

# Handling of Client Money

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## 1. Introduction

### 1.1 Overview

i.	Rule 1 of the Royal Institute of Chartered Surveyors ( <b>RICS</b> ) Rules of Conduct for Firms (October 2021) states: <i>'Members and firms must be honest, act with integrity and comply with their professional obligations, including obligations to RICS.'</i> Example behaviours of this is that firms keep Client Money safe; have appropriate accounting controls; do not misuse Client Money; and comply with controls intended to keep it safe.
ii.	The RICS professional standard on <i>Client Money Handling and the accompanying Client Money Handling Professional Statement (1<sup>st</sup> edition, October 2019)</i> (the <b>Professional Standard</b> ) reinforces the importance of these behaviours in demonstrating compliance with professional requirements.
iii.	This policy sets out how <b>GL Hearn Limited (WSP GLH)</b> complies with the mandatory requirements of the Professional Standard and follows guidance to ensure best practice when handling Client Money.
iv.	RICS requires that each firm appoints a Responsible Principal and a Contact Officer. The Responsible Principal for WSP GLH is Richard Williamson ( <a href="mailto:richard.williamson@glhearn.com">richard.williamson@glhearn.com</a> ) and the Contact Officer is Clare Lennard ( <a href="mailto:Clare.Lennard@glhearn.com">Clare.Lennard@glhearn.com</a> ).
v.	Unless stated otherwise, the terms used in the policy are as defined in the Professional Standard, as indicated by the use of capitalisation.

### 1.2 Procedure Objectives

i.	The overall objectives of this procedure are to ensure that: <ul style="list-style-type: none"> <li>• Client Money entrusted to WSP GLH is kept safe</li> <li>• Client Money Accounts are used for appropriate purposes only</li> <li>• The appropriate controls and procedures are in place to safeguard Client Money</li> </ul>
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### 1.3 Application

i.	The Professional Standard applies to all RICS members and RICS-regulated firms operating in the United Kingdom.
ii.	WSP GLH is registered with RICS (Firm Registration Number 003321) and with the <i>RICS Client Money Protection Scheme for Surveying Services</i> . To ensure separation of Client funds from firm funds, WSP GLH operates a wholly owned subsidiary, which deals exclusively with Client Money, <b>GL Hearn Management Limited</b> (company number 01984639) ( <b>GLHM</b> ).

iii.	WSP GLH is a member of the WSP group, being an indirect subsidiary of WSP Global Inc. WSP Global Inc. is a company registered in Canada and listed on the Toronto Stock Exchange. WSP GLH's immediate parent entity is WSP UK Limited.
iv.	References to GLHM in this policy shall include WSP GLH and any other WSP group company, as the case may be, on the basis that those operating the Client Money service are employees of WSP GLH or another WSP group company, as the case may be.

### 1.4 RICS Client Money Protection Scheme rules

i.	RICS-regulated firms that hold Client Money must ensure that they are registered with the appropriate RICS scheme.
ii.	WSP GLH is registered with the RICS Client Money Protection Scheme for Surveying Services.
iii.	Following a change by RICS to the scheme rules for Client Money following the <i>Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) Regulations 2018</i> , it was no longer appropriate for GLHM to be registered with RICS as a regulated firm in its own right as it does not carry out surveying services. RICS has confirmed that the Client Money held by GLHM, as a wholly owned subsidiary of WSP GLH, remains protected by the RICS Client Money Protection Scheme.

## 2. Mandatory Requirements

### 2.1 Overall Requirements

i.	All Principals ensure that they and everyone employed by WSP GLH complies with the RICS Professional Statement on Client Money Handling.
ii.	As per 1.3 above, Client Money is held by GLHM, on behalf of WSP GLH as a RICS regulated firm. WSP GLH and its Principals remain responsible for holding Client Money securely in compliance with the Professional Standard and ensure that all information and records relating to Client Money are available to RICS on request.

