

Accountant's Report

Rule 119.30 (4)

Instructions

1. This Report must be completed for each fiscal year (the "Reporting Period") of the Law Firm and must be filed within 4 months of the Law Firm's designated year-end.
2. In this Report, "Rules" mean the Rules of the Law Society of Alberta and all expressions defined in the Rules have the same meaning in this Report.
3. A member practising as sole practitioner is a "Law Firm" as defined in the Rules.
4. Two or more law firms practising from the same premises, sharing common letterhead and sharing a trust account or a general account are a "law firm" for purposes of this Report.
5. If space is insufficient, please attach supplementary schedules.
6. This Report must be signed by a partner of the Accounting Firm.
7. Please submit this form to Trust.Safety@lawsociety.ab.ca. We do not require the original.

The Accountant's Report must be completed if the Law Firm does not upload trust accounting data to the Law Society of Alberta.

SECTION A – GENERAL INFORMATION

1. Law Firm: _____
2. Responsible Lawyer: _____
3. Designated Year-End: _____
Month Day Year
4. Reporting Period: _____ to _____
Month Day Year Month Day Year
5. Test Month: (current year) _____
Month Year
6. Test Month: (prior year) _____
Month Year

The information provided in this form will be used by the Law Society of Alberta for one or more purposes contemplated by the *Legal Profession Act*, the Rules of the Law Society, the Code of Conduct, or a resolution of the Benchers and will be accessible to all departments of the Law Society, including the Alberta Lawyers Insurance Association. The information may be used or disclosed by the Law Society of Alberta, now or in the future, for regulatory purposes, including Law Society of Alberta investigations and proceedings. We may contact you to obtain additional information, or to obtain clarification on the information you provided. Should you have any questions about this, please contact the Privacy Officer at 403-229-4700.

SECTION B - REPORT

TO: The Executive Director
The Law Society of Alberta

I, _____, the undersigned, make this report on behalf of the Accounting Firm (hereinafter called the "Accounting Firm") and at the request of the law firm identified in Section A (hereinafter called the "Law Firm"):

Our Accounting Firm has conducted certain procedures on the prescribed financial records maintained by the Law Firm. In order to make this report, our Accounting Firm has:

1. Read Rule 119 of the Rules of the Law Society of Alberta;
2. Obtained a copy of the completed Law Firm Self-Report for the Reporting Period.
3. Obtained an engagement letter (a copy of which is attached hereto), and
4. Performed the procedures necessary to complete this Report.

The procedures performed do not constitute an audit, therefore, our Accounting Firm does not express an opinion on the accuracy or completeness of the Law Firm's prescribed financial records and the financial information provided, or as to whether there were any irregularities during the Reporting Period which were not disclosed to us. However, our Accounting Firm does report on the results of applying specific procedures.

In completing this Report, certain procedures were carried out on a "Test Month" selected by us within the Reporting Period (a different month than the Test Month on the prior Accountant's Report was selected).

SECTION C - REVIEW OF LAW FIRM SELF-REPORT

- | | | |
|---|-----|----|
| 1. We have reviewed the completed Law Firm Self-Report. | Yes | No |
|---|-----|----|

If no, you cannot complete this Accountants Report and must contact the Law Society of Alberta immediately.

- | | | |
|--|-----|----|
| 2. We have reviewed the financial information contained in questions 7 and 8 of Section D of the Law Firm Self-Report and found it to be accurate. | Yes | No |
|--|-----|----|

If no to Question 2 or if questions 7 or 8 in Section D of the Law Firm Self-Report were not completed, please explain in detail the inaccuracies and attach a revised schedule showing the amounts that you believe are accurate:

SECTION D – TESTING DETAILS

1. Trust Bank Accounts in existence during the test period:

Name of Financial Institution

Account Number

(include all separate interest bearing accounts)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Prepare a separate schedule if more than five trust bank accounts.

NOTE – In all testing for sections E to J, please put in the exact dates (such as day, month, year) unless only the month is specifically requested.

SECTION E – REVIEW OF TEST MONTH RECONCILIATIONS

For each trust reconciliation in the test month, please answer the following questions.

1. Was the reconciliation prepared within one month of the month end? Yes No
(If reconciliation not signed, review the print date for computer generated reports and for manual reconciliations enquire of the law firm.)

NOTE – Monthly trust bank reconciliations must be prepared for all open trust bank accounts regardless of activity or balance.

