



Use for year ends between
Dec. 1/11 and Nov. 30/12.

LAW SOCIETY OF SASKATCHEWAN

FORM TA-5 ACCOUNTANT'S REPORT

RE: _____
Member/Firm

Reporting Period: From _____ 20__ To _____ 20__ (Fiscal Year End)

INSTRUCTION SUMMARY

1. The Law Society of Saskatchewan depends on the Accountant's Report to determine compliance with Part 13 of the Rules of the Law Society of Saskatchewan as well as other acceptable standards for basic record keeping. The accountant must review Part 13 of the Rules and the Accountant's Instructions prior to commencing the review. Accountant's Instructions are updated regularly and the most recent version along with Part 13 of the Rules can be obtained from the Law Society of Saskatchewan website at www.lawsociety.sk.ca or by calling (306) 569-8242. The instructions are provided to assist in consistent interpretation of requirements. They should not be construed as being restrictive or to limit the accountant's professional judgement when conducting the review and completing this report.
2. This form must be used. If more space is required than provided for on this form, please attach and reference information on your letterhead.
3. This form can be completed only by an independent accountant having a professional designation as CA, CMA or CGA and who is registered as a practicing office in Saskatchewan with the appropriate professional accounting governing body.
4. If this form is completed on a computer (i.e. not handwritten), printed responses must be in a distinctive colour (i.e. red) and be written on one side of paper only.
5. Form TA-5 is to be completed by the accountant only after receipt of the completed and signed Form TA-3 from the member/firm.
6. The contents of this report must be discussed with the member or managing partner of the firm by the accountant prior to the member completing and signing of the Member/Firm Certification section at the end of this form.
7. The original completed and signed Form TA-5 along with the Form TA-3 signed by the member(s) and required attachments are to be forwarded directly by the accountant to the Law Society of Saskatchewan not later than 3 months following the end of the lawyer's fiscal year end. If timeline is not met, a late filing penalty will be assessed against the lawyer for non-compliance.
8. Only one Accountant's Report need be filed for a firm, however, each lawyer practicing as a sole practitioner under a single firm name must file on his or her own behalf.

Please attach to this report a copy of the client trust account listing(s), a copy of the respective detailed trust bank reconciliation(s) and, where there are numerous accounts, a summary comparing all trust amounts on deposit to trust balances owing for the end of the reporting period.

1. ACCOUNTING FIRM

Name: _____

Mailing Address: _____

Postal Code: _____

Contact Person: _____

Telephone Number: _____

Professional Qualifications: CA _____ CMA _____ CGA _____

My/Our firm is registered as a **practicing office** with the appropriate professional governing body in Saskatchewan.

Yes No

In addition to completion of TA-5, will your firm be providing additional services relating to the firm's financial statements for the reporting period?

Yes No

If yes, do those services constitute:

- an audit?

Yes No

- a review?

Yes No

2. ACCOUNTING RECORDS

(a) Funds held in trust at the end of the reporting period according to bank reconciliations and trust listings attached are:

- i) Pooled Trust Account(s) - Total \$ _____
- ii) Separate (Interest Bearing) Trust Account(s) - Total \$ _____
- iii) Total Trust Liability (per client trust listing(s)) \$ _____

Note: i) plus ii) must equal iii). If not, please provide explanation.

(b) Were any pooled trust funds held in U.S. or foreign currency accounts during the year? Yes No

If yes, please provide details:

Bank	Account Number	Currency
_____	_____	_____
_____	_____	_____

(c) The following accounting records with at least the information noted were maintained in good form during the reporting period:

- i) a chronological **trust** daily journal showing for:
 - receipts
 - date of receipt
 - receipt or identification number
 - payor
 - client reference
 - form in which monies were received (i.e. cash, cheque, etc.)
 - payments
 - amount
 - date of payment
 - payee
 - cheque number
 - client reference
 - amount

Yes No

Yes No

Comments (if any): _____

- ii) a client trust ledger showing for each client and each business matter:
 - amount of each receipt
 - date of each receipt and payment
 - form in which monies were received (i.e. cash, cheque, etc.)
 - amount of each payment
 - a running balance Yes No
- Lawyer's trust listings and trust ledgers must include **all** funds held in trust whether as ~~%~~ pooled+ trust accounts or ~~%~~ separate+(interest bearing) trust accounts.
- Comments (if any): _____