### 2.2 Requirements for RICS firms

#### 2.2.1 Holding Client Money

i.	All Client Money is held in Client Money Accounts over which GLHM has exclusive control. All Client Money Accounts are held with Barclays Bank plc (the <b>Bank</b> ).
ii.	Client money is held in one or more of the following types of account, dependent on client requirements:

	<p>a) A general client money account (<b>General Client Account</b>) named the GL Hearn Management Ltd Premium General Client Account for the receipt of GBP funds from Clients for the payment of business rates to Local Authorities in the UK.</p> <p>b) A further General Client Account for the receipt of Euro funds from Clients for the payment of Commercial Rates in the Republic of Ireland</p> <p>c) Discrete client money accounts (<b>Discrete Client Account</b>) are also utilised for the handling of a single client’s funds, either GBP or Euro.</p>
iii.	Client Money accounts only contain Clients’ money.
iv.	Examples of Client Money include, but are not limited to, money held or received as a payment on account of costs generally; rents and service charges; interest credited to a Client Money Account (unless the firm retains interest by agreement); arbitration fees; Client Money held but due to be paid to contractors.
v.	Neither WSP GLH nor GLHM’s office money is held in any Client Money Accounts. For this purpose, a designated office account ( <b>Office Account</b> ) is operated by GLHM. The Office Account is used for the payment of bank charges, both ad-hoc and quarterly, and for the receipt of interest in respect of the General Client Account and transfer of interest from the Client Discrete Accounts, which by agreement with the Client does not accrue to the Client.
vi.	All Client Money Accounts contain the word “Client” in the name of the account and also “GL Hearn Management Limited (GLHM)”. Discrete Client Accounts also contain the name of the Client to whom the funds in the account belong to.
vii.	All money held in Client Money Accounts is immediately available.
viii.	GLHM does not hold any Client Money in high interest accounts.
ix.	The Operating Conditions have been confirmed with the Bank, which includes acknowledgement from the Bank that all money held in the Client Money Accounts is held by GLHM as an agent; that the Bank is not entitled to combine the accounts with any other account or to exercise any right of set-off or counterclaim against money in the accounts in respect of any sum owed to the Bank on any other of GLHM’s accounts.
x.	In a scenario where the Client wishes to have access to its money alongside GLHM, this account shall be set up by the Client not GLHM.

**2.2.2 Information to Clients**

i.	WSP GLH’s Clients are aware that Client Money is held in accounts operated exclusively by GLHM. Bank details of GLHM’s General Client Account are provided to the Client in writing at the commencement of the instruction. Bank details of a Discrete Client Account, where instructed, are supplied to the Client at the time of opening of the bank account and annually thereafter. Clients are issued with a report containing details of their Discrete Client Account balance at regular intervals as agreed with the Client as an annual basis as a minimum.
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ii.	No fees are paid in advance for surveying services by WSP GLH's Clients. Should this arise, WSP GLH shall ensure that the Client is aware that such money is not covered by the Client Money Protection Scheme.
iii.	WSP GLH does not earn commission in the conduct of its operations nor use Client Money to make payment to contractors.
iv.	Clients are aware that GLHM shall make all reasonable endeavours to identify funds and instruct GLHM to return any unidentified or incorrectly paid money deposited to their Discrete Client Account to the sender.
v.	A copy of these procedures is available upon request.

### 2.2.3 Receipts of Client Money

i.	All Client Money received is paid into the appropriate Client Money account promptly.
ii.	If mixed monies are received, containing Client Money and Office Money, this would be paid in full to the appropriate Client Money Account initially, with the Office Money element then being transferred to the GLHM Office Account or WSP GLH's firm bank account, as appropriate.
iii.	Should Client instructions be that only part of a payment is to be held by GLHM, the part to be retained shall be paid into the appropriate Client Money Account promptly and the relevant part not being retained is transferred to the correct beneficiary promptly.
iv.	Interest accruing on Client Money is agreed to be retained by GLHM, and as an additional fee to WSP GLH, to indemnify the Client against incurring bank fees and charges associated with handling its money, unless alternative instructions are received as to the handling of interest.
v.	Interest is paid by the Bank on funds held in the Client Money Accounts on a quarterly basis. Interest for the General Client Account (mixed Client Monies) is paid into the Office Account. Interest due on funds held in the Discrete Client Accounts is paid directly to the account it has accrued on. The amount of interest paid is reconciled by the Client manually and with reference to the Bank's account management software which tracks individual client funds in the General Client Accounts.
vi.	Unidentified Client Money is investigated upon receipt and notified to the Head of Rate Payment Management immediately. All 'exceptions' are logged in full and an investigation is undertaken within 3 working days to attempt to establish the correct Client owner. Progress is noted on the exceptions log.
vii.	Should the correct Client recipient be identified, the money is paid to the appropriate Client Money account promptly or paid to the Client as necessary. Where the owner of the unidentified Client Money cannot be traced, and all avenues of investigation have been exhausted, GLHM shall pay the unidentified