If no, please note the date prepared:

Bank Account	Date Prepared (mm/dd/yyyy)	Explanation
_____	_____	_____
_____	_____	_____
_____	_____	_____

Prepare a separate schedule if more than three.

2. Does the reconciled bank balance equal the client trust listing by trust bank account? Yes No
If no, please document the explanation recorded on the reconciliation or enquire of the law firm:

Bank Account	Difference (\$)	Explanation (documented or enquiry)
_____	_____	_____
_____	_____	_____
_____	_____	_____

Prepare a separate schedule if more than three.

3. If a difference exists, has it been resolved on the subsequent reconciliations? N/A Yes No
If no, please have the law firm resolve immediately and provide an explanation on how the difference was resolved:

4. Does the bank statement balance as per the bank reconciliation agree with the bank statement? Yes No

If no, please identify the difference and explain why the ending bank statement balance was not used:

Bank Account	Difference (\$)	Explanation for Different Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____

Prepare a separate schedule if more than three.

5. Were all outstanding cheques listed on the trust bank reconciliation cleared as at the date of your review? Yes No

If no, please list all current uncleared cheques that are greater than one (1) year old from date of issuance or exceed \$100,000.00:

Bank Account	Chq #	Issued Date (mm/dd/yyyy)	Payee	Client	Amount
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

6. (a) Are all outstanding receipts listed on the trust bank reconciliation cleared on or before the next banking day? Yes No

If no, please list all outstanding receipts that did not:

Bank Account	Amount	Source	Client	Date Received (mm/dd/yyyy)	Date Deposited (mm/dd/yyyy)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

If there are receipts listed above that are still outstanding as at the date of your review, have the law firm resolve immediately and provide an explanation on how and when the deposit was made (such as client funds, law firm general cheque, bank reversal, etc):

Amount (above)	Explanation of How and When Late Receipt Was Deposited
_____	_____
_____	_____
_____	_____

NOTE - If the law firm is unable to provide proof that all outstanding receipts are resolved, contact the Law Society of Alberta immediately.

(b) Were all the outstanding receipts listed above in Question 6 (a), completed prior to any withdrawals, (any cheques issued or electronic banking withdrawals completed) as per a review of the trust ledger card?

N/A

Yes

No

If no, please complete the following table:

Client	Deposit Amount	Date of Payment (mm/dd/yyyy)	Date of Deposit (mm/dd/yyyy)	Explanation

If necessary, prepare a separate schedule using the same information as listed above.

7. Were there any other adjustments apart from outstanding deposits and outstanding cheques listed on the bank reconciliation?

Yes

No

If yes, please complete the following table:

Bank Account	Amount	Adjustment Description	Date Occurred (mm/dd/yyyy)	Date Corrected (mm/dd/yyyy)

If necessary, prepare a separate schedule using the same information as listed above.

If there are any adjustments still outstanding as at the date of your review, have the law firm resolve immediately and provide an explanation on how and when the adjustment was corrected:

Amount (above)	Explanation of Late Correction

NOTE - If the law firm is unable to provide proof that all outstanding adjustments are resolved, contact the Law Society of Alberta immediately if the adjustments are needed to increase the bank reconciliation amount.

8. Is the bank reconciliation arithmetically correct?

Yes

No

If no, please explain why it does not add up:

Bank Account	Explanation of Calculation Issues

9. Is the detailed client trust listing arithmetically correct?

Yes

No

If no, please explain why it does not add up:

Bank Account	Explanation of Calculation Issues

10. Are there any shortages listed on the detailed client trust listing? Yes No

If yes, please complete the following table:

Bank Account	Amount	Client	Date Occurred (mm/dd/yyyy)	Date Corrected (mm/dd/yyyy)	Explanation
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

If there are any shortages still outstanding as at the date of your review, have the law firm resolve immediately and provide an explanation on how and when the shortage was resolved (such as client funds, law firm general cheque, etc):

Bank Account	Amount	Explanation of Correction
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTE - If the law firm is unable to provide proof that all the shortages were corrected, contact the Law Society of Alberta immediately.

11. Do all of the amounts on the client listing agree to the client trust ledger card? Yes No
(No minimum or maximum testing, 100% testing of the amounts listed on the trust listing)

If no, please complete the following table:

Client #	(\$) Client Trust Listing	(\$) Client Trust Ledger Card	Explanation for Difference
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

12. Do the results of the above procedure question the reliability of the client trust listing and the monthly trust reconciliation? Yes No

If yes, have the law firm recalculate the monthly trust reconciliation and immediately notify the Law Society of Alberta.

