

Technical Factsheet 63

Auctioneers and House Agents

Reporting accountant assignments under the Auctioneers and House Agents Acts 1947 to 1973 in the Republic of Ireland.



CONTENTS

	Paragraph
Introduction	1-11
Application of auditing standards	12
Planning	13-14
Knowledge of business	15-25
Engagement acceptance procedures	26-28
Engagement letters	29-30
Assessment of risk	31-38
Materiality	39-41
Sample sizes	42-45
Internal controls	46
Work programmes	47-49
Audit completions and reporting	50-55

Appendices

- I The accounting and auditing requirements of the Acts
- II Client screening and acceptance checklist
- III Example engagement letter
- IV Engagement planning work programme
- V Engagement work programme
- VI Reporting requirements - example reports
- VII Trustee investments
- VIII Example letter of representation

INTRODUCTION

- 1 A person wishing to act as an auctioneer or house agent (AHA) must first obtain a licence in accordance with Sections 9 or 10 of the Auctioneers and House Agents Act 1947. To obtain a licence, the applicant must comply with a number of specific requirements, including the requirement to present an accountant's certificate to a Justice of the District Court. The accountant's certificate provides assurances to the Court of the AHA's compliance with the accounting and other requirements of the Auctioneers and House Agents Acts 1947 to 1973 (the Acts). The main work of an accountant or auditor is to ensure that the AHA has in fact complied with these requirements. This factsheet is designed to assist practitioners in the preparation of an accountant's certificate in accordance with the requirements of the Acts.
- 2 Where the AHA is a limited company, it may also require a statutory audit. While the work programme attached to this factsheet should fully address the requirements of the Acts, it does not address the requirements of a statutory audit. There may, however, be considerable overlap, but normal audit procedures will need to be completed in addition to the specific reporting accountant work programme.
- 3 While every effort has been made to ensure that this factsheet is fully comprehensive, it cannot be seen as a substitute for studying the detailed requirement of the Acts.

4 This factsheet has been developed for guidance purposes only. It is not a substitute for obtaining specific advice. Neither ACCA nor its employees can accept liability for any errors or omissions.

Auctioneers

5 The Acts govern the activities of persons acting as auctioneers but excludes certain state employees, such as the Collector General. It also excludes the auction of fresh fish or of goods belonging to the auctioneer.

House agent

6 A house agent is more commonly referred to as an estate agent. The expression “house agent” means a person who, as agent for another person and for, or in expectation of reward, purchases, sells, lets or offers for sale or letting, or invites offers to purchase or take a letting of, or negotiates for the purchase, sale or letting of a house otherwise than by auction or attempts to effect such purchase, sale or letting. The word “house” includes part of a house and also a building of any kind and part of any building. Licensed auctioneers, solicitors and certain state employees do not need a licence to act as a house agent.

Sources of income for AHAs

7 AHAs or estate agents derive their income from a number of sources:

- the administration and collection of rental income from land;
- estate management - where residential and commercial property is let, managed and rent collected for the owner;
- auctioneering;
- project management - where the auctioneer manages a project on behalf of investors undertaking to deal with and pay

subcontractors and other professional advisors;

- arranging mortgages;
- acting as an estate agent where buyers and sellers of property are introduced;
- property valuation work;
- building survey; and
- planning and other professional advice.

8 While AHAs may undertake a wide range of business, the Acts only regulate certain aspects. Section 1(5) of the 1967 Act states that “...this Act shall be construed as applying only to transactions carried out by an auctioneer or house agent in his capacity as auctioneer or house agent”. This means that property and land management fees, project management fees, valuation work, professional advice and building survey work are not covered by the regulations. Rent collections are not covered, but initial rents and deposits and arrangement fees for rental property are covered. The proceeds of auctions and all deposits and client monies arising from the purchase or sale of property or land are covered.

Licensing procedure

9 Once a year an AHA must renew his/her licence to practise, using the following procedure:

- the AHA places an advertisement in a local paper, called a notice of application and informs the local Garda station of his/her intention to apply to the courts to renew their licence;
- a solicitor acting on behalf of the AHA appears in the District Court on the appointed day and applies to the Court for a “Certificate of Qualification”;
- the solicitor provides the judge with a copy of the “Accountant’s Report”;
- a member of the public or the Garda can object to the granting of the licence;

- the AHA lodges a bond (or instructs an insurance company to do so) with the High Court and obtains a “Certificate of Deposit” from the Court confirming that the deposit is lodged;
- the AHA (or an accountant on his/her behalf) obtains a tax clearance certificate;
- the tax clearance certificate, the certificate of qualification, the certificate of deposit, an application form and fee are sent to Customs and Excise;
- in due course the AHA receives his/her licence to practise from Customs and Excise; and
- the licence expires on the 5th of July following the date of granting.

10 In the first year of trading, the practitioner will provide a normal unqualified certificate for a short period of a few weeks or less. This certificate is just to confirm that the AHA has opened a client account and is solvent.

Approach to the audit

- 11 The audit approach should cover:
- general planning: where an practitioner familiarises themselves with the regulations and background to the whole industry;
 - job planning: including engagement acceptance procedures, assessment of risk and evaluation of internal control and tailoring the standard work programmes;
 - substantive testing of both controls and balances;
 - review of work done; and
 - evaluation of results and reporting.

Application of auditing standards to the preparation of an Accountant’s Certificate for AHAs

12 The Acts and a subsequent statutory instrument included at Appendix I specify a number of bookkeeping requirements and specific audit

tests that must be performed when undertaking an audit of an AHA client. However, there are also a number of requirements specified in the Statements of Auditing Standards and other professional standards.

Planning

13 Planning is necessary for audits of AHAs. The objectives of planning the work, which takes place before the detailed audit work begins, include:

- ensuring that appropriate attention is devoted to the different areas of the assignment;
- ensuring that potential problems are identified; and
- facilitating review.

14 Planning also assists in proper assignment of work to staff and their briefing, so that the assignment may be performed in an efficient and timely manner. Planning can be split into a number of sections: knowledge of business; engagement acceptance procedures; assessment of risk; assessment of materiality; consideration of sample sizes; and the assessment of internal controls. A planning work programme is attached at Appendix IV.