- iii) a record of trust deposits (i.e. duplicate deposit slip) indicating:
 - date of deposit
 - payor name or reference
 - amount Yes No
- Comments (if any): _____

- iv) a trust transfer record showing for all file to file trust transfers:
 - date of transfer
 - corresponding account(s)
 - purpose
 - amount Yes No
- Comments (if any): _____

- v) a billing journal or numerical file of copies of billings showing:
 - date
 - client name
 - fees charged
 - other client charges
 - tax amounts (if any)
 - payment(s) made from funds in trust
 - balance Yes No
- Comments (if any): _____

- vi) an accounts receivable ledger showing for each client the member/firm vs. client position including:
 - date of each transaction
 - billing amount(s)
 - payment(s) made from funds in trust
 - other receipts on behalf of clients
 - balance Yes No
- Comments (if any): _____

- vii) a chronological **general account** daily journal showing:
- | | | |
|----------------|---|--|
| - for receipts | - date of receipt
- payor
- receipt number
- form in which monies were received
(i.e. cash, cheque, etc.)
- amount | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| - for payments | - date of payment
- payee
- cheque number
- amount | Yes <input type="checkbox"/> No <input type="checkbox"/> |
- Comments (if any): _____

- (d) Financial records are current with
 - trust records appearing to be updated promptly (i.e. within 3 business days of transaction)? Yes No
 - non-trust records appearing to be updated promptly? Yes No

Note: *In order to respond to this question, consider checking status immediately upon commencing fieldwork.*

Comments (if any): _____

- (e) The test month/period selected at random for review was _____

3. PROCEDURES AND RESULTS - TRUST ACCOUNTS

Based on the procedures performed, we report the following:

(a) **Year End:** Trust Reconciliation Review

- i) The bank balance per the control account and the bank balance per the bank and the client trust listings were reconciled at the **end** of the reporting period: Yes No
- ii) The existence of trust bank balances was verified by examining externally prepared documents or information: Yes No
- iii) Outstanding deposits were verified by tracing outstanding amounts to the bank statement for the subsequent month: Yes No
- iv) Reconciling items were cleared or explained to your satisfaction: Yes No

(b) **Test Month:** Trust Reconciliation(s) Review

- i) trust reconciliations **had been prepared** and were available for **each month** in the reporting period: Yes No

If no, please provide details: _____

- ii) trust reconciliation(s) examined for the test month/period included for **each** ~~pool~~ **and** separate (interest bearing) trust account:
 - a calculation of the control account or general ledger balance: Yes No
 - a calculation of the bank balance: Yes No
 - a listing of client trust balances: Yes No
 - the bank balance per the control account **and** the bank balance per the bank **and** the client trust listings were reconciled at the end of the test month: Yes No
 - details and/or explanations of any reconciling items necessary to ~~balance~~ **these 3 amounts**: Yes No
 - monthly trust listings show the clients names and/or account numbers and corresponding trust balances: Yes No
 - trust assets equal trust liabilities in the accounting records at the end of the test month (i.e. review monthly trial balance) Yes No

If the answer was ~~no~~ **to** any of the above questions, please provide details: _____

(c) **Test Month:** Procedures were performed to:

- i) verify existence of trust bank balances (i.e. examination of bank statements, passbooks or externally prepared documents). Consider confirmation of bank balances. Yes No
- ii) conclude that trust reconciliations are arithmetically correct? Yes No
- iii) verify the accuracy of the reconciliation(s) by (at a minimum):
 - aa) tracing outstanding deposits to the deposit book and bank statement for the subsequent month? Yes No N/A
 - Outstanding deposits appear on subsequent bank statements within 1 banking day? Yes No N/A

If no, please explain: _____

- bb) reviewing paid cheques or cheque images returned in the subsequent month and tracing those dated prior to the reconciliation date to the outstanding list? Yes No
- cc) obtaining reasonable explanations for outstanding cheques over \$1000.00 not cleared through examination of subsequently cashed cheques? Yes No N/A
- dd) ensuring that other reconciling items were cleared on a timely basis or were accounted for and explained to your satisfaction? Yes No N/A

If any of the above questions were answered ~~no~~, please provide details:

(d) Cancelled Cheques/Cheque Images

The Law Society requires original cancelled cheques or printed copies of cheque images meeting certain requirements to be obtained and retained by the member/firm.