In any cases where the law firm is required to immediately correct any items as noted above (questions 6, 7, 10 and 12) and fails to do so, please contact the Law Society of Alberta CARE OF:

Email: Trust.Safety@lawsociety.ab.ca

Phone: Trust Safety Representative at 780-429-3343

Please use this space to add any additional comments related to the above questions:

SECTION F – TESTING OF CASH RECEIPTS

Review the trust deposit slips of the law firm for the test month (or trust journal if deposit slips are not practical to review) and answer the following questions. Rule 119.38 (1) “cash” means coins referred to in section 7 of the Currency Act, notes issued by the Bank of Canada pursuant to the Bank of Canada Act that are intended for circulation in Canada and coins or bank notes of countries other than Canada.

NOTE - If there are no cash deposits recorded in the test month, extend testing to the two prior or two subsequent months.

1. Was any cash noted in the trust deposit slips? Yes No

If yes, were any cash receipts noted that were greater than \$5,000? Yes No

If yes, please complete the following for any receipts over \$5,000:

Bank Account	Deposit Date (mm/dd/yyyy)	Amount	Client
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

2. Were all cash receipts recorded in the separate cash receipt book? Yes No

If no, attach a copy of the trust ledger card to this report.

SECTION G – TESTING OF TRANSFERS

Review the trust transfer journal of the law firm for the test month and answer the following questions.

NOTE - If there are no transfers recorded in the test month, extend testing to the two prior or subsequent months.

1. Were any transfers recorded in the trust transfer journal? Yes No

If yes, for transfers that did not involve the same client, please complete the following:

Transfer Date (mm/dd/yyyy)	Amount	Client To	Client From	Reason for Transfer
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

If more than five transfers please record only the five largest transfers.

2. For any transfers listed above between non-related clients where the reason does not appear plausible (such as purchaser to vendor on a real estate transaction), please attach a copy of the trust ledger cards to this report.

SECTION H – TESTING OF DEPOSITS TO THE GENERAL BANK ACCOUNT

Review the general deposit slips of the law firm for the test month and answer the following questions.

1. Select five deposits from the general deposit slips.

If less than five are chosen, please advise why:

If deposit slip is comprised of multiple receipts, select the largest receipt of each deposit.

2. Was a statement of account issued to support each receipt tested? Yes No

(a) If no, please explain the nature of the deposit:

- (b) If yes, was the statement of account rendered same day or prior to the deposit and was for actual services performed (not estimated or future services)? Yes No

If no to question 2(b), please complete the following:

Deposit Date (mm/dd/yyyy)	Amount	Client	Date of Account (mm/dd/yyyy)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

SECTION I – REVIEW OF REPORTING PERIOD RECONCILIATIONS (remaining months not tested above)

For each trust reconciliation in the reporting period, please answer the following questions.

1. Were these reconciliations prepared within one month of the month end? Yes No
(For computer generated reconciliations, review the print date; if manual reconciliations, enquire of the law firm.)

If no, please note the date prepared:

Bank Account	Month	Date Prepared (mm/dd/yyyy)	Explanation
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Prepare a separate schedule if more than three.

2. Does the reconciled bank balance equal the client trust listing? Yes No

If no, please note the nature of the explanation:

Bank Account	Month	Difference (\$)	Explanation of Difference
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Prepare a separate schedule if more than three.

3. Are all outstanding receipts listed on the trust bank reconciliation cleared by the next banking day? Yes No

If no, please list all outstanding receipts that did not:

Bank Account	Amount	Source	Client	Date Received (mm/dd/yyyy)	Date Deposited (mm/dd/yyyy)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

4. Were there any adjustments apart from outstanding receipts and outstanding cheques listed on the bank reconciliation? Yes No

If yes, please complete the following table:

Bank Account	Amount	Adjustment Description	Date Occurred (mm/dd/yyyy)	Date Corrected (mm/dd/yyyy)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Prepare a separate schedule if more than three.

5. Is the bank reconciliation arithmetically correct? Yes No

If no, please explain why it does not add up:

Bank Account	Explanation of Addition Error
_____	_____
_____	_____
_____	_____

Prepare a separate schedule if more than three.

6. Is the detailed client trust listing arithmetically correct? Yes No

If no, please explain why it does not add up:

Bank Account	Explanation of Addition Problems
_____	_____
_____	_____
_____	_____

Prepare a separate schedule if more than three.