Knowledge of business

15 “Auditors should have or obtain a knowledge of the business of the entity to be audited which is sufficient to enable them to identify and understand the events, transactions and practices that may have a significant effect on the financial statements or the audit thereof.” (SAS 210.1)

16 At the planning stage, the practitioner should document an understanding of the AHA’s business, the laws and regulations governing it and the possibility that fraud or error may

materially affect the financial statements. Practitioners will also need to provisionally consider their opinion regarding compliance with the requirements of the Acts by the client. To assist the process, a description of the licensing process is detailed above; an extract from the Acts detailing the bookkeeping requirements is contained at Appendix I; and a checklist of the reporting requirements for an auctioneer or house agent is contained at Appendix VI.

- 17 Obtaining a comprehensive knowledge of the business of an AHA is essential and will allow the practice to:
- reduce the risks of the assignment by ensuring that staff are aware of the risk areas and by focusing the audit work on these areas;
 - increase the efficiency of the job by eliminating or reducing work on non critical areas; and
 - allow the practice to be proactive in providing additional services to the client.
- 18 In any event it is a prerequisite for most appointments that the practitioner fully understands the business in question. SAS 210 lists some matters, see paragraphs 19-25 below, that should be taken into consideration and documented by the practitioner. While many of these are not relevant to smaller AHAs, larger clients will require documentation on file for most of the headings listed.
- 19 The industry - conditions affecting the client's business
- the market and competition;
 - cyclical or seasonal activity;
 - changes in product technology;
 - business risk (for example technology, ease of entry for competition);

- declining or expanding operations;
- adverse conditions (for example declining demand, excess capacity, serious price competition);
- key ratios and operating statistics;
- specific accounting practices and problems;
- environmental requirements and problems;
- regulatory framework; and
- specific or unique practices (for example relating to labour contracts, financing methods, accounting methods).

- 20 The entity's directors, management and ownership
- beneficial owners, important stakeholders and related parties (local, foreign, business reputation and experience) and any impact on the entity's transactions;
 - the relationships between owners, directors and management;
 - attitudes and policies of owners;
 - capital structure (including any recent or planned changes);
 - organisational structure;
 - group structure;
 - subsidiaries' audit arrangements;
 - directors' objectives, philosophy, strategic plans;
 - acquisitions, mergers or disposals of business activities (planned or recently executed); and
 - sources and methods of financing (current, historical).
- 21 Board of directors
- composition;
 - business reputation and experience of individuals;
 - independence from and control over operating management;
 - frequency of meetings;

- existence and membership of audit committee and scope of its activities;
- existence of policy on corporate conduct; and
- changes in professional advisors (for example lawyers).

22 Operating management

- experience and reputation;
- turnover;
- key financial personnel and their status in the organisation;
- staffing of accounting department;
- incentive or bonus plans as part of remuneration (for example based on profit);
- use of forecasts and budgets;
- pressures on management (for example over-extended, dominance by one individual, support for share price, unreasonable deadlines for announcing results);
- management information systems;
- internal audit function (existence, quality); and
- attitude to internal control environment.

23 The entity's business, products, markets, suppliers, expenses, operations

- nature of business(es);
- location of offices;
- employment (for example by location, supply, wage levels, union contracts, pension commitments, government regulation);
- products or services and markets (for example major customers and contracts, terms of payment, profit margins, market share, competitors, pricing policies, reputation, trends, marketing strategy and objectives);
- franchises, licences, patents;
- important expense categories;

- foreign currency assets, liabilities and transactions by currency hedging;
- legislation and regulations that significantly affect the entity;
- information systems - current, plans to change; and
- debt structure, including covenants and restrictions.

24 Financial performance - factors concerning the entity's financial condition and profitability

- accounting policies;
- earnings and cash flow trends and forecasts;
- leasing and other financial commitments;
- availability of lines of credit;
- off balance sheet finance issues;
- foreign exchange and interest rate exposures; and
- comparison with industry trends.

25 Reporting environment - external influences which affect the directors in the preparation of the financial statements

- legislation;
- regulatory environment and requirements;
- taxation;
- accounting requirements;
- measurement and disclosure issues peculiar to the business;
- audit reporting requirements; and
- users of the financial statements.

Engagement acceptance procedures

- 26 "Before accepting a new audit engagement, firms should ensure that they:
- (a) are competent to undertake the work;
 - (b) consider carefully whether there are threats to their independence and objectivity and, if so, whether adequate safeguards can be established;
 - (c) assess the integrity of the owners, directors and management of the entity; and

(d) comply with the ethical requirements of the professional accountancy bodies in relation to changes in appointment.

Firms should also ensure that they reconsider these matters before the end of their term of office, when deciding whether they are willing to continue in office as auditor.” (SAS 240.2)

27 Where the AHA is a limited company, the person who prepares the accountant’s certificate should be a person who is qualified for appointment as auditor of that company. Where the AHA is not a limited company, the person must be either a member of a Recognised Professional Body holding a practising certificate or an auditor recognised under Section 162 (1)(b)(ii) of the Companies Act 1963 (directly registered auditors).

28 Before accepting a new assignment or continuing an existing assignment for an AHA, practitioners should consider any matters that might preclude them from accepting the appointment. An AHA engagement acceptance or re-appointment checklist is attached at Appendix II.

Engagement letters

29 “The auditors and the client should agree on the terms of the engagement, which should be recorded in writing.” (SAS 140.1)

30 In the case of an AHA that is a limited company, SAS 140.1 requires that practitioners confirm the terms of the appointment in an engagement letter. An example of such a letter is attached at Appendix III. For an AHA that is not a limited company, it is strongly recommended that the practitioner put a letter of engagement in place. An engagement letter serves to protect both the

practitioner and the client and clearly sets out the respective responsibilities of both parties.

Assessment of risk

31 The requirements of the Acts in respect of accounting for client monies are very demanding. The detailed rules, although very similar to the requirements under the Solicitors’ Accounts Regulations, are in some respects more stringent. In addition, the industry has changed in recent years with a substantial increase in the level of business in most estate agents and an increase in the number of products that AHAs are cross selling to customers such as mortgages, insurance and investment products and financial and investment advice.

32 Practitioners will also need to put procedures in place to guard against a loss of independence and objectivity. A loss of independence and objectivity can arise from:

- the number of client referrals from the AHA;
- a certain empathy with a fellow professional; or
- a close business or social relationship.

33 The nature of the work undertaken by an AHA is such that occasionally some of them may hold large sums of money. Where there is a large new housing development, they may hold booking deposits for periods of up to, and occasionally exceeding, one year and the amounts involved may be quite substantial. In addition, auctioneers may receive large deposits for land purchases or other substantial purchases. These tend to be held for much shorter periods than booking deposits.