Refer to Accountant's Instructions 14 for Law Society cheque imaging requirements. Has the firm met all cheque image requirements for each:

- pooled trust account(s) Yes No N/A
- general account(s) Yes No N/A

where cheque images rather than original cancelled cheques were received?

If no, please provide further information outlining how requirements were not met referencing the particular bank and account number:

Also, please advise the Law Society of Saskatchewan immediately by phone (John Allen or Stephanie Yakimowski @ 569-8242) if member/firm has not met or is not meeting all cheque imaging requirements.

- (e) All Trust monies received were deposited **firstly** to the **pooled** trust account with separate (interest bearing) trust accounts being established **only** with funds received from the pooled trust account (i.e. review deposit(s) to separate (interest bearing) trust account(s)? (Refer to Accountant's Instructions.) Yes No

If no, please explain: _____

- (f) Trust funds received are deposited as soon as practicable upon receipt (i.e. next banking day)? Yes No

(g) Monies held in trust to which the member/firm becomes entitled (i.e. fees, disbursements, etc.) appear to be withdrawn from the pooled trust account:

(i) on a timely basis (i.e. within 1 week of invoice date)? Yes No

(ii) based on a previously prepared invoice that appears to have been provided to client Yes No

If no, please explain: _____

Compare a minimum of 10 or all withdrawals to corresponding invoices and scan 10 or all client trust accounts as described in ~~%Accountant's Instructions+~~

(h) Are there stale dated cheques (more than 6 months) on the trust reconciliation at the end of the reporting period?

Yes No

If yes, please identify on reconciliation or attach listing.

(i) Are separate (interest bearing) trust accounts (SIBA~~s~~) opened in the ~~%name of the member/law firm in trust for the client+~~ **on the bank records?**

Yes No N/A

(j) Is there a record of ~~%separate+~~ (interest bearing) trust investment transactions (i.e. separate client trust ledger account) showing particulars of monies:

- deposited/invested? Yes No
- matured/withdrawn? Yes No
- interest earned? Yes No

(k) Interest earned on ~~%separate+~~ (interest bearing) trust accounts (SIBA~~s~~) was recorded on the client trust ledger card promptly to the credit of the client? (Interest must be recorded in the trust records no later than 1 month after being paid into the account or added to the investment notification provided by the financial institution.)

Yes No

If no, please explain: _____

(l) Are trust balances corresponding to SIBA accounts included in monthly client trust listings and monthly bank reconciliation process?

Yes No N/A

(m) During the test month/period, was it found that trust withdrawals, other than transfers from a ~~%separate+~~ (interest bearing) trust account to a pooled trust account were:

- made only from a pooled trust account Yes No
- made only by consecutively numbered cheques Yes No
- made payable to the order of the person to whom the money was owed Yes No
- signed by at least 1 lawyer in the firm Yes No
- made only by cheques which included a client name or client reference number on the face of the cheque (ie. memo line). Yes No

If no, please explain: _____

(n) Trust account bank statements/cancelled cheques or cheque images for the test month/period were scanned for:

- (i) overdrafts; Yes
 - (ii) NSF cheques written by the firm; Yes
 - (iii) cheques payable to ~~%cash+~~ or ~~%bearer+~~ Yes
- Were any of the above noted? Yes No

If yes, please provide details: _____

(o) Evidence that corrective action agreed to by the member/firm (if any) as a result of previous years TA-3/TA-5(S) review by the Law Society has been implemented was examined. (Obtain a copy of the Law Society TA-3/TA-5(S) review letter and resulting correspondence from member/firm and verify that corrective action committed to by the member/firm was actually implemented). Refer to TA-3 - #13(c). **Evidence of actual implementation of agreed upon actions must be examined. Simply examining correspondence from the Law Society stating action taken is considered appropriate is not sufficient to respond to this question.** Refer to Accountant's Instructions.