7. Are there any shortages listed on the detailed client trust listing? Yes No

If yes, please complete the following table:

Bank Account	Amount	Client	Date Occurred (mm/dd/yyyy)	Date Corrected (mm/dd/yyyy)	Explanation
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

8. Do the amounts on the client listing agree to the client trust ledger card? Yes No
(Test all to a maximum of six amounts listed on the trust listing each month)

If no, please complete the following table:

Client #	(\$) Client Trust Listing	(\$) Client Trust Ledger Card	Explanation for Difference
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

9. Do the results of the above test question the reliability of the client trust listing and the monthly trust reconciliation? Yes No

If yes, have the law firm recalculate the monthly trust reconciliation and immediately notify the Law Society of Alberta.

Please use this space to add any additional comments related to the above questions:

SECTION J – REVIEW OF REPORTING PERIOD TRUST BANK STATEMENTS

For each trust bank account in the reporting period, please answer the following questions.

1. Do trust bank statements exist for each month the trust bank account was open? Yes No

If no, please complete the following:

Bank Account	Month Missing	Reason
_____	_____	_____
_____	_____	_____
_____	_____	_____

If necessary, prepare a separate schedule using the same information as listed above.

2. Do any of the trust bank statements indicate an overdraft? Yes No

If yes, please complete the following table:

Bank Account	Overdraft (\$)	Date of Overdraft (mm/dd/yyyy)	Date Corrected (mm/dd/yyyy)	Explanation for Overdraft
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Please use this space to add any additional comments related to the above questions:

NOTE - If the law firm is unable to provide proof that all overdrafts are resolved, contact the Law Society of Alberta immediately.

SECTION K – REVIEW OF LAW FIRM BOOKS & RECORDS

The law firm maintained the following books and records for the entire reporting period:

1. A trust journal which shows as applicable for each transaction:
(Select all that apply) Rule 119.36(4)(a)
 - ☐ All receipts, withdrawals and transfers between files regardless of transaction type in chronological order
 - ☐ Date of receipt or withdrawal
 - ☐ Source of the money received
 - ☐ Form in which the money is received, such as cash, cheque, direct deposit, etc.
 - ☐ Payee of each withdrawal
 - ☐ Client name and/or file number
 - ☐ Receipt or cheque number
 - ☐ File numbers or names (source and destination of any transfers)
 - ☐ Amount
 - ☐ Continual running balance
2. A trust ledger for each client matter showing:
(Select all that apply) Rule 119.36(4)(b)
 - ☐ Client name, matter description and file number
 - ☐ Date of receipt or withdrawal
 - ☐ Source of the money received
 - ☐ Payee of each withdrawal
 - ☐ Receipt or cheque number
 - ☐ Description of the nature of the deposit or withdrawal
 - ☐ Amount
 - ☐ Continual running balance
3. A journal showing all transfers of money between trust ledger accounts (or chronological file of copies of all documents by which transfers of money between TLC were effected). Rule 119.36(4)(c)

	N/A	Yes	No
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4. A general journal which shows:
(Select all that apply) Rule 119.36(4)(e)
 - ☐ Date of receipt or withdrawal in chronological order
 - ☐ Source of the money received
 - ☐ Payee of each withdrawal
 - ☐ Client name and/or file number (if applicable)
 - ☐ Receipt or cheque number
 - ☐ Amount
 - ☐ Continual running balance

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5. A billing journal which shows:
(Select all that apply) Rule 119.36(4)(f)
- All fees and charges to the client
 - Dates
 - Amounts
 - Names of the clients
6. A chronological accounts receivable subledger which shows for each client:
(Select all that apply) Rule 119.36(4)(g)
- Statements of account rendered (date and amount)
 - Payments (date and amount)
 - Continual running balance
7. A separate duplicate receipt book that records only cash received by the law firm showing: N/A
(Select all that apply) Rule 119.39(1)
- Date cash received
 - Person from whom the cash was received
 - Amount of cash received
 - Client for whom cash was received
 - File number
 - Signature of the law firm representative
 - Signature of the person from whom the cash was received
8. A cash payment journal that records when cash is returned to a person showing: N/A
(Select all that apply) Rule 119.39(2)
- Date cash paid
 - Amount of cash paid
 - Client for whom cash was paid
 - File number
 - Name and signature to whom the cash was paid
9. General bank account has been reconciled by the end of the following month? Rule 119.40 Yes No

Please explain any and all no responses to the above questions (1-9):

SECTION L – ACCOUNTING FIRM INFORMATION

1. We have forwarded a copy of this Accountant's Report to the Law Firm and have discussed the contents of this Report with the Law Firm.

