

Trust Account Compliance Review

The Society is appointed under Section 263 of the *Legal Profession Act 2007* to conduct investigations of the affairs of law practices. In an effort to assist law practices with record-keeping requirements and good trust accounting management the Society reviews the trust accounts of all Queensland law practices once every three years.

How are law practices selected?

Majority of law practices are randomly selected to be investigated. However, the Society does endeavour to visit new law practices with a trust account in the first year.

What can law practices expect during a review?

A trust account compliance review (“review”) usually takes half a day and focuses on trust account record keeping requirements and risk management processes. Typically client files will not be reviewed. Current trust accounting records, usually the last three months, and some general accounting records will be reviewed.

The purpose of the review is to assist law practices to settle on practices and procedures to assist in compliance with the *Legal Profession Act 2007*. Any advice needed by the law practice in relation to their trust accounting procedures can be directed to the investigator during a review. Generally any issues included in the report will be communicated by the investigator to the law practice during the review.

Potential outcomes of a review.

At the completion of the review a report, prepared by the investigator, will be sent by email to the law practice.

The report has three possible outcomes:

1. No breaches noted during the review; no further action to be taken.
2. Minor breaches noted during the review. The law practice is directed to the Trust Accounting Guide for additional guidance to best practice and good trust accounting procedures.
3. Significant breaches noted during the review. The law practice is directed to the Trust Accounting Guide for additional guidance to best practice and good trust accounting procedures. Dependant on the severity of the compliance issue(s) a comprehensive trust account investigation may be commenced immediately or within six (6) months. If there is a period of time between the review and the follow-up trust account investigation it is strongly recommended that the law practice take corrective action in respect to the breaches noted in the review.