributable to any qualifying activity shall be the duration from the opening to the close of any formal event calculated to the nearest half hour or from the commencement to the completion of other informal activities;
- (b) when a Member attends for only part of a qualifying activity, only the time attended shall be counted; and
- (c) time spent in administering a qualifying activity shall not be treated as CPD.

## **CPD records**

1. A Member shall:

- (a) record no less frequently than every 12 complete calendar months his learning objectives, the date on which they were last recorded, updated or reconfirmed, and the manner(s) in which he intends to meet those objectives. these objectives shall include business management knowledge, skills and/or understanding;
- (b) keep a written record of his participation in qualifying activities in such form as is prescribed from time to time by the Governing Council which shall include dates, subject-matters, speakers, total time computed in accordance with these Rules and, from 1 January 2004, brief evaluations of the effectiveness that his participation in such qualifying activity has had to recorded learning activities ; and c) send to the Institute within 28 days of being required by the Institute so to do a copy of his records under sub-paragraphs (a) and (b) of this paragraph in such form as the Governing Council shall, from time to time, prescribe, which in the case of Members admitted as such on or after 1 January 2004 shall be by use of ISSL on-line or other electronic recording system as the Institute may specify.

2. The record referred to in paragraph (1) of this Rule shall be kept for a period of three years after the qualifying activity has been undertaken.

3. A Member shall:

- (a) submit to the Institute within three months of the start of the first year in which the full subscription becomes payable or such longer period as the Chief Executive may allow, a three year CPD plan which provides that at least 50 per cent of the CPD obligation is met by qualifying activity which is relevant to the Member's area of professional or technical work; and
- (b) update that plan by 31 March annually in respect of each of the succeeding two years and send it to the Institute.

## **Waiver of CPD requirement**

The Board may waive or modify in writing, with or without any conditions, any of the provisions of this part of these Rules in response to an application from a Member based on the grounds of redundancy, ill health, pregnancy or any exceptional reason.

## **Part II - Complaints handling procedure**

1. This Rule applies to a Member who is a sole principal, partner or director of a firm and who is offering surveying services to the public (other than only to his employer).

2. A Member shall ensure that his firm has and operates a formal procedure for dealing with complaints from a client and from any person, other than an employer, to whom, in the opinion of the Institute, a duty of care is owed.

3. Except where a statutory scheme is being operated, the procedure for dealing with complaints shall, as a minimum:

- (a) state the name of the person with whom initial contact can be made;
- (b) include a timescale both for the timely acknowledgement of the complaint and the timescale within which the outcome of the investigation will be completed;
- (c) include reference to:
  - (i) a right of the complainant to a separate review by an appropriately qualified person;
  - (ii) mediation, where both parties agree, in accordance with the model mediation procedure developed by the Eastern Caribbean Supreme Court; and
  - (iii) a right of the complainant, where the complainant remains dissatisfied with the result of the internal investigation or where the separate review or mediation has proved unsuccessful, to have his complaint referred to Arbitration or to another scheme approved by the Institute.

4. The procedure for dealing with complaints shall be in writing and shall be made available to the client and to any member of the public on request.

5. Where paragraph 3(c)(iii) applies and a complaint has remained unresolved the Member shall ask the complainant in writing whether he wishes the complaint to be referred to the Surveyors Arbitration Scheme or to another scheme approved by the Institute.

6. If a Member is being required to provide particulars in respect to paragraph (2) and (3), he shall do so within 28 days of this being required.

7. A Member shall, in case of referral to Arbitration comply with the Arbitration Rules.

## **Interpretation**

In this part of this Schedule, unless the context otherwise requires: “accounts”, “books” and “ledgers” include loose-leaf books and such cards or other permanent documents or records as are necessary for the operation of any system of book keeping, whether handwritten, mechanical, computer-operated or otherwise;

“**auctioneer**” means an auctioneer of chattels (including deadstock and livestock);

“**bank**” means a financial Institute which has permission to accept deposits under the Banking Act;

“**client**” includes past, present and prospective clients and means:

- (a) any person or body for whom the Member or his firm is acting in any capacity;
- (b) any other person or body on whose behalf the Member holds or receives clients’ money;

“**client account**” means a current or deposit account at a bank into which clients’ money is paid;

“**clients’ money**” means any money received or held by a Member or his firm which does not belong solely to him, his firm or a connected person and over which there is exclusive control;

“**connected person**” means in relation to a Member, a partner or director of his firm;

“**discrete client account**” means a client account into which clients’ money is paid which belongs exclusively to one client;

“**exclusive control**” means that control of clients’ money is restricted to a Member, a connected person and an employee of his firm;

## **Part III Members’ accounts**

“**firm**” includes a sole principal, a partnership, a partnership, or a company incorporated with limited or unlimited liability offering surveying services; and “partner” includes a member of a partnership.