Our Accounting Firm is registered as a Professional Accounting Firm with the Chartered Professional Accountants of Alberta (CPA Alberta).

Please select the designation of the responsible accounting firm partner.

Chartered Professional Accountant

Chartered Professional Accountant, Certified Management Accountant

Chartered Professional Accountant, Certified General Accountant

Chartered Professional Accountant, Chartered Accountant

This report is prepared solely for submission to the Law Society of Alberta 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 Alberta.

Date (mm/dd/yyyy)

Signature of Responsible Accounting Firm Partner

Name of Responsible Accounting Firm Partner

2. Accounting Firm Name: _____
- Mailing Address: _____
- Street Address: _____
(if different)
- City: _____ Province: _____ Postal Code: _____
- Telephone Number: _____ Fax Number: _____
- Email Address: _____

ENGAGEMENT LETTER BETWEEN ACCOUNTANT AND LAW FIRM FOR ACCOUNTANT'S REPORT COMPLETION

ATTENTION:

This letter sets the terms of our engagement as accountants for the purpose of reporting under Rule 119.30(3) of the Rules of the Law Society of Alberta. In this letter all reference to "Rules" are to Rules of the Law Society of Alberta and all expressions used in this letter have the meanings given to them in the Rules.

The members of your law firm to be reported upon are listed in the attached schedule or letterhead or are as follows:

This engagement, for the period from _____ to _____ (hereinafter referred to as the "Reporting Period") will be limited to the following procedures except where these procedures are extended as directed by your Law Firm in writing. Such additional procedures shall be attached to this letter and become an integral part of the engagement.

In completing the Accountant's Report, we will select a month ("Test Month") of our choice within the fiscal period and we will perform certain procedures on the Test Month.

Procedures

The procedures we will perform are as follows:

1. Obtain and read Rule 119 of the Rules of the Law Society of Alberta.
2. Obtain a copy of your completed Law Firm Self-Report for the Reporting Period.
3. Check the information recorded in Part D of the Law Firm Self-Report.
4. Review your trust reconciliations for the test month.
5. Review your cash receipts recorded in the test month and/or the two preceding or subsequent months.
6. Review your trust transfers recorded in the test month and/or the two preceding or subsequent months.
7. Review your general deposits recorded in the test month.
8. Review your trust reconciliations for the test period.
9. Review your trust bank statements for the test period.
10. Determine if the books and records as required by the Rules comply with Law Society of Alberta requirements.
11. Forward a copy of our Accountant's Report to your Law Firm and we will discuss the contents of the Report with your Law Firm prior to forwarding it to the Law Society of Alberta.

The procedures that we will perform do not constitute an audit, therefore, we will not express an opinion on the accuracy or completeness of the financial records and financial information provided. Furthermore, our engagement cannot be relied upon to prevent or detect defalcations or disclose irregularities, which may have occurred during the Reporting Period. However, we will report on the results of applying the specific procedures.

In order that we may carry out this engagement, you will make available to us all prescribed financial records pertaining to your Law Firm's practice for the Reporting Period. Your Law Firm will also provide us with the following:

1. Your Law Firm Self-Report duly completed and signed for the Reporting Period.
2. A blank Accountant's Report for our completion.

We shall discuss the details of the completed Accountant's Report with you, but it is mutually understood and agreed that, at the conclusion of the engagement, the Accountant's Report shall be forwarded on your behalf to the Executive Director of the Law Society of Alberta. You will be provided with a copy of the Report pursuant to the Rules of the Law Society of Alberta.

Our Accounting Firm is registered as a Professional Accounting Firm with the Chartered Professional Accountants of Alberta (CPA).

Please review this letter carefully, sign and date a copy of it and return it to us.

Yours sincerely,

Per: _____

The terms set out in the foregoing letter are hereby agreed to:

Law Firm:

Date _____ Per _____

Name (please print or type)

The information provided in this form will be used by the Law Society of Alberta for one or more purposes contemplated by the *Legal Profession Act*, the Rules of the Law Society, the Code of Conduct, or a resolution of the Benchers and will be accessible to all departments of the Law Society, including the Alberta Lawyers Insurance Association. The information may be used or disclosed by the Law Society of Alberta, now or in the future, for regulatory purposes, including Law Society of Alberta investigations and proceedings. We may contact you to obtain additional information, or to obtain clarification on the information you provided. Should you have any questions about this, please contact the Privacy Officer at 403-229-4700.