	sum to a registered charity after three years of being retained in the GLHM suspense account, which is held in the General Client Account.
viii.	A receipt and an indemnity shall be obtained for any payments made to a registered charity in order that the relevant charity reimburses GLHM if a beneficiary is subsequently identified.
ix.	Should a Client mistakenly pay WSP GLH funds (i.e. payment of an invoice for fees relating to contractual services) to a Client Money Account, GLHM shall remedy the misdirected payment promptly by transferring the money to WSP GLH'S firm bank account and advising the Client of the transaction.

#### 2.2.4 Payments from Client Account

i.	GLHM will only use each Client's Money for that Client's matters.
ii.	Money that has been paid to a Client Money Account in error shall be withdrawn or transferred from the Client Money Account promptly and to the correct location.
iii.	Where there is no longer any reason to retain Client Money funds, and no instruction has been supplied by the Client to continue to retain funds, these shall be returned to the Client immediately on an agreed date. Any further payments received are paid to the Client immediately.
iv.	GLHM shall make all payments of client funds from Client Money Accounts.
v.	Fees are not withdrawn from a Client Money Account without both prior agreement by the Client, issued in writing, that the funds in the account may be used for such a purpose, and a specific instruction to withdraw funds at the time the fee becomes due and payable. Upon receipt of agreement to withdraw funds from the Client, the transaction is carried out promptly.
vi.	GLHM ensures that sufficient funds are held for the relevant Client before any payments are made on that Client's account. No Client Money accounts are to be overdrawn.
vii.	GLHM does not permit any Direct Debits or standing orders to be set up on its Client Money Accounts without the written permission of the Client.
viii.	GLHM shall not permit any bank costs to be withdrawn from the Client Money Accounts without the written permission of the Client to whom the costs are relevant to the handling of its specific money.

#### 2.2.5 Accounting Records and Controls

i.	GLHM keeps records and accounts that show all dealings with Client Money to demonstrate that all Client Money held by GLHM is held in a Client Money Account.
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ii.	GLHM ensures it has appropriate systems, procedures and controls in place to ensure payments into and transfers or withdrawals from a Client Money Account are in accordance with the instructions agreed with the Client.
iii.	Monthly Client Money Account reconciliations are undertaken which are reviewed either by a Principal or a senior staff member.
iv.	Written procedures for handling Client Money are published on <a href="http://www.glhearn.com">www.glhearn.com</a> . A copy of these procedures is available to RICS or to any Client or person who may reasonably require a copy. No fee shall be charged for this.
v.	GLHM does not permit overdrawn balances on Client Money Accounts. All accounts are monitored throughout the day to identify any matters that may cause an account to go overdrawn. Should a matter arise which causes an account to go overdrawn, GLHM shall investigate immediately and rectify the account balance using firm funds.
vi.	WSP GLH ensures that accounting systems and Client data is controlled and protected, including computer systems, in terms of firewalls, data and system bank-ups and business continuity procedures. GLHM works with the Bank, following advice regarding fraud and security.

