

CLIENT MONIES CONTROL PROCEDURES

This procedure details those controls which exist over our Client monies and explain how client monies are kept safe, used for appropriate purposes and in accordance with those regulatory bodies for which Inspired Property Management are members.

What are Client Monies?

As Managing Agents, it is a requirement of our ARMA and RICS accreditation that our procedure for Client Monies is available and published. The Client Money Protection Scheme for Property Agents Client Monies (Approval and Designation Schemes) Regulations 2018, defines Client Monies as 'money received by a property agent in the course of English letting agency work with the meaning of section 55 of that Act; and held on behalf of another person'.

Who are ARMA and RICS?

ARMA is the Association of Residential Managing Agents and a leading professional body for residential managing agents in England and Wales, founded in 1991. ARMA members are part of an independent ombudsman scheme and in addition agree to comply with the RICS 'Service Charge Residential Management Code. RICS is the Royal Institution of Chartered Surveyors, founded in 1868, is a professional body enforcing the highest industry standards in the valuation, management and development of land, real estate, construction and infrastructure.

Inspired Property Management Limited is a member of both ARMA and is RICS regulated.

What are our requirements under the Client Money Protection Scheme?

Both ARMA and RICS require any manager to put in place accounting systems that 'show all its dealings with any money dealt with by it through a Client account and to show such dealings as they relate to individual Clients' ARMA Bye-Law 4.

Rule 8 of the RICS Rules of Conduct for Firms states: 'A firm shall preserve the security of clients' money entrusted to its care in the course of its practice or business. Furthermore, in April 2018 RICS updated the scheme rules for client money protection following the Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) 2018 coming into effect.

RICS members and RICS-regulated firms must comply with the Rules of Conduct for Members and Rules of Conduct for Firms and demonstrate compliance with these mandatory requirements and includes the issuing of written procedures in which Inspired Property Management handle client monies.

In order to complete with these requirements for holding money, Inspired Property Management have set up their Client Accounts relationships with either Yorkshire Bank or Barclays Bank. This includes all monies are held will be maintained in individual bank accounts in the name of each Client for each fund that the Client has deposited with us, and only if the Lease requires it will reserve monies be held in a separate account. Furthermore, Inspired Property Management provide information on receipts and payments of client monies. This includes prompt payments made and ensuring client monies are used only on client matters.



Head Office, 6 Malton Way, Adwick-le-Street, Doncaster, DN6 7FE
T: 01302 729 500

London Office, Unit G4 - The Chandlery, 50 Westminster Bridge Rd, Waterloo, London SE1 7QY
T: 0203 664 6664

With regard to the requirements for accounting records, RICS requires regular client bank account reconciliations, Inspired Property Management Ltd have a procedure in place whereby all client accounts are reconciled on a daily basis with a further review at the month end by senior members of the accounting team. Inspired Property Management comply with legislation on anti-money laundering and other mandatory requirements on countering bribery and corruption.

Inspired Property Management comply with all relevant legislation and requirements of RICS whether our client is a Landlord, Resident Management Company, Right to Manage Company or Residents Association.

Internal Controls and Systems

Inspired Property Management use the QUBE Property Management as the system by which Client monies are identified and allocated to each Client and account. The QUBE system is used throughout Inspired Property Management for the management of all areas of property management from site inspections, raising works orders and logging calls and written correspondence from Clients.

Service charge monies received from Leaseholders are allocated and credited to their service charge account through QUBE, and such amounts are reflected on the service charge fund for each individual development.

Invoices received by Inspired Property Management are allocated and coded to a cost heading and development for which the expenditure relates. These invoices are loaded into the QUBE purchase ledger workflow system for each dedicated property manager. The property manager can access the invoice received and saved to QUBE who can then review and authorise. The property manager will be able to view the invoice and authorise or query with the contractor or return as necessary.

All invoices received can be viewed by any staff members at Inspired Property Management through the QUBE system, likewise payments to and from any development service charge account and those individual Leaseholder accounts.

The purchase ledger department will arrange for a weekly payment run whereby all contractor and utility invoices which have been authorised by the property manager are paid via BACS.

Regular expenditure reports are produced through QUBE for each development and can be provided to Clients on a quarterly basis as agreed and will detail income, expenditure, debtors and creditors.

Audit and Certification

On an annual basis Inspired Property Management provide full working papers to an independent Accountant to prepare and certify our Clients service charge and/ or corporate accounts. These working papers include bank statements, bank reconciliations, analysis of income and expenditure in the year, invoices and cash books for each fund.

These working papers enable the independent Accountant is able to prepare the annual accounts, whether they be service charge or corporate accounts and to verify the balances on the trial balance. The independent Accountant will be able to ensure the provisions of the Landlord and Tenant Act of 1985 have been met and complied with.



Head Office, 6 Malton Way, Adwick-le-Street, Doncaster, DN6 7FE
T: 01302 729 500

London Office, Unit G4 - The Chandlery, 50 Westminster Bridge Rd, Waterloo, London SE1 7QY
T: 0203 664 6664