34 Areas of particular concern in terms of audit risk are:

- the recording of client money transactions;

- inter office and account transfers used to conceal teaming and lading and to cover deficiencies;
- paid cheques endorsed over to third parties;
- round sum client money cheques and transactions for deceased persons;
- checking all bank accounts; and
- the non-encashment of cheques for extended periods.

35 The audit risk of the assignment may be increased because few AHAs use accounts preparation software specifically tailored to their circumstances. Other regulated professionals have standard software packages which assist with the bookkeeping requirements of their regulations. Manual ledgers are more prone to fraud or error.

36 Some AHAs will also act as rent collection agents, and monies will only be handed over to the landlord on a six monthly or irregular basis. While this activity is not governed by the Acts, it will impact on the practitioners work when assessing the solvency of the auctioneer or house agent.

37 For audit purposes, AHAs usually have a reasonably low risk of client funds misstatement or misappropriation. This is because they usually hold relatively small amounts of cash for short periods and any misappropriation is likely to come to light very quickly. However, the risk needs to be assessed carefully by the practitioner and the suggested work programme extended where there is a higher than normal risk profile in the firm.

38 In assessing risk the practitioner needs to consider:

- previous breaches discovered;
- the effectiveness of internal controls;

- the ability of directors or staff to override controls;
- unusual transactions;
- the volume of transactions; and
- the understanding of the client money regulations by the management and staff.

Materiality

39 It is generally accepted that a very low level of error is expected where client monies are concerned. In contrast to the Solicitors Accounts Regulations, where even trivial breaches of the Regulations must be reported, the Act requires that the practitioner confirms that “in their opinion” the firm complied in all “material respects” with the provisions of the Act. Some non material errors need not be reported.

40 Many practitioners would expect all client account transactions to be corrected and an error rate of less than 1% on the recording of transactions on the client accounts irrespective of whether the errors are corrected on discovery or not. While there is general acceptance that a 1% or less error rate is the absolute maximum acceptable, a higher monetary uncorrected error is acceptable in some circumstances depending on how it arose and the overall size of the amount involved. The error should be compared with the number and size of transactions for the period under review and each client circumstance will need to be assessed individually.

41 Any breach of the rules in respect of banking, the opening and maintaining of client accounts and the solvency requirements are material breaches for reporting purposes.

Sample sizes

- 42 In a number of areas it is appropriate to use sampling techniques rather than test all of the transactions. When deciding on the sample sizes, the practitioner should consider:
- the objectives of the test;
 - other tests performed;
 - the sample selection method;
 - the control environment; and
 - the materiality of the balances being tested.
- 43 The sample size should be increased where there are particular risks associated with the client or where errors are discovered in the testing.
- 44 It is generally accepted that a sample size of less than 20 can be unrepresentative of the population as a whole. A sample size of 20 or fewer would only be appropriate where:
- the practitioner used professional judgement to select items to test, and items selected appeared unusual or were likely to be prone to error;
 - strong internal controls are in place;
 - the practitioner had a very intimate knowledge of the client's business; and
 - it is a reasonably small firm of AHAs.
- 45 Where errors are discovered they need to be investigated by the practitioner. Where these are symptomatic of a bigger problem, the sample size should be extended substantially and further test work undertaken. Where the errors are clearly isolated one off incidents, the practitioner will need to assess whether there was any loss to the client, the reason for the error, and whether the error is material.

Internal control systems

- 46 The practitioner should obtain and document an understanding of the accounting and internal

control systems. These should be in sufficient detail to plan the audit and to check that the client has complied with the bookkeeping requirements of the Acts. Items that will specifically need to be addressed are:

- the location and designation of bank accounts;
- the procedures for the banking of receipts;
- the procedures for the timely reconciliation of the client bank account;
- the procedures for issuing and drawing fees or commissions from the client accounts;
- the procedures for making payments from the client accounts;
- the maintenance of individual client ledger accounts and the accuracy of the bookkeeping;
- cheque signature procedures and holiday cover; and
- the procedure for opening post and the initial recording of client money receipts.

Work programmes

- 47 "Auditors should develop and document the nature, timing and extent of planned audit procedures required to implement the overall audit plan." (SAS 200.3)
- 48 This requirement is met by implementing work programmes to control and record the work done. It is essential that the work programmes be amended to take account of the particular risks associated with the AHA. An example of a work programme has been included at Appendix V.
- 49 The main area of concern is the reconciliation of the client bank account with the client ledger. Any differences on the reconciliation means that there has been a breach of the Acts. The main reasons for differences arising are:
- client funds in the office account;

- client liabilities not disclosed;
- incorrect treatment of items;
- overpayments to clients;
- transfers and payments to office account in error; and
- bank errors or fees.

Completion and reporting

Representation letter and letter of weakness

- 50 “Auditors should obtain written confirmation of appropriate representations from management before their report is issued.” (SAS 440.1)
- 51 An example representation letter has been attached at Appendix VIII.
- 52 “When material weaknesses in the accounting and internal control systems are identified during the audit, auditors should report them in writing to the directors, the audit committee or an appropriate level of management on a timely basis.” (SAS 610.2)
- 53 The practitioner is not responsible for putting in place a proper system of control. However, case law (AWA Limited V Deloitte Haskins & Sells, NSW July 1995) suggests that where the practitioner is aware of a deficiency, it is essential that it is brought to the attention of an appropriate director/principal in the firm if they are to avoid liability for any loss incurred due to the weakness. The weakness may be detailed in a formal letter or, where it is reasonably minor, it may be brought to the attention of management orally.

Reporting

- 54 Finally the practitioner must make a report to a Justice of the District Court. The format of this report has been set out in the Auctioneers and House Agents Act 1947 (Accountants

Examination and Certificate) Regulations 1968 and has been included at Appendix VI.

- 55 The main breaches of the Acts that can be expected are:
- client bank account name is incorrect;
 - incorrect monies lodged to the client account;
 - own cash in client account;
 - incorrect payments out of the client account;
 - maintaining of books and records; and
 - incorrect accountant’s report.

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APPENDIX I

The Accounting and Auditing Requirements of the Acts

The following is an extract from the Auctioneers and House Agents Act 1967, detailing the bookkeeping and accounting requirements for an auctioneer or house agent.

“Keeping and preservation of accounts

4. (1) An auctioneer or house agent shall at all times keep properly written up such accounts as may be necessary to show all his dealings with, and particulars of and information regarding, moneys received or held by him for, or paid by him to or on behalf of, each client.
- (2) An account kept by an auctioneer or house agent under this section shall be preserved for at least six years from either the date of the last entry therein or the date of the last dealing with a client's money which is required by this Act to be recorded therein, whichever is the later.

