

**ANNUAL TRUST ACCOUNT REPORT
WITH ACCOUNTANT'S REVIEW (FORM D)**

INFORMATION JUNE 2017

What's New:

- The accountant's qualifications were clarified, such that the accountant/firm preparing the Form D cannot also be involved in the day to day or monthly accounting for the firm.
- Minor wording changes were made to:
 - question 4(b) and (c) on page 9; and
 - question 1 on page 17.

A Few Reminders:

- Please complete Part I prior to providing the Form D to your accountant.
- Please ensure you are using the most recent version of the Form D (June 2017).
- Your firm is required to provide a client trust listing as of June 30, 2017 (or later) to your Form D accountant. Please ensure this list indicates the date of last activity for each trust balance. If your accountant reports any inactive balances over two years, please complete Appendix 1 to Part III.

Any questions?

Please:

- **Call one of the Law Society auditors at (204) 415-1900, or**
- **Email at audit@lawsociety.mb.ca**

Completed reports are to be delivered to:

**Audit Department
The Law Society of Manitoba
219 Kennedy Street
Winnipeg, MB R3C 1S8**

PART II ACCOUNTANT'S SECTION

MEMORANDUM TO FORM D ACCOUNTANTS

INTRODUCTION

Most members of The Law Society of Manitoba have the option of filing an Annual Trust Account Self-Report instead of an Annual Trust Account Report with Accountant's Review (Form D). If you have been retained to complete a Form D review, it is either because the firm opted for this review, or the firm is required by the Law Society to have an independent accountant review their records.

The Form D Accountant's Review is one way by which the Law Society determines whether or not:

- (a) a member has an adequate system for recording all trust and general transactions of the law practice in accordance with the Rules of the Law Society respecting Financial Accountability (the Rules);
- (b) the system appears to be working properly;
- (c) there were any contraventions of the Rules.

ACCOUNTANT'S QUALIFICATIONS (eligibility to complete a Form D)

The Law Society Rules require that the Form D accountant be:

- *a person who is a member in good standing of the Chartered Professional Accountants of Manitoba; and*
- *in public practice.*

Although you may provide other services in addition to completing the Form D (e.g. audited financial statement preparation, systems evaluation, and assistance on income tax matters), these other services are not part of what is required for Form D purposes. Please ensure you comply with the provisions regarding independence and conflicts of interest applicable to your professional accounting body.

FORM

The Form D as provided by the Law Society must be used when reporting to the Society. This form may be downloaded from the Law Society website (www.lawsociety.mb.ca). Please ensure you use the most current version and the one relevant to the firm's year end. If the firm has closed all of its trust account(s) during the reporting period, the "Final" version of the Form D should be used. If the space on the Form D for disclosing exceptions is insufficient, a reference should be made on the Form D to accompanying remarks and any supplementary schedules. Please ensure to submit such additional information on your letterhead and that you sign and date each page.

MINIMUM STANDARDS

- (1) Prior to completing the Accountant's Section, please read all of these instructions.
 - (2) You should be familiar with the following:
 1. **Rules of The Law Society of Manitoba**
Rule 1-2
Part 5, Division 4: Financial Accountability: Rules 5-41 to 5-53
 2. **Section 50 of *The Legal Profession Act***
- These may be downloaded from the Law Society website (www.lawsociety.mb.ca).
- (3) Obtain Part I of the Form D which must be completed by the lawyer.
 - (4) The firm is required to provide you with a client trust listing as of June 30, 2017, which indicates the date of last activity for each trust balance. As part of the Form D review, you are to list in Schedule 5 any balances that have not had any trust account activity during the last two years.
 - (5) The minimum standards of review are indicated throughout the Accountant's Section. If additional tests and other procedures are considered necessary in light of the results of initial testing, such additional tests and procedures should be appended to the Accountant's Section with reasons for conducting such tests and procedures and comments on the results.

SUBSEQUENT EVENTS

Report any matters arising subsequent to the Form D period that come to your attention which, had they occurred during the Form D period, would have been reported as "*exceptions*".