### 2.2.6 Compliance

i.	All Client Money held is linked to the surveying activities of WSP GLH. Client Money Accounts are not used as a banking facility for third parties, Clients or otherwise.
ii.	All anti-money laundering legislation, rules and regulations for the receipts of Client Money is adhered to and overseen by WSP's Ethics and Compliance Officer (UK & Ireland).
iii.	RICS' professional statement <i>Countering Bribery and Corruption, Money Laundering and Terrorist Financing</i> (the <b>Bribery Professional Statement</b> ) is complied with.
iv.	WSP GLH does not currently require certification to comply with rules and procedures for handling Client Money. If this changes, WSP GLH will obtain the certification and display or publish it as required.
v.	Any breach of the above requirements shall be investigated and remedied promptly upon discovery, including the replacement of any money improperly withheld or withdrawn from a Client Money Account.
vi.	Any breach of the mandatory requirements of the Bribery Professional Statement shall be recorded in writing in sufficient details including any consideration of whether to inform RICS and any Client affected by the breach.
vii.	WSP GLH shall inform RICS, the Client and WSP GLH's insurers immediately if Client Money is misappropriated by any person. The police may also need to be



	informed depending on the nature of the matter. Any decision not to report the matter to the police shall be recorded and the reasons for it also kept.
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### 2.3 Requirements for RICS members

i.	WSP GLH staff shall ensure compliance with all anti-money laundering legislation, rules and regulations for all receipts of Client Money.
ii.	Staff ensure compliance with the mandatory requirements of the latest edition of the Bribery Professional Statement.
iii.	Staff must not override any controls in place to protect Client Money.
iv.	Staff must follow the above procedures for handling Client Money.
v.	Staff must make appropriate disclosures to a senior member of WSP GLH or a regulator immediately if they become aware of any risk or actual misappropriation of Client Money and to keep a written record of that disclosure.
vi.	WSP GLH also expects that non-RICS professionals who are members of staff also comply with the above requirements.

## 3. Controls

### 3.1 Accounting Controls

i.	GLHM maintains a Cash Book detailing all payments and receipts with a running balance for all Client Money Accounts. This is maintained on a daily basis.
ii.	For the General Client Account, GLHM maintains a Client Ledger detailing all receipts and payments held for a specific Client. Client Ledgers include the Client's name. This is maintained on a daily basis.
iii.	Accounting records are completed chronologically and monthly. The current balance of the total Client Money held and that at an individual Client level is also available at all times.
iv.	Copies of Client Money Account bank statements, reconciliation and supporting documents are retained for at least six years.

### 3.2 Banking Controls

i.	GLHM liaises regularly with the Bank to ensure that it is aware of the operating conditions relating to the Client Money Accounts.
ii.	The Bank Mandate is reviewed regularly by the WSP GLH board of directors, and kept up to date in terms of signatories deemed appropriate by the board to be on the Bank Mandate.

iii.	GLHM shall obtain from the Bank a letter that confirms the names of the Client Money Account signatories; any limits or joint signing authorities, and individuals authorised for online access if appropriate.
iv.	GLHM's appointed bank administrators determine online access to Client Money Accounts, ensuring those with access are compliant with this procedure, all RICS' rules and following best practice for handling Client Money.
v.	A central list of all Client Money Accounts is maintained.
vi.	A withdrawal (payment or transfer) from a Client Money Account shall only be made after specific authority for that withdrawal has been provided by two individuals authorised to approve withdrawals from the Client Money Accounts and GLHM's Office Account. Approvals from these individuals is provided electronically.
vii.	The Responsible Principal reviews and updates the list of authorised individuals who may approve withdrawals from Client Money Accounts and GLHM's Office Account.
viii.	The authorised individuals understand the requirements of the Professional Standard and WSP GLH's procedures for handling Client Money. All are covered by WSP GLH's professional indemnity insurance.
ix.	Access to set up and release payments from the Client Money Accounts is via secure Smartcard and Pin, unique to each user. Access to online banking websites is controlled by GLHM's bank administrators, drawn from senior staff, with the agreement of the Responsible Principal.
x.	Additional bank administrators can only be approved by statutory directors of WSP GLH.
xi.	Any communication with the Bank is by selected individuals only who have set up security questions to be asked when contacting the Bank.

