



Law Society
of Saskatchewan

LAW SOCIETY OF SASKATCHEWAN

FORM TA-5R 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 15 of the Rules of the Law Society of Saskatchewan as well as other acceptable standards for basic record keeping. The accountant must review Part 15 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 15 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 and 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 the accountant's letterhead.
3. This form can be completed only by an independent accountant with a CPA designation and who is licensed as a firm with CPA Saskatchewan. Please note if your accountant is not appropriately licensed to complete the form, you will be required to re-submit the form completed by an appropriately licensed CPA.
4. Form TA-5R is to be completed by the accountant only after receipt of the completed and signed Annual Report from the member/firm.
5. The contents of this report must be discussed with the member or managing partner of the firm by the accountant prior to the member competing and signing the "Member/Firm Certification" section at the end of this form.
6. The completed signed TA-5R along with the Annual Report 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 this timeline is not met, a late filing penalty will be assessed against the lawyer for non-compliance (Rule 1606).

Please submit the completed package in PDF form to: auditor@lawsociety.sk.ca
7. 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.

1. **ACCOUNTING FIRM**

Name: _____

Mailing Address: _____

Contact Person: _____

Telephone Number: _____

I am a CPA: Yes No

My/Our practice is licensed as a firm with CPA Saskatchewan: Yes No

I am independent of the law firm and its members to which this report relates: Yes No

2. **ACCOUNTING RECORDS**

(a) 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.)	
	- amount	Yes <input type="checkbox"/> No <input type="checkbox"/>

- payments	- date of payment	
	- payee	
	- cheque number	
	- client reference	
	- amount	Yes <input type="checkbox"/> No <input type="checkbox"/>

- running balance Yes No

Comments (if any): _____

ii) a client trust ledger showing for each client and each matter:

- date of each receipt and payment
- payor for each receipt
- amount of each receipt
- form in which monies were received (i.e. cash, cheque, etc.)
- payee for each payment
- amount of each payment
- receipt or cheque number
- 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 (SIBAs).

Comments (if any): _____

iii) a record of trust deposits (i.e. duplicate deposit slip) indicating:

- date of deposit
- payor name or reference
- amount
- bank stamp or ATM deposit slip

Yes No

Comments (if any): _____

ATM deposit slips are filed in date order in deposit book Yes No

The same details as for regular deposits (see above) are available in the deposit book for **all** ATM deposits? Yes No N/A

- 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 at a minimum:
- 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
 - for payments - date of payment
 - payee
 - cheque number
 - amount Yes No

- running balance Yes No

Comments (if any): _____

- (b) 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 (i.e. within 7 business days of transaction)? Yes No

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

Comments (if any): _____

3. **PROCEDURES AND RESULTS – TRUST ACCOUNTS**

Based on the procedures performed, we report the following:

Funds held in trust at the **end of the reporting period** according to the bank reconciliations and trust listings are:

i)	Pooled Trust Bank Account(s) – Total	\$ _____
ii)	SIBA's – Total	\$ _____
iii)	Total Trust Liability (per client trust listing(s))	\$ _____

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

The test month/period selected at random for review was: _____

(a) **Year End:** Trust Reconciliation Review (includes all pooled accounts and SIBAs)

- i) The bank balance per the control account and the bank balance per the bank and the client trust listing 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) Any significant reconciling items were cleared or explained to your satisfaction: Yes No

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

Trust Reconciliations(s) examined for the **test** month/period included the following for **each** "pooled" trust account and SIBA:

- trust ledger balance: Yes No
- a calculation of the bank balance: Yes No
- a listing of outstanding cheques that includes the cheque number, date of issue and dollar amount: Yes No
- a listing of client trust balances: Yes No
- the bank balance per the trust ledger **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 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 #15 for Law Society cheque imaging requirements.

Has the firm met all cheque image requirements for each:

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

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

(e) All trust monies received were deposited **firstly** to the **pooled** trust account with SIBAs being established **only** with funds received from the pooled trust account (i.e. review deposits(s) to SIBAs)? (Refer to Accountant's Instructions.) Yes No

If no, please explain: _____

(f) 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 on a timely basis and based on a previously prepared invoice that appears to have been provided to the 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".

(g) 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.

(h) Is there a record of SIBA 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

(i) Support was reviewed for assurance that annual CDIC reports were filed as required. Yes No

If no, please explain: _____

(j) During the test month/period, was it found that trust withdrawals, other than transfers from a SIBA to a pooled trust account were:

- made only from a pooled trust account Yes No
- made only by consecutively numbered cheques which included a client name or client reference number in the memo section on the face of the cheque (or cheque stub if they are retained). Yes No
- made payable to the person to whom the money was owed Yes No
- signed by at least 1 lawyer in the firm Yes No
- made by wire transfer in which the details are confirmed and the transfer is made in accordance with Rule 1514(5). Yes No

If no, please explain: _____

(k) Trust account bank statement and cancelled cheques/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: _____

(l) Evidence that corrective action agreed to by the member/firm (if any) as a result of a previous years Annual Report/TA-5(R) review by the Law Society had been implemented was examined. (Obtain a copy of the Law Society Annual Report/TA-5(R) review letter and resulting correspondence from member/firm and verify that corrective action committed to by the member/firm actually implemented). **Evidence of actual implementation of agreed upon actions must be examined. Simply examining correspondence from the Law Society stating action taken is not considered sufficient to respond to this question.** Refer to Accountant's Instructions. Yes No

If no, please provide details: _____

(m) The Accountant's Report (Form TA-5(R)) 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 year's review) have been cleared and all recommendations implemented. Yes No N/A

If no, please explain: _____

(n) Issues/observations/recommendations reported as a result of "compliance 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 not considered appropriate sufficient to respond to this question.** Refer to Accountant's Instructions. (See Annual Report – Point 16(b)) Yes No N/A

If no, please provide details: _____

(o) All trust reconciliations were prepared, signed and dated within 30 days of each month end by a member. Yes No

(q) 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 - #14(dd) correct? Yes No

If no, please provide details: _____

4. **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 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 monies improperly deposited to the general account.

If no, please list all exceptions: _____

5. The member/firm appears to have a system/process in place to identify and verify the identity of clients not exempted by Rule 1544 Yes No

6. **SITE VISIT**

Although not required as part of this TA-5R review, did you or your representative visit the offices of the member/firm as part of the process to complete this report? Yes No

ACCOUNTANT’S REPORT

_____ is licensed as a firm with CPA Saskatchewan and
Accountant or Accounting Firm

confirms that:

- 1. I/We have reviewed Part 15 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 Annual Report (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 question in the TA-3 was not correct.
- 4. I/We have completed the procedures indicated in this Accountant’s Report (TA-5R) 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 15 of the Rules of the Law Society of Saskatchewan.
- 5. I/We have noted instances where Part 15 of the Rules was not complied with: Yes No

If yes, please describe each instance below: _____

No other instances where Part 15 was not complied with were noted.

To the best of my/our knowledge, the member/firm has provided me/us with all the 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-5R accountant.
2. All general bank accounts and records of the law practice were disclosed to the Form TA-5R accountant.
3. I/We have provided the Form TA-5R 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

Signature of Member/Managing Partner of Firm