Keeping of Client accounts

5. (1) (a) Every auctioneer and every house agent shall open and keep a client account and may, if he thinks fit, open and keep more than one client account.
- (b) An auctioneer or house agent who keeps more than one client account shall keep all such accounts at the same bank unless the District Court, for special reasons, otherwise permits.
- (2) When an auctioneer or house agent receives money for a client, he shall, without unnecessary delay, pay it into a client account unless the money —
 - (a) is received in the form of cash and is paid without unnecessary delay in cash to the client;
 - (b) is received in the form of a cheque or other negotiable instrument which is endorsed over and delivered without unnecessary delay to the client;
 - (c) is paid without unnecessary delay into a separate banking account in the name of the client or some person (not being the auctioneer or house agent or a partner, employee or agent of the auctioneer or house agent) named by the client or into a joint banking account in the names of the auctioneer or house agent and the client; or
 - (d) is invested by him at the written request and for the benefit of the client, in a manner in which it is for the time being lawful for a trustee (unless expressly forbidden) to invest trust funds.
- (3) Where an auctioneer or house agent holds or receives a cheque or draft which includes money for a client, he shall, if practicable, apportion the cheque or draft and pay into the appropriate client account the portion representing the money for the client as if he had received a separate cheque for that amount and, if such apportionment is not practicable, he shall pay the cheque or draft in full into the client account and, where he has so paid the cheque or draft in full into the client account, he may withdraw therefrom the money that is not money for a client.
- (4) No payment other than money for a client shall be made into a client account save such payment as is authorised to be made under subsection (3) or is necessary in order to open or maintain the account or to replace any sum drawn from it by mistake or accident.
- (5) Money shall not be withdrawn by an auctioneer or house agent from a client account unless —
 - (a) it is properly required for a payment to or on behalf of a client whose money is in that account, or

(b) it is properly required for or towards payment of fees or commission due to the auctioneer or house agent by a client whose money is in that account, or for or towards reimbursement of expenses incurred by the auctioneer or house agent in connection with the client's business or of money paid to a client by the auctioneer or house agent out of his own funds (either in the circumstances specified in subsection (10) or otherwise to facilitate prompt payment of the client), or it is a withdrawal authorised by subsection (3).

(6) A withdrawal under subsection (5) (b) shall be made by either —

(i) a cheque drawn in favour of the auctioneer or house agent, or

(ii) a transfer to a bank account (not being a client account) in the name of the auctioneer or house agent.

(7) Where an auctioneer or house agent withdraws money from a client account —

(a) unless the withdrawal is being made by a cheque drawn in favour of a client, the auctioneer or house agent shall endorse on the cheque, withdrawal docket or draft requisition form the words "Fees in respect of" or the words "Outlay in respect of" or (where a payment is being made to a third party) the words "On behalf of" or (in any case) such other words as will explain the nature of the withdrawal, followed in every case by the name of the client;

(b) he shall preserve the cheque or draft when returned by the bank for as long as he is required by section 4 to preserve the corresponding account.

(8) (a) Money withdrawn from a client account for or in respect of a client shall not exceed the total of the moneys held for the time being in that account on account of that client.

(b) Money withdrawn from a client account for or towards reimbursement of money paid to a client by the auctioneer or house agent out of his own funds shall not exceed the amount paid to the auctioneer or house agent in respect of the corresponding transaction on behalf of that client and properly available in the client account for the purposes of such reimbursement.

(9) (a) If it appears to the Minister for Justice that the provisions of this section are inadequate to prevent the negligent or fraudulent handling of money for a client or are otherwise insufficient to protect the interests of clients and that other provisions (either in substitution for or in addition to the existing provisions or any of them) governing the payment of money into and the withdrawal of money from client accounts would be in the public interest, he may make regulations incorporating such other provisions.

(b) Regulations under paragraph (a) may provide that, in circumstances specified in the regulations, being circumstances in which an auctioneer or house agent is required by or under this section to pay money into a client account, the auctioneer or house agent shall either —

(i) pay the money into an interest bearing client account and pay the interest to the client or other person to whom the money belongs, or

(ii) pay to the client or other person to whom the money belongs the sum equivalent to the interest that would have been earned if the money had been paid into such an account.

(c) Regulations under this subsection shall not come into operation until a period of not less than one month has elapsed from the date on which they were made.

(d) Every regulation made under this section shall be laid before each House of the Oireachtas as soon as may be after it is made and, if a resolution annulling the regulation is passed by either such House within the next subsequent twenty-one days on which the House has sat after the regulation is laid before it, the regulation shall be annulled accordingly but without prejudice to anything previously done thereunder.

The following is an extract from the Auctioneers' and House Agents' Act 1947. (Accountant's Examination and Certificate) Regulations, 1968, detailing the specific tests that reporting accountants are obliged to make. Additional audit requirements arising from the application of Auditing Standards are included elsewhere in the factsheet.

"I, Brian Lenihan, Minister for Justice, in exercise of the power conferred on me by section 12 of the Auctioneers' and House Agents' Act, 1947 (No. 10 of 1947), hereby make the following regulations:

1. These regulations may be cited as the Auctioneers' and House Agents' Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968.
2. In these Regulations -
"the Principal Act" means the Auctioneers' and House Agents' Act, 1947 (No. 10 of 1947);
"the Act of 1967" means the Auctioneers' and House Agents' Act, 1967 (No. 9 of 1967).
3. (1) With a view to the giving of a certificate for the purposes of section 12(3) of the Principal Act (inserted by section 12 of the Act of 1967), an accountant shall -
 - (a) make a general test examination of the books, accounts and other relevant documents (including bank passbooks, statements and accounts) kept in relation to the business of auctioneer or house agent,
 - (b) make a comparison, as at not less than two dates being (unless business was not carried on for more than three months in the relevant period) not less than three months apart, chosen by the accountant, between -
 - (i) the liabilities of the auctioneer or house agent to his clients, as shown by his accounts, and
 - (ii) the balance standing to the credit of the client account or client accounts and to the credit of any such banking account as is referred to in section 5(2)(c) of the Act of 1967, the amount of any money invested in accordance with section 5(2)(d) of that Act and any cash or any cheques or other negotiable instruments endorsed over to clients held by the auctioneer or house agent for his clients, and
 - (c) ask the auctioneer or house agent for such information and explanations as he may require for the purposes of subparagraphs (a) and (b).
- (2) If, after he has complied with paragraph (1), it appears to the accountant that there is evidence that the relevant provisions of the Act of 1967 are not being complied with, he shall make such further investigation as he considers necessary to enable him to sign the said certificate.
4. With a view to the giving of a certificate for the purposes of section 12(4)(b) of the Principal Act, an accountant shall make such examination, enquiry and investigation of the books, accounts and other relevant documents (including bank passbooks, statements and accounts) kept in relation to the business of auctioneer or house agent and any other business in which the auctioneer or house agent may be engaged, as is sufficient to enable the accountant to give the certificate.
5. The certificate given for the purposes of section 12(3) of the Principal Act shall be in the form set out in Part I of the Schedule to these regulations.
6. The certificate given for the purposes of section 12(4)(b) of the Principal Act shall be in the form set out in Part II of the Schedule to these regulations."

