

# Appendix 3 to the Part 3.3 Investigation Policy

## Best Practice Issues

200. The law practice does not obtain **written directions from clients to destroy transaction files** after completion of the client's matter.
201. Failure to make a **Significant Cash Transaction Report (SCTR)** under the *Financial Transactions Reports Act 1988*.
202. The law practice is in arrears in relation to the **payments to the Australian Taxation Office (ATO) and/or employee superannuation entitlements** as defined in the Society's Tax and Superannuation Arrears policy.
203. Failure to comply with the **Electronic Funds Transfer (EFT) Guidelines**, namely:
- Identify and record a signature of the person who authorised the EFT payment;
  - Record the bank transaction ID number, when the law practice's EFT reference number, fails to appear on the trust account bank statement;
  - Maintain copies of the screen print of the EFT instruction to the financial institution and attach the screen print to the relevant EFT requisition form;
  - Record sufficient details on the trust account bank statement, for example – the date of the EFT payment, the EFT reference number generated by the law practice or the bank transaction ID number (if applicable) and the amount of the EFT payment
204. Failure to comply with the **Direct Debit PEXA Guidelines**, namely:
- Generate a payment reference number, to be included in the Transaction Description field.
  - Record sufficient details on the trust account bank statement, for example – the date of the payment, the name of the payee, the PEXA transaction number, the law practice reference number and the amount of the payment.
205. Failure to comply with the **Direct Debit OSR Guidelines**, namely:
- Record sufficient details on the trust account bank statement, for example – the date of the payment, the name of the payee, the OSRconnect transaction number and the amount of the payment.
206. The **dates of issue of outstanding cheques, cheque numbers, payee and matter details and amounts** were not recorded in the reconciliation of the financial institution statements;

207. Appropriate action has not been taken in respect of any **long outstanding unpresented cheques** – cheques issued to government bodies, or other law practices, should, in the normal course of business be presented for payment within 15 days of issue; other cheques should normally be presented for payment within 3 months of issue.
208. The **date of last transaction for trust ledger accounts** is recommended to be recorded on the monthly listing of trust ledger account balances (i.e. trust trial balance).
209. The law practice should have **internet access** to the trust bank account to enable the timely issuing of trust account receipts in respect to funds directly deposited to the trust bank account.
210. The law practice should only have **“view only” internet access** to the law practice trust bank account unless approval has been granted to disburse trust funds by electronic funds transfer.
211. The law practice **failed to maintain adequate accounting records in respect to its general account**
212. The law practice failed to comply with the **LSC Guidelines for charging outlays and disbursements**
213. Breach of Australian Solicitor Conduct Rules 2012.
299. The law practice has a best practice issue. Specific details are detailed in the investigation report.