EXCEPTIONS

- A determination of materiality should not be made when completing the Form D review. Your responsibility is to report to the Law Society **all** exceptions which you discover in the course of your review. The Law Society will evaluate the exceptions and determine what action, if any, is appropriate under the circumstances.
- Report any apparent shortfall in the law firm's trust account(s) in excess of \$100 which exists at the time of the Form D review.

Any questions?

Please:

- **Call one of the Law Society auditors at (204) 415-1900, or**
- **Email at audit@lawsociety.mb.ca**



ANNUAL TRUST ACCOUNT REPORT

WITH ACCOUNTANT'S REVIEW

(FORM D)

June 2017

PLEASE NOTE:

1. In this form, the term "*firm*" is as defined in Law Society Rule 1-2.
2. This report must be filed with the Society on or before October 31, 2017.
3. The following Parts must be completed:
 - (a) Part I is to be completed by the law firm prior to the accountant's work;
 - (b) Part II Accountant's Section;
 - (c) Part III is to be completed by the law firm after Part II is completed.
4. An explanation of exceptions noted should accompany the filing.
5. Please answer each question. If a question is not applicable, please indicate N/A.
6. Questions? Call our Auditors at (204) 415-1900 or email at audit@lawsociety.mb.ca

PART I

To be completed by the Law Firm

A. LAW FIRM INFORMATION

1. Name of firm: _____
2. Name under which trust account is operated: _____
3. Period covered by this report: from _____ to June 30, 2017.
4. Practising arrangement:

<input type="checkbox"/> sole proprietor	<input type="checkbox"/> association of members or law corporations or a combination of both
<input type="checkbox"/> law corporation	<input type="checkbox"/> independent practitioner sharing office space and certain common expenses with other lawyers
<input type="checkbox"/> partnership of members or law corporations or a combination of both	<input type="checkbox"/> government agency
<input type="checkbox"/> limited liability partnership	<input type="checkbox"/> other (please describe " <i>other</i> ")
<input type="checkbox"/> in-house corporate counsel	

5. Contact person (Lawyer): _____
Email address: _____
Contact person (Support staff): _____
Email address: _____

6. Business address (including street address): _____
 Postal Code: _____ Telephone: _____

7. Does this firm operate any branch office(s) in Manitoba? Yes No

If "Yes", indicate:

Location of Branch Office(s)	Location of Branch Accounting Records
_____	_____
_____	_____
_____	_____
_____	_____

8. List all lawyers in the firm (including yourself) and indicate which individuals had signing authority on the trust account(s) at anytime throughout the reporting period. If signing authorization was added or removed during the year, indicate the effective date of the change:

Name of Lawyer	Trust Signing Authority		
	Yes	No	Effective Date of Change
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. List all lawyers in the firm who used any trust account(s) other than those of the firm during the period: (Do not include lawyers who joined your firm during the reporting period and used their previous firm's trust account.)

Name of Lawyer	Reason for use of a trust account other than that of the firm	Account number, name and branch of savings institution where the trust account is located
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

10. List any lawyer who is not a member of your firm but who had signing authority on your firm's trust account (i.e. alternate signatories in the event of illness, vacations, etc., and/or signatories required by the Law Society as a condition of practice):

Name of Lawyer	Explanation
_____	_____
_____	_____
_____	_____

11. (a) On all matters where any member of the firm acted as both the solicitor and the executor/administrator of an estate, were all funds received deposited into a trust account of the firm?

- Yes No N/A (have not acted in this capacity)

(b) On all matters where any member of the firm acted as both the solicitor and the personal representative of a person, or as the solicitor and the trustee under a trust established by a person, were all funds received deposited into a trust account of the firm?

- Yes No N/A (have not acted in these capacities)

(c) If “No” to (a) or (b) please explain, indicating if any member of the firm had sole signing authority or control over the funds.

12. **Practice Profile:** Indicate the firm's major areas of practice (by inserting the approximate percentage):

We have this report in
uLaw
It is Source of Contacts



Aboriginal	_____	%
Administrative Boards/Tribunals	_____	%
Arbitration	_____	%
Bankruptcy/Insolvency/Receivership	_____	%
Civil Litigation	_____	%
Corporate/Commercial	_____	%
Criminal	_____	%
Employment/Labour	_____	%
Entertainment	_____	%
Environmental	_____	%
Estate Planning & Administration	_____	%
Family	_____	%
Immigration	_____	%
International Business	_____	%
Intellectual Property	_____	%
Insurance	_____	%
Mediation	_____	%
Municipal	_____	%
Real Estate Conveyancing	_____	%
Residential School Claims	_____	%
Tax	_____	%
Other	_____	%
Total	_____	%

(describe "Other" below)

B. BANKING INFORMATION

1. (a) List all **pooled** trust accounts (include all active, inactive, U.S. dollar accounts and clearing accounts):

Savings institution (include address)	Account No.	Date opened if during the reporting period	Date closed if during the reporting period *
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Please attach a copy of the **final monthly statement or other documentation from your savings institution confirming:**

- i) the account has been **closed** (zero balance in the account is not sufficient); and
- ii) the date the account was closed.

Yes, we enforce this

(b) Do all withdrawals from the pooled trust account(s) require the signature of at least one lawyer? Yes No

2. (a) List all savings institutions where the law firm maintained **specific trust investment** accounts.

Savings Institution	Address
_____	_____
_____	_____
_____	_____
_____	_____

(b) Did the firm have any specific trust investment activity during the month of June 2017 or any specific trust investment accounts in existence at June 30, 2017? **Yes, we manage** Yes No

General Accounting

3. List all **general operating accounts** maintained for the deposit of non-trust funds received in connection with the firm's law practice:

Savings institution (include address)	Account No.
_____	_____
_____	_____
_____	_____

4. Did the firm receive cheque images instead of original cleared cheques for any pooled trust or general bank accounts? Yes No

If “Yes”, please complete Schedule A on page 10
“Schedule of Financial Institutions Providing Cheque Images”.

5. **Electronic Receipt of Funds**

Other than funds received by electronic transfers from financial institutions (eg. mortgage funds), does the firm accept any funds through any type of electronic payment system (eg. debit or credit card terminal)? Yes No

If “Yes”, please complete Schedule B on page 11
“Schedule of Electronic Receipt of Funds”.

6. **Receipt of Cash** uLaw works with TD, Moneris & Pivotal

Has the firm received cash (trust or general funds) in Canadian or foreign currency, in an aggregate amount of \$7,500 or more (Canadian equivalent) in respect of any one client matter or transaction? Yes No

If “Yes”, answer (a), (b) and (c) below. If “No”, proceed to question #7.

- (a) Please provide full particulars and explain under which exception listed in Law Society Rule 5-53.3(2) the firm was permitted to accept the funds.

uLaw Cash Receipts clearly state this requirement

- (b) Did the firm refund any portion of the cash received? Yes No

- (c) If “Yes”, were any refunds paid in cash? Yes No

Please provide an explanation for a “No” answer to question 6(c):

If this happened, we can track this in uLaw

7. Payments/Withdrawals from the Trust Account

(a) If the firm has the ability to access any of the trust accounts through internet banking has the financial institution confirmed the accounts are restricted to “*read only*” access?

Yes No
 N/A
(no internet access set up)

(b) If the firm has a banking card for any of the trust accounts, has the financial institution confirmed they are restricted to “*deposit only*” access ?

Yes No
 N/A
(no banking cards)

(c) For wire transfers out of a pooled trust account during the reporting period, was approval obtained (either specific to that transfer or generally) from the Law Society, prior to making wire transfer(s)?
(see Rule 5-43(1)(b) and PD 03-02)

Yes No
 N/A
(no wire transfers made)

Please provide an explanation for any “**No**” answers to 7(a), (b) or (c):

8. Specific Trust Investments

(a) When investing trust funds for a client, were the funds first deposited into the pooled trust account prior to being invested in a specific trust investment account?

Yes No
 N/A
(no new specific trust investments made during the reporting period)

(b) Were all withdrawals from specific trust investments deposited directly