APPENDIX II

Auctioneer or House Agent Client Screening and Acceptance Checklist

Client name: _____

Year end: _____

1. Note source of potential new work (e.g. recommendation by an existing client, bankers or by invitation to tender). In light of money laundering regulations, check proof of identity of client (e.g. clearance letter from former practice, if applicable).

2. Consider firm's ability to service this client, taking into account factors such as:
 - timing of the work;
 - availability of sufficient staff at the appropriate grades to meet deadlines;
 - number and location of client premises;
 - knowledge of the auctioneer and estate agency business;
 - professional independence rules:
 - fees in excess of 15%;
 - overdue fees;
 - litigation;
 - associated firms;
 - family or business relationships;
 - interests in shares;
 - loans; and
 - other services.

Comments/ Sch. ref.	Initls.

3. Consider whether the client will pose particular audit risks, e.g.:

- qualified audit reports in previous periods;
- regulation reports (qualified) issued by the previous agent;
- history of disputes with former practices over, e.g. technical issues or fees;
- seeking a new auditor towards the year end;
- what is reason for change of current advisers;
- size and nature of the business and the risks inherent in that business;
- 'track record' of management;
- weakness in or absence of internal control;
- poorly maintained records;
- frequent involvement in litigation;
- evidence or likelihood of solvency problems; and
- notability or notoriety of prospective client.

4. Procedures:

- ask prospective client why they are seeking new advisers;
- visit prospective client (to assess management and systems); and
- consider taking references from the entity's lawyers, bankers, major suppliers and other persons who may be able to provide information relevant to the decision whether to accept the client.

Note that the higher the risk, the greater the risk of audit failure. The risk can only be offset by charging higher fees that will enable the practitioner to spend more time on the audit. If the prospective client will not agree to pay these higher fees, it may well make commercial sense not to accept this engagement.

Conclusion

Client accepted/not accepted for the following reasons:

Signed _____

Date _____

APPENDIX III

An Example Engagement Letter for an Auctioneer or House Agent

Dear Sir/Madam,

We write to you regarding our engagement as reporting accountants to your firm in accordance with the provisions of the Auctioneers and House Agents Acts, 1947 to 1973, and the Auctioneers and House Agents Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968. This letter sets out the basis on which we are to act as reporting accountant to your firm. A separate engagement letter exists for all other work undertaken for your firm by this practice.

(Partner) will be the partner in charge of the work we perform for you. (Partner) will ensure that the service you receive from us is of the highest quality and when required will call upon other individuals in the firm with specialised skills.

Your responsibilities

You are responsible for maintaining proper accounting records for the firm. You are also responsible for ensuring that the financial statements show a true and fair view of all of the transactions on both the office and client accounts and for the compliance by the firm with the requirements of the Auctioneers and House Agents Acts, 1947 to 1973. You are also responsible for making available to us, as and when required, all of the firm's accounting records and other relevant records and related information, including minutes of all management and other meetings. (We have not been appointed auditors of your firm and therefore we shall not carry out an audit of the financial statements.) We have also been appointed auditors for the firm and the terms of engagements for the audit have been set out in a separate letter.

Our services to you

We shall prepare the financial statements based on accounting records maintained by yourselves on the basis that you will make full disclosure to us of all relevant information.

Our responsibility as reporting accountants under the Auctioneers and House Agents Acts, 1947 to 1973, and Regulation 3 of the Auctioneers and House Agents Acts, 1947 (Accountant's Examination and Certificate) Regulations 1968, is to examine the records relating to clients' accounts and to make a report to the courts certifying:

1. that we have examined the books, accounts and other relevant documents of the firm;
2. whether we are of opinion that the firm is complying in all material respects with the provisions of Auctioneers and House Agents Acts, 1947 to 1973, and Regulation 3 of the Auctioneers and House Agents Acts, 1947 (Accountant's Examination and Certificate) Regulations 1968, relating to the keeping of accounts and to the opening and keeping of client bank accounts;
3. whether the firm has taken all necessary steps to comply with them for the future;

4. whether the firm is solvent; and
5. whether we have any reason to believe that any client of the firm has suffered or is liable to suffer a loss in respect of any transactions during any period when the provisions of the Auctioneers and House Agents Acts, 1947 to 1973 were not complied with by the firm.

We are not responsible for the maintenance of the accounting records of the firm. Our work is planned and conducted in such a way as to enable us to form an opinion and includes such tests and procedures as we consider necessary for that purpose. We plan our work so as to have a reasonable expectation of detecting irregularities and fraud, but our work should not be relied upon to detect all such matters.

Other services

All other services provided by our firm will be detailed in a separate letter of engagement.

Fees

Our fees are based upon the skill involved and the time occupied on the work and will be charged separately for each class of work. They will be billed at appropriate intervals during the course of the year and will be due on presentation. If you require we will be prepared to forward an estimation of fees in advance of any assignment.

Other

We will give you any help you may require with problems which arise during the year and would plan to meet with you at various times throughout the year to discuss any matters affecting your business. Please do not hesitate to contact (Partner A) or any of our staff whenever you feel we can be of assistance.

AGREEMENT OF TERMS

Once it has been agreed this letter will remain effective until it is replaced. Please confirm your agreement with the terms of this letter by signing this copy and returning it to us or alternatively let us know if the terms are not in accordance with your understanding of the terms of our appointment.