Yes No

If no, please provide details: _____

(p) The Accountant's Report (Form TA-5) for the end of the previous reporting period has been reviewed and all significant issues and items (including material outstanding deposits or cheques not cleared during previous years review) have been cleared and all recommendations implemented.

Yes No

If no, please explain: _____

(q) Issues/observations/recommendations reported as a result of spot audits conducted by the Law Society of Saskatchewan during the fiscal year (if any) have been cleared and evidence that corrective action has actually been implemented was examined. **Evidence of actual implementation of agreed upon action must be examined. Simply examining correspondence from the Law Society stating action taken is considered appropriate is not sufficient to respond to this question.** Refer to Accountant's Instructions. (See TA-3 Practice Declaration - Point 13(b)).

Yes No N/A

If no, please provide details: _____

(r) Trust reconciliations were signed and dated within 30 days of each month end by a member.

Yes No

(s) Valuable property referred to by the member in Item 9 of the TA-3 is considered to be adequately safeguarded considering value and type of item(s).

Yes No N/A

If no, please describe concern: _____

(t) Remittances of GST, PST and/or employee deductions are up to date?

Yes No

If no, is amount and time period of arrears outlined in the member/firm response to TA-3 - #13(hh) correct?

Yes No

If no, please provide details: _____

4. PROCEDURES/RESULTS - CLIENT TRUST RECORDS - MANUAL OR UNAPPROVED SYSTEMS

(a) Are the firm's trust accounting records maintained using a computerized system approved by the Law Society of Saskatchewan? Please refer to Accountant's Instructions for a listing of approved systems.

Yes No

If yes, please proceed to Section 5. If no, please complete the remainder of this section prior to proceeding to Section 5.

(b) Trace 20 or all balances (whichever is the least) from the client trust listing to the client trust ledger at the end of the test month (random selection of accounts required). All accounts checked were in agreement.

Yes No

If accounts were not in agreement, please provide details: _____

(c) Trace 20 or all balances (whichever is the least) from client trust ledger to the client trust listing at the end of the test month (random selection of accounts required). All accounts checked were in agreement.

Yes No

If accounts were not in agreement, please provide details: _____

(d) Trace and clear entries in 20 or all (whichever is the least) client trust ledger records active during the reporting period to the daily journal. Were any discrepancies noted?

Yes No

If yes, please provide comments: _____

(e) Trace 20 debit and 20 credit entries from the daily journal to the client trust ledger. Were any discrepancies noted?

Yes No

If yes, please provide comments: _____

5. PROCEDURES/RESULTS - CLIENT TRUST RECORDS - ALL SYSTEMS

(a) Trace and clear all or 20 debit and 20 credit entries, whichever is the least, from the daily journal to the receipt (or first record made upon receipt of monies if that is different from the daily journal) or cancelled cheque. Were any discrepancies or unsupported entries noted?

Yes No

If yes, please explain: _____

(b) Trace 20 or all payments to the member/firm (whichever is the least) from the client trust ledger to corresponding billings in the numerical billing file (Item 2(c) (v)). Billings dated prior to payment from trust were examined for all entries selected from client trust ledger?

Yes No

If no, please explain: _____

(c) A sample of deposits to the general account(s) of monies received from the trust account (minimum of 20 billing amounts from trust) was checked to numerical billings file and the client trust ledger. Invoices dated prior to the deposit of monies paid from trust to the general account were examined in all cases.

Yes No

If no, please provide details: _____

(d) Were any overdrawn client trust ledger accounts noted during review? **Note: According to Rule 930(b), overdrawn refers to each client account not the overall condition of the trust bank account(s).** Scan trust listing at the end of the test month/period and at least 20 or all client trust ledger cards active during the reporting period (whichever is the least) to respond to this question.