### 3.3 Controls on the Receipt of Client Money

i.	Staff who open post for WSP GLH and GLHM are able to identify Client Money in the form of cheques and follow procedures for notifying the Client Monies team of receipt.
ii.	All cheques received by post are scanned to the Client Money team who log the receipt and ensure it is promptly deposited to the correct Client Money account. This log is periodically reviewed to identified aged items by senior staff.
iii.	Cheques are securely held in the Client Money team's designated office until banked.
iv.	Cheques are banked to the Client's Discrete Client Account or sent to the Client should a Discrete Client Account not be held within 3 working days.

v.	Cash is not received, but should this occur, the procedures for the receipt and handling of cheques would be utilised.
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### 3.4 Payment Controls

i.	The Client Monies team follows pre-determined procedures for the evidence required for each type of regular payment. Evidence for ad-hoc or miscellaneous payments is checked by a senior member of WSP GLH staff for completeness before the payment pack is submitted for approval for the money to be withdrawn from the Client Money Account.
ii.	Segregation of duties is in place for all online transactions, utilising the Bank's role profiles and controls to ensure compliance and that such controls cannot be overridden. This means that anyone who creates a payment within the online banking platform cannot also release a payment. In addition, any changes to users or certain operations at the Bank must be counter approved by a second bank administrator.
iii.	Any changes to beneficiary bank details are subject to dual approval once presented by the WSP GLH Client Monies team having followed procedural notes for verifying a change of beneficiary bank account, including telephone checks.
iv.	Direct Debits and standing orders are not permitted on GLHM's Client Money Accounts. Any unauthorised Direct Debit instruction that is collected from a Client Money Account is immediately notified to the Bank and an indemnity claim made under the Direct Debit Guarantee Scheme to ensure that the account is placed back into funds by the Bank promptly.
v.	No aspects of GLHM's Client Money activities are outsourced.

### 3.5 Reconciliations

i.	Reconciliations are carried out for all Client Money Accounts and the Office Account monthly.
ii.	The reconciliation includes the Cash Book, Client Ledger and bank statement balances with any unclear items explained. Any errors identified are rectified immediately.
iii.	The reconciliation includes a list of any unrepresented cheques, any outstanding deposits, and details of any other reconciling items.
iv.	Reconciliations for the General Client Account includes the Client Ledger balances and the total of those balances.
v.	Records of reconciliations are retained in digital format.
vi.	Reconciliations are reviewed by a senior staff member (Financial Controller – Treasury & VAT, WSP UK Limited) who confirms electronically that the reconciliations have been reviewed.

### 3.6 General Controls

i.	Access to Client Monies is restricted to WSP GLH Principals or senior employees (with the job title of Associate Director and above).
ii.	Such access to releasing Client Monies is subject to a clear segregation of duties and dual approval when releasing payments from Client Money Accounts.
iii.	The Client Money service and activity of GLHM is overseen by the Responsible Principal and the Contact Officer, and from a group perspective, WSP UK Limited's Director of Finance and Shared Services and Financial Controller – Treasury & VAT.
iv.	All WSP GLH staff who handle Client Money are trained in the requirements of the RICS Professional Statement on Client Money Handling. Sufficient numbers of staff are appropriately trained to provide cover in the absence of colleagues.
v.	GLHM shall ensure that all teams utilising the Client Money service apply the same level of care and controls to handling Client Money and that no one person can unilaterally override Client Money controls.
vi.	Any member of staff who has concerns about Client Money security should direct their concerns to one of the above senior staff members. Alternatively, they may contact RICS if they are concerned about a risk to Client Money and either it is inappropriate to report the matter to a senior staff member within WSP GLH or their concerns have not been responded to appropriately. RICS may be contacted for such matters via email: <a href="mailto:complaints@rics.org">complaints@rics.org</a> or via its website: <a href="http://www.rics.org">www.rics.org</a>

### 3.7 Written Procedures

i.	The current version of this document is published on <a href="http://www.glhearn.com">www.glhearn.com</a> and a copy is also provided to Clients upon request.
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