Yours faithfully

Acknowledged by

Date

APPENDIX IV

Engagement Planning Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Planning section	Done by	Work done or schedule reference
<ol style="list-style-type: none"> 1. Familiarise yourself with the requirements of the Auctioneers and House Agents Acts, 1947 to 1973, and Auctioneers and House Agents Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968. 2. Review the previous year's accounts, audit, correspondence, tax and other files for any matters that are relevant to this year's assignment. 3. Enquire of the client if there have been any changes in the nature or scope of activities undertaken. Assess how these changes affect the current year's assignment. 4. Obtain copies of any management accounts for the current year. 5. Obtain a list of all offices from which the firm operates, note the names of the principals and employees authorised to sign cheques on the client's account, and the names of the persons responsible for maintaining the accounting records. 6. Document the systems used by the client to record the transactions for the year: <ul style="list-style-type: none"> • Opening, maintaining and designation of client bank accounts; 		

- Recording and banking of receipts;
- Recording of payments from client accounts;
- Recovery or transfer from client account of fees from clients; and
- Make a preliminary assessment of how effective or appropriate the bookkeeping and control systems are in complying with the requirements of the Auctioneers and House Agents Acts, 1947 to 1973, and Auctioneers and House Agents Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968.

Consider what changes need to be made to the planned audit work based on this assessment.

7. Determine the materiality of the assignment. This may be based on professional judgement and the nature, size and scope of the client.
8. Determine the number of transactions going through the client bank account, the maximum amount of client cash in the account at any one time and the maximum and normal period of time that client cash is held.
9. Assess the overall risk of the assignment (high, medium or low). This is used to assist you in planning any sample sizes and additional work to be performed. It is based on your knowledge of the business, the control environment and the number and size of the transactions on the client account.
10. Consider the possibility that fraud or error may affect the accounting records.

- | | | |
|---|--|--|
| <ol style="list-style-type: none">11. Consider what laws and regulations affect the client and how these may impact on your assignment.12. Consider what sample sizes are appropriate for testing of:<ul style="list-style-type: none">• Payments into the client account;• Withdrawals from the client account; and• Number of the firm's files to be reviewed.13. Agree the extent of client assistance with the preparation of reconciliations and supporting schedules.14. Discuss and agree budgets with staff.15. Send out letters to the bank requesting confirmation of bank balances.16. Brief staff not involved in the planning stage.17. Other specific matters that are important to the planning of the assignment: | | |
|---|--|--|

APPENDIX V

Engagement Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Objective: To ensure that all payments into the client account comply with the Auctioneers and House Agents Acts.

Payments into the client account	Done by	Work done or schedule reference
<ol style="list-style-type: none"> 1. Carry out an examination of the accounting records to ensure that there is adequate segregation and recording of client and office transactions. 2. Select _____ (number) receipts recorded in the client cash book. 3. Select _____ (number) receipts recorded in the clients' ledger: <ul style="list-style-type: none"> • vouch the receipt with correspondence or documentary evidence in the client's file; • in respect of any receipts above involving cash, check that it was paid in cash to the client or lodged to the client account intact, without unnecessary delay; • in respect of any receipts above involving cheques or other negotiable instruments, the cheque or instrument may be endorsed and handed over to the client without unnecessary delay; 		

- in respect of any of the above receipts the amount may be paid, without unnecessary delay, into a separate bank account in the name of the client or some other person (not being the auctioneer or house agent or a partner, employee or agent of the auctioneer or house agent) named by the client or into a joint banking account in the names of the auctioneer or house agent and the client;
- in respect of any receipts above, the amount may be invested by him at the written request and for the benefit of the client, in a manner in which it is for the time being lawful for a trustee (unless expressly forbidden) to invest trust funds (see Appendix VII);
- where an auctioneer or house agent holds or receives a cheque or draft which includes money for a client, he shall, if practicable, apportion the cheque or draft and pay into the appropriate client account the portion representing the money for the client as if he had received a separate cheque for that amount and, if such apportionment is not practicable, he shall pay the cheque or draft in full into the client account and, where he has so paid the cheque or draft in full into the client account, he may withdraw therefrom the money that is not money for a client;
- ensure that no payment other than money for a client has been made into a client account except composite cheques as noted above or is necessary in order to open or maintain the account or to replace any sum drawn from it by mistake or accident; and

- in respect of the sample above, ensure that the receipt was recorded in the client ledger and cash book.
4. Test the additions of the clients' cash book for a sample of two months.
 5. Vouch any inter-client transfers and verify by reference to client files.
 6. Scrutinise the clients' cash book and client account bank statements, list any items that appear unusual. Vouch these items with correspondence files or other documentary evidence.
 7. Scrutinise the firm's office cash book and office bank account bank statements for the period covered by the report and identify if any client funds were lodged to this account.
 8. Select a sample of _____ (number) client files and vouch all references to client cash to the client cash books. Client files should be selected on the basis of:
 - a random sample of files in the filing cabinets / filing room;
 - a review of fee notes issued; and
 - your knowledge of properties dealt with by the firm.

Conclusion

Based on the work performed above, I am satisfied / not satisfied that the firm has complied with the requirements of the Acts in respect of payments into the client account.

Prepared by _____ Date _____

Reviewed by _____ Date _____

APPENDIX V (CONTINUED)

Engagement Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Objective: To ensure that all withdrawals from the client account comply with the Auctioneers and House Agents Acts.

Withdrawals from the client accounts	Done by	Work done or schedule reference
<ol style="list-style-type: none"> 1. Carry out an examination of the accounting records to ensure that there is adequate segregation and recording of client and office transactions. 2. Select _____ (number) withdrawals recorded in the client cheque payments or cash book (include a number of fee payments to the auctioneer or house agent within the sample). 3. Select _____ (number) withdrawals recorded in the clients' ledger: <ul style="list-style-type: none"> • vouch the payment with correspondence or documentary evidence in the client's file and to a returned paid cheque; • ensure that it is properly required for a payment to or on behalf of a client whose money is in that account; or • it is properly required for or towards payment of fees or commission due to the auctioneer or house agent by a client whose money is in that account; or • it is for or towards reimbursement of expenses incurred by the auctioneer or house agent in connection with the client's business or of money paid to a client by the auctioneer or house agent out of his own funds; and <ol style="list-style-type: none"> a) the cheque must be made payable to the firm; or 		

<p>b) a transfer to a bank account in the name of the firm;</p> <p>c) all cheques to be endorsed with "fee in respect of" or "outlay in respect of" or "on behalf of" or the nature of the withdrawal be explained on the cheque; or</p> <p>d) it is a withdrawal of the firm's portion of a composite cheque lodged to the client account;</p> <ul style="list-style-type: none"> • the withdrawal amount, either as a repayment to the client or as a reimbursement of the firm's outlay or fees, should not exceed the total amount in that client's account; • ensure that the payment was recorded in the client ledger and cheque payments book / cash book; and • ensure that the payment did not result in an overdrawn client ledger account. <p>4. Test the additions of the client's cheque payment book/cash book for a sample of two months.</p> <p>5. Scrutinise the client's cheque payments book/cash book, list any items that appear unusual. Vouch these items with correspondence files or other documentary evidence.</p> <p>6. Review a sample of the client ledger cards to ensure that none is overdrawn during the year.</p> <p>7. Review return paid cheques to ensure that they are maintained for six years.</p>		
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Conclusion

Based on the work performed above, I am satisfied / not satisfied that the firm has complied with the requirements of the Acts in respect of the withdrawals from the client account.