Yes No

If yes, please determine reason and provide details: _____

6. PROCEDURES/RESULTS - GENERAL ACCOUNTS

General account transactions were scanned for the test month/period: Yes No

Particular attention was paid to identifying and following up on unusual items, including:

- (a) for receipts/deposits:
 - deposits which may have trust conditions attached (i.e. funds received and services not provided) including, but not limited to, retainers;
 - large or even dollar amounts deposited to the general account. This could indicate unrecorded trust transactions.
- (b) for payments/cheques:
 - amounts paid from the general account to the member's trust account. This could indicate repayment of monies improperly taken from trust.

Items identified were cleared/explained to my satisfaction: Yes No

If no, please list all exceptions: _____

7. SITE VISIT

Did you or your representative visit the offices of the member/firm as part of the process to complete this report? A site visit is required unless waived in writing by the Law Society of Saskatchewan. Yes No

8. PROCEDURES/RESULTS - CLIENT FILES

NOTE: CLIENT FILES MUST NOT BE REMOVED FROM THE MEMBER'S OFFICE.

Select 6 client files or 1 client file per lawyer (whichever is the most) to a maximum of 15 client files for the firm with trust transactions during the reporting period and check that:

- (a) entries on the client trust ledger for the period are supported by documentation in the file: Yes No
- (b) the client was provided with a timely accounting of trust activity (Rule 941(3)): Yes No
- (c) the client received a copy of billings on a timely basis: Yes No
- (d) the member/firm appears to have a system/process in place to identify and verify the identity of clients not exempted by Rule 1024 Yes No

If the answer to any of the above questions is ~~no~~+, please provide further details: _____

The number of client files reviewed to respond to this question was _____.

ACCOUNTANT'S REPORT

_____ is registered as a practicing office at the **Accountant or Accounting Firm**

_____ and confirm(s) that: **Name of Appropriate Professional Accounting Organization**

- 1. I/We have reviewed Part 13 of the Rules of the Law Society of Saskatchewan.
- 2. I/We have reviewed the ~~%~~Accountant's Instructions+provided by the Law Society of Saskatchewan.

3. I/We received and reviewed the completed Practice Declaration (TA-3) prior to commencement of the review process and nothing was found during my/our review to indicate that the member/firm response to any questions in the TA-3 was not correct.

4. I/We have completed the procedures indicated in this Accountant's Report (TA-5) and reviewed the financial records and transactions of this member/firm in accordance with the Accountant's Instructions and the instructions and information contained in the Accountant's Report and our understanding of the requirements of Part 13 of the Rules of the Law Society of Saskatchewan.

5. I/We have noted instances where Part 13 of the Rules has not been complied with: **Yes No**

If yes, please describe each instance below: _____

No other instances where Part 13 was not complied with were noted.

To the best of my/our knowledge, the member/firm has provided me/us with all necessary accounting/financial and member/firm records and information required to perform this review.

The procedures performed do not constitute an audit and would not necessarily reveal any material error, fraudulent action or activity and I/we do not express an opinion on the accuracy or completeness of the member/firm's financial records or the financial information provided. I/We do, however, report on the results of applying the specified procedures.

It is understood that this report is to be used solely by the Law Society of Saskatchewan, its committees or subcommittees and is not to be referred to or distributed to any person other than in accordance with *The Legal Profession Act* and the Rules of the Law Society of Saskatchewan.

Date _____
Name of Accountant/Accounting Firm

Signature

MEMBER/FIRM CERTIFICATION

I/WE CERTIFY THAT:

1. All trust records and trust bank accounts of the law practice were disclosed to the Form TA-5 accountant.
2. All general bank accounts and records of the law practice were disclosed to the Form TA-5 accountant.
3. I/We have provided the Form TA-5 accountant with whatever information or explanation he/she required/requested.
4. To the best of my/our knowledge and belief, the books, records and accounts maintained in connection with my/our firm and produced for the accountant's review fully disclosed all trust obligations to clients.
5. The information contained in this report is correct to the best of my/our knowledge and belief and I/we are in agreement with this Accountant's Report:

Yes No

If no, provide comments in the space provided or under separate cover to the Law Society of Saskatchewan within 10 working days. It is recommended that a copy of any separate correspondence be provided to the accountant.

Date: _____

Signed: _____
Signature of Member/Managing Partner of Firm