

# Computerised trust accounting systems

## Fact sheet

It was previously the practice of the Department of Justice & Attorney-General to assess computerised trust accounting systems with a view to approval of their use by solicitors. This practice was discontinued in 1994.

The Queensland Law Society does not assess computerised accounting systems. Sections 28 to 32 of the Legal Profession Regulation 2007 set out the requirements for a complying computerised trust accounting system. Sections 28 to 32 provides:

### “28 Application of ss 29–32

*Sections 29 to 32 apply if a law practice keeps trust records, including records relating to controlled money, by means of a computerised accounting system.*

### 29 Keeping and printing trust records

- (1) The law practice must maintain and keep, in printed form or in readable and printable form, the following copies of trust records—
  - (a) a copy of trust account receipts and payments cash books as at the end of each named month;
  - (b) a copy of reconciliation statements prepared under section 44 as at the end of each named month;
  - (c) a copy of lists of trust ledger accounts and their balances as at the end of each named month;
  - (d) a copy of lists of controlled money accounts and their balances as at the end of each named month.
- (2) The law practice must—
  - (a) print a paper copy of trust ledger accounts, the controlled money movement records and the trust transfer journal before they are archived or deleted from the system; and
  - (b) on request by an investigator, provide to the investigator a printed copy of trust ledger accounts and controlled money account details.
- (3) The copies of trust records, as at the end of a named month under subsection (1)(a) to (d), must be prepared within 15 working days after the end of the named month.
- (4) The paper copies printed under subsection (2) must be kept by the law practice, unless they have been provided on request under that subsection.

### 30 Chronological record of information to be made

- (1) The law practice must keep a record, compiled in chronological sequence, of the creation, amendment or deletion of information in its computerised accounting system in relation to the following—
  - (a) *client name;*
  - (b) *client address;*
  - (c) *matter reference;*
  - (d) *matter description;*
  - (e) *ledger account number or other descriptor.*
- (2) The record is to be kept by the law practice.

### 31 Requirements regarding computer accounting systems

- (1) The law practice must ensure its computerised accounting system is not capable of accepting, in relation to a trust ledger account, the entry of a transaction resulting in a debit balance to the account, unless a contemporaneous record of the transaction is made in a way that enables the production in a permanent form, on demand, of a separate chronological report of all occurrences of that kind.
- (2) The law practice must ensure the system is not capable of deleting a trust ledger account unless—
  - (a) the balance of the account is zero and all outstanding cheques have been presented; and
  - (b) *when the account is deleted, a copy of the account is kept in a permanent form.*
- (3) The law practice must ensure any entry in a record produced in a permanent form appears in chronological sequence.
- (4) The law practice must ensure each page of each printed record is numbered sequentially or is printed in a way that no page can be extracted.
- (5) The law practice must ensure its computerised accounting system is not capable of amending the particulars of a transaction already recorded otherwise than by a transaction separately recorded that makes the amendment.
- (6) The law practice must ensure its computerised accounting system requires input in every field of a data entry screen intended to receive information required by this division to be included in trust records.

### e32 Back-ups

The law practice must ensure—

- (a) a back-up copy of all records required by this division is made not less frequently than once each month; and
- (b) each back-up copy is kept by the law practice; and
- (c) a complete set of back-up copies is kept in a separate location so that any incident that may adversely affect the records would not also affect the back-up copy.”

If you wish to discuss any of the above requirements, please contact the Queensland Law Society Trust Account Investigations Section on telephone number 07 3842 5908.