## **Application**

This part of this Schedule applies to a Member who is practising as a surveyor or is held out to the public to be practising and who is:

- (a) a sole principal of; or
- (b) a partner in; or
- (c) a director of a firm offering surveying services.

Members shall apply this part of the Schedule to any new accounting period that commences after 1st January, 2006.

4. A Member shall, promptly and in writing, inform a client whose money is held in a client account of:

- (a) the name of the account;
- (b) the address of the bank or building society where the account is maintained; and
- (c) whether or not the account is an interest bearing account.

5. A Member shall ensure that money in a client account which is attributable to a particular client is available on demand to that client except where the client has given written instructions that his money may be held in an account to which there is no instant access.

6. Interest credited to client bank accounts should be paid to relevant clients, except where there is written agreement from the client for the interest to be retained by the practice.

### **Client account conditions**

Before a Member or his firm opens a client account the Member shall ensure that the bank where the account is to be opened has agreed in writing that the following conditions shall apply to that account:

- (a) all money standing to the credit of that account is clients' money;
- (b) the bank or building society is not entitled to combine the account with any other account or to exercise any right to set-off or counter claim against money in that account in respect of any sum owed to it on any other account of the Member or his firm;
- (c) any interest payable in respect of monies held in the account shall be credited to that account;
- (d) any charges or interest levied in respect of the account shall not be debited to it;

### **Accounting records**

1. A Member shall at all times keep properly written up accounts as are necessary:

- (a) to show his dealings with:
  - (i) all clients' money received, held or paid by him; and
  - (ii) any other money dealt with through a client account; and
- (b) to show separately in respect of each client all clients' money which is received, held or paid by him on account of such client; and
- (c) to enable the current balance of all clients' money held on behalf of each client to be shown.

2. All dealings referred to in paragraph (1)(a) of this Rule shall be recorded either:

- (a) in a client's cash book, or in a client column of a cash book; or
  - (b) in a record of sums transferred from the ledger account of one client to that of another;
- and in either case additionally in a clients' ledger or in a clients' column of a ledger.

3. Subject to paragraph (5) of this Rule, a Member shall, at least once every calendar month, reconcile the balance of his client's cash book with:

- (a) the balance in his client account using the bank statement; and
- (b) the total of each client's balance in the clients' ledger and shall produce and keep a statement of both reconciliations.

4. The reconciliations required under paragraph (3) shall be undertaken within five weeks of the previous reconciliation.

5. Paragraph (3) of this Rule shall not apply if a Member has had no dealings through a client account since the date on which the last reconciliation was undertaken.

6. A Member shall maintain a list of all persons for whom he is or has been holding clients' money and a list of all the bank accounts in which clients' money is held.

7. In respect of all client accounts, a Member shall preserve for at least six years from the date of the last entry in the account and make available for inspection by the Member's accountant and the Institute's investigating accountant:

- (a) all accounts, books, ledgers, invoices, accounting records and reconciliation statements maintained in respect of the client account, and where a computerised system is operated, the information recorded on it must be capable of being reproduced in printed form; and b) all bank or building society statements as printed and issued by any bank or building society with which he has maintained a client account.

8 In this Rule "reconciliation" means an analysis that accounts for the difference between balances extracted from separate records on a given date.

### **Misappropriation of clients' money**

A Member shall notify the Institute without delay of any deliberate misappropriation of clients' money immediately he is aware of it and shall replace the missing money from either his firm's account or his own resources.

## **Visits of inspection**

1. In order to establish whether a Member has complied with this part of this Schedule the President of the Institute or any three members (including a Chairman or Vice-Chairman) of a Disciplinary Committee such may:

- (a) require a Member to produce at a time and place agreed, or
- (b) notify the Member that his books of account, bank or building society pass books, loose-leaf bank or building society statements, statements of account, vouchers including petty cash vouchers and any other necessary documents will be inspected by an accountant or suitably qualified person appointed by the Institute and to supply to such person any necessary information or explanation.

2. Regarding paragraph (1) the person appointed by the Institute shall prepare a report of such inspection, which may be used as a basis for disciplinary proceedings.

3. If, after enquiry in accordance with an inspection carried out under paragraph (1) of this Rule, a Member is found to have contravened the Members' Accounts Rules, either a Professional Conduct Panel or the Disciplinary Board or the Appeals Board, as the case may be, shall have power to make such order as it shall consider just for payment by the Member of a sum of money in or towards payment of the costs incurred by the Institute in connection with any inspection made by any person appointed under this Rule.

4. A requirement made of a Member under this Rule shall be made by or on behalf of the President and will be sent by special post to the Member at his last address recorded by the Institute.

## **Waiver of members' accounts requirements**

The Board shall have the power to waive or modify in any particular case, with or without any conditions, any of the provisions of this part of the Rules.

## **Accountants' reports**

An accountant's report shall be in such form as the Board shall from time to time approve.