Prepared by _____ Date _____

Reviewed by _____ Date _____

APPENDIX V (CONTINUED)

Engagement Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Objective: To ensure that the client account reconciliations are in agreement with the list of client balances

Bank reconciliations	Done by	Work done or schedule reference
<p>1. Make a comparison, at not less than two dates being (unless business was not carried on for more than three months in the relevant period) not less than three months apart, chosen by the practice, between:</p> <p>(i) the liabilities of the auctioneer or house agent to his clients, as shown by his accounts; and</p> <p>(ii) the balance standing to the credit of the client account or client accounts or client investments (as allowed by section 5(2)(d) of the Auctioneer and House Agents Act 1967) and any cash or any cheques or other negotiable instruments endorsed over to clients held by the auctioneer or house agent for his clients.</p> <p>Check the extraction of the client ledger balances from the underlying client ledgers.</p>		
<p>2. Where any errors or differences are noted</p>		

undertake any such further work as is required to ensure that a certificate under Regulation 4 of the Auctioneers' and House Agents' Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968 can be issued. A certificate under Regulation 4 should only be issued when the accountant is satisfied:

(i) that the firm is, at the time of the application, complying with the provisions of the Acts and has taken all necessary steps to comply with them for the future;

(ii) that no client has suffered or is liable to suffer loss in respect of any transactions during the period when the said provisions were not complied with; and

(iii) that, in relation to the business of auctioneer or the business of house agent (as the case may be) and any other business in which he may be engaged, he is solvent.

Bank confirmation letters

3. Obtain bank confirmation letters directly from the bank for the last of the two dates selected above. Ensure that the confirmed balance agrees to the accounting records.
4. It is sufficient to agree the first date's balance to an original bank statement.
5. Check that other information on the bank confirmation letter agrees with the accounting records:

- the existence of other accounts;
- the designation on the accounts;
- rights of set off; and
- guarantees.

6. Obtain a list of all client bank accounts in operation:

- compare this with the list for the previous year, ensuring that there are no omissions; and
- ensure that all client bank accounts are maintained in one bank (it is not necessary for the accounts to be at the same branch).

Conclusion

Based on the work performed above, I am satisfied/not satisfied that the firm has complied with the requirements of the Acts in respect of the requirements to reconcile the client account.

Prepared by _____ Date _____

Reviewed by _____ Date _____

APPENDIX V (CONTINUED)

Engagement Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Objective: To determine if sufficient accounting controls are in place to ensure compliance with the Acts and to determine if the client has complied with the requirements of the Acts with respect to the maintenance of proper accounting records.

Accounting systems	Done By	Work done or schedule reference
<p>1. Are the accounting systems used by the client adequate to keep properly written up such accounts as may be necessary to show all the dealings with, and particulars of and information regarding moneys received or held by the firm for, or paid by the firm to or on behalf of, each client?</p> <ul style="list-style-type: none"> • Review the planning section and the documentation of the clients' accounting system; and • Review the results of the detailed testing of the accounting system. <p>2. Are there procedures in place to ensure that accounting records are maintained for a minimum of six years from the date of the last dealing with a particular client?</p> <p>3. Physically inspect the files maintained to ensure that they are being safely maintained for the required six years.</p>		

4. An auctioneer or house agent may have more than one client bank account but if they have more than one account the accounts must be with the same bank. Different branches of the same bank are acceptable. The District Court may give the firm permission to have client accounts with more than one bank. Ensure that all client accounts are with one bank.		
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Conclusion

Based on the work performed above, I am satisfied / not satisfied that the firm has complied with the other requirements of the Acts.

Prepared by _____

Date _____

Reviewed by _____

Date _____

APPENDIX V (CONTINUED)

Engagement Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Objective: To determine if the client meets the solvency requirements of the Acts.

Solvency	Done by	Work done or schedule reference
<p>1. "an accountant shall not issue a certificate ... if at the time of his examination matters come or have come to his notice from which it appears to him that the auctioneer or house agent is not solvent".</p> <p>2. One opinion on the meaning of "solvency" is that it means the ability of the firm to meet their debts as they fall due and not just an excess of assets over liabilities.</p> <p>3. Have any matters come to your notice during the course of your examination to indicate that the firm may not be solvent?</p>		

Conclusion

Based on the work performed above, I am satisfied / not satisfied that the firm has complied with the other requirements of the Acts.

Prepared by _____ Date _____

Reviewed by _____ Date _____

APPENDIX V (CONTINUED)

Engagement Work Programme - Auctioneers and House Agents

Client:		Tailored by:	Date:	Ref:
Year/Period End:	File No:	Completed by:	Date:	
		Reviewed by:	Date:	

Consideration of opinion and audit completion	Done by	Work done or schedule reference
<p>1. Have all working papers been reviewed and signed off?</p> <p>2. Matters for the partner's attention (to be completed by the auditor in charge):</p> <p>3. Opinion</p> <p>Report under Regulation 3 of the Auctioneers' and House Agents' Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968 (unqualified opinion) to be submitted; or</p> <p>Report under Regulation 4 of the Auctioneers' and House Agents' Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968 (qualified opinion) to be submitted. Has the additional evidence been prepared and is it ready for court?</p>		

Prepared by _____ Date _____

Reviewed by _____ Date _____

Second Review Partner _____ Date _____

APPENDIX VI

Reporting Requirements - Example Reports

The following are examples of the accountant's reports that must be complete for presentation at the Court. These reports should not be amended or changed other than where noted.

The first example report is required where the auctioneer or house agent was fully compliant with Section 12 of the Auctioneers and House Agents Act 1947 to 1973, and Regulation 3 of the Auctioneers and House Agents Act 1947 (Accountant's Examination and Certificate) Regulations 1968.

The second example report is used where the auctioneer or house agent was not fully compliant with the regulations but:

- (i) he is, at the time of the application, complying with the said provisions and has taken all necessary steps to comply with them for the future;
- (ii) no client has suffered or is liable to suffer a loss in respect of any transactions during the period when the said provisions were not complied with; and
- (iii) in relation to the business of auctioneer or the business of house agent (as the case may be) and any other business in which he may be engaged, he is solvent.

Proof of the matters mentioned in subparagraphs (i) to (iii) above shall in all cases include a certificate signed by an accountant in relation to the said matters and the District Justice may require additional evidence (including oral evidence by the accountant) to be produced.

Form of Accountant's Certificate for an Auctioneer or House Agent that has fully complied with the regulations.

Auctioneers' and House Agents' Acts 1947 and 1967

Accountant's Certificate

1. Full name of auctioneer or house agent.
2. Address or addresses at which business is carried on.
3. Period covered by this certificate.

I hereby certify that, in compliance with the provisions of Section 12 of the Auctioneers and House Agents Act, 1947, and Regulation 3 of the Auctioneers and House Agents Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968, I have examined the books, accounts and other relevant documents of the above-named auctioneer/house agent,* and it is my opinion, following that examination and on the basis of the information and explanations given to me, that he/it* has, during the period referred to above, complied in all material respects with the provisions of the Auctioneers' and House Agents' Act, 1967, relating to the keeping of accounts and to the opening and keeping of client accounts.

Signed:

(Accountant)

Particulars of Accountant

Full name:

Qualifications:

Firm name:

Address:

Date:

* Delete whichever is inappropriate.

Form of Accountant's Certificate for an Auctioneer or House Agent that has not fully complied with the regulations (but see page 32).

Auctioneers' and House Agents' Acts, 1947 and 1967

Accountant's Certificate

1. Full name of auctioneer or house agent.
2. Address or addresses at which business is carried on.

I hereby certify that, in compliance with the provisions of Section 12 of the Auctioneers' and House Agents' Act, 1947, and Regulation 4 of the Auctioneers' and House Agents' Act, 1947 (Accountant's Examination and Certificate) Regulations, 1968, I have examined the books, accounts and other relevant documents of the above-named auctioneer/house agent* and I am of opinion that he/it* is complying in all material respects with the provisions of the Auctioneers' and House Agents' Act, 1967, relating to the keeping of accounts and to the opening and keeping of client accounts, that he has taken all necessary steps to comply with them for the future and that, in relation to the business of auctioneer/house agent* and any other business in which he/it* is engaged, he/it* is solvent, and I have no reason to believe that any client of the said auctioneer/house agent* has suffered or is liable to suffer loss in respect of any transactions during any period when the said provisions were not complied with by him/it.*

Signed:

(Accountant)

Particulars of Accountant

Full name:

Qualifications:

Firm name:

Address:

Date:

* Delete whichever is inappropriate.

APPENDIX VII

Trustee Investments

This is an extract from the Trustee (Authorised Investment) Act 1958 and does not take account of any banks that have ceased to exist.

Section 1:

"1. A trustee may, unless expressly forbidden by the instrument (if any) creating the trust, invest any trust funds in his hands, whether at the time in a state of investment or not, in manner following, that is to say:

- (a) in securities of the Government (including Savings Certificates);
- (b) in securities guaranteed as to capital and interest by the Minister for Finance;
- (c) in the stock of the Bank of Ireland;
- (d) in securities of the Electricity Supply Board;
- (e) in securities of the Agricultural Credit Corporation Limited;
- (f) in securities of Bord na Mona;
- (g) on real securities in the State;
- (h) in securities or mortgages of any of the following authorities in the State:-
 - (i) the council of a county,
 - (ii) the corporation of a county borough,
 - (iii) the Corporation of Dun Laoghaire,
 - (iv) the Dublin Port and Docks Board,
 - (v) the Cork Harbour Commissioners,
 - (vi) the Limerick Harbour Commissioners,
 - (vii) the Waterford Harbour Commissioners;
- (i) in debentures or debenture stock, quoted on a Stock Exchange of any industrial or commercial company registered in the State, provided that the total of the debentures, debenture stock or debentures and debenture stock of the company does not exceed the paid-up share capital (including payments in respect of share premiums) and that a dividend of not less than five per cent has been paid on the ordinary shares of the company in each of the five years last past before the date of investment;

(j) in an interest-bearing deposit account with any of the following banks:

- (i) Bank of Ireland,
- (ii) Guinness & Mahon,
- (iii) Hibernian Bank Ltd.,
- (iv) Munster & Leinster Bank Ltd.,
- (v) National Bank Ltd.,
- (vi) National City Bank Ltd.,
- (vii) Northern Bank Ltd.,
- (viii) Provincial Bank of Ireland Ltd.,
- (ix) Royal Bank of Ireland Ltd.,
- (x) Ulster Bank Ltd.,
- (xi) the Post Office Savings Bank,
- (xii) a Trustee Savings Bank in the State;

(k) in British Government securities inscribed or registered in the State, and may also from time to time vary any such investment."

APPENDIX VIII

Example Letter of Representation

(AHAs' letterhead)

(To the reporting accountants)

(Date)

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other directors/principals/officials of the firm, the following representations given to you in connection with your work as reporting accountants to our firm in accordance with the provisions of the Auctioneers and House Agents Acts, 1947 to 1973, and the Auctioneers and House Agents Act, 1947 (Accountant's Examination and Certificate) Regulations 1968.

- (1) We acknowledge as directors/principals our responsibility under the Auctioneers and House Agents Acts, 1947 to 1973 for the maintenance at all times of properly written up accounts as may be necessary to show all our dealings with, and particulars of and information regarding, moneys received or held by our firm for, or paid by our firm to or on behalf of, each client. All the accounting records have been made available to you for the purpose of your work and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.
- (2) Financial records kept by our firm under the Auctioneers and House Agents Acts, 1947 to 1973 have been preserved for at least six years from either the date of the last entry therein or the date of the last dealing with a client's money which is required by these Acts to be recorded therein, whichever is the later.
- (3) The firm is solvent and able to meet all debts as they fall due in the normal course of business.
- (4) The firm has complied with all of the requirements of the provisions of the Auctioneers and House Agents Acts, 1947 to 1973.
- (5) There have been no events since the accounting date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto or amendment to the accountant's report.

Chairman

Secretary