

## CLIENT ENGAGEMENT PROCEDURES: CHANGES IN PROFESSIONAL APPOINTMENTS

The following checklist relates to what is often called "professional clearance" and is based on Section 3.8 of the 2000 Rulebook. As paragraph six of the Section states, "communication with the existing accountant is not just a matter of professional courtesy. Its main purpose is to enable the prospective accountant to ensure that there has been no action by the client which would, on ethical grounds, preclude him from accepting the appointment and that, after considering all the facts, the client is someone for whom he would wish to act."

**Client name:** .....  
.....

**Year end:**

1. Request prospective client's permission to communicate with the existing auditor. If permission is refused, decline the appointment.
2. If permission is received, write to existing auditor requesting all information which ought to be made available to enable the prospective auditor to decide whether or not to accept the appointment. Reasons for not accepting the appointment could include ethical or commercial reasons: outstanding fees owed to the predecessor auditor are not of themselves grounds for declining.
3. The existing auditor must obtain the client's permission to give information to the prospective auditor. If permission is withheld, the existing auditor should inform the prospective auditor, who should decline the appointment.
4. Communication received from predecessor auditor (can be verbal or written). Such communication must be treated in the strictest confidence, whether or not the appointment is accepted.
5. Note any reasons given by the existing auditor as to why the appointment should be declined. The existing auditor is required to give specific reasons to the prospective auditor.

Comments/ Sch. ref.	Initls
	.

6. If no reply is received from the existing auditor, send a follow-up request by recorded or registered delivery, stating a deadline after which it will be assumed that there are no professional reasons why the appointment should be declined.
7. If no reply is received from previous auditor, obtain proof of resignation or valid removal from office.
8. Type the individuals name and company name into Google. Investigate any unusual hits or reports of illegal or unethical behaviour.


Money laundering additional procedures

**PERSONAL IDENTITY RECORD FORM**

**CLIENT NAME:**

**ADDRESS:**

**TEL. NO:**

1	Source of Introduction:	Initials
2	What sort of business do we expect to undertake for the client?	
3	Are we satisfied that in general terms we understand the source of the client's funds/wealth?	
4	Date/state where prospective client was met in person.	
5	If a professional appointment, send a change of appointment letter. Attach copy and copy of reply.	
6	Obtain one, or more than one, of the following and attach copy. <ul style="list-style-type: none"> <li>• Current valid UK or ROI Passport.</li> </ul>	

- A known employer ID card bearing photo and signature.
- A full Driving Licence.

(Note if the above documents are not available refer to the Firm's procedures for guidance on the alternative procedures which can be undertaken)

7	<p>The address of a prospective client should be verified. One of the following is to be obtained:-</p> <ul style="list-style-type: none"> <li>• Refer to electoral register (local registers held at Post Offices, Libraries, Garda Stations and can be accessed via Minitel).</li> <li>• Contact a credit reference agency.</li> <li>• Bank or building society statement</li> <li>• Examine an original bill e.g utility or local authority.</li> <li>• Check telephone directory.</li> <li>• Record of home visit</li> </ul> <p>(Note if the above methods of verification of address are not available refer to the Firm's procedures for guidance on the alternative procedures which can be undertaken)</p>	Initials
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### Conclusion – Personal Identity Record Form

Result	Action	Initial as appropriate
The potential client has been satisfactorily identified	<p>Proceed to carry out other client acceptance tests</p> <p>Retain records of identification on the client permanent file</p>	
The potential client has not been satisfactorily identified	<p>Do not accept the client</p> <p>Retain copies of any documentation acquired in the attempted identification process</p> <p>Consider the need to report a suspicion of money-laundering as arising from the attempted identification process.</p>	

### Confirmation

I confirm that the procedures initialled above have been carried out.

Name:  
(engagement principal)

Signature:

Date:

The following are examples of documents acceptable for verification of identity. It is for each Firm to agree what documents it considers acceptable for the purposes of identification and a degree of professional scepticism should always be employed in accepting any documentation.

### **Documentation for the identification of individuals**

Identification consists of individuals consists of two stages, name verification and verification of permanent address.

Documents used to verify name should be current and bear a photograph and a signature. The following documents can be used to verify name:

- Current valid passport
- Current valid full driving licence

or where the above preferred documents are not available,

- An identification form with photograph signed by a member of the Garda Síochána; or
- documentation/card issued by a Government Department showing the name of the person; and
- a letter/statement from a person in a position of responsibility (e.g. a solicitor, accountant, doctor, minister of religion, teacher, social worker, community employment scheme supervisor) who is in a position to confirm the person's identity to the Firm. In such instances, the person providing the letter/statement must present themselves to the Firm providing proof of their own identity and verifying their status to the Firm

The following methods may be used to verify the permanent address of an individual:

- Requesting sight of current originals of any of the following -
  - Utility bill
  - Bank, building society or financial institution statement
  - Notice of Determination for Tax Credit
  - Balancing Statement from Revenue Commissioners
  - Revenue Commissioners C2 Tax Certificate
  - social insurance documents
  - household/motor insurance certificates
  - invoice from a mobile telephone company;
- checking the Electoral Register (local registers are held at Post Offices, Libraries, Garda Síochána Stations)
- making a credit reference agency search;
- checking a local telephone directory or available street directory;

Or if the preferred methods above are not available the Firm could accept one of the following to verify address:

- a letter/statement from a licensed employment agency that the person has recently arrived in Ireland and is commencing employment or from an employer that the person has commenced employment and in each case stating that the person is not in a position to produce a utility bill or other document which shows an Irish address. In addition, in such cases, the prospective client should be required to submit follow-up documentation (e.g. utility bill) confirming Irish address in due course;
- a letter/statement from a person in a position of responsibility (e.g. a solicitor, accountant, doctor, minister of religion, teacher, social worker, community employment scheme supervisor) who is in a position to confirm the person's address to the Firm. In such instances, the person providing the letter/statement must present themselves to the Firm providing proof of their own identity and verifying their status to the Firm; or
- documentation/cards issued by a Government Department showing the address of the person.

Procedures to identify a non-resident individual should be principally the same as for a resident individual. There may however be a need to seek further information to satisfy the Firm as to the authenticity of unfamiliar documents. In particular, the Firm should be wary of documents received from countries not subject to anti-money laundering legislation similar to our own. These countries have been prescribed by the Minister for Justice, Equality and Law Reform and are named in Appendix 11.

Where there is not a face-to-face meeting with the client or where copies of documents are provided the copies of documents required to verify identity should be certified by a suitable person e.g. an accountant, a solicitor, a member of the Garda Síochána, another designated body for the purposes of the anti-money laundering legislation.

If it is not possible to obtain a certified copy of a passport or a driving licence to

verify the name, the Firm could verify name by means of two of the following:

- Copy of passport or driving licence (This copy should be reviewed to ensure that it is in date, that there is no apparent variation between the signature on the copy and the signature obtained on any other document received from the customer and that the format of the copy document is consistent with the official format of that document for the country in question)
- Verification that the named client is registered as living at the home address provided (i.e. one of the methods used below to verify address). (Note the same document should not subsequently be used to verify the client's address in this case)

- Telephone contact with the client at an independently verified home or business telephone number
- Confirmation from the client's employer by telephone to the listed business telephone number.

Professional clearance procedures completed satisfactorily and work may now start:

.....  
Audit Principal

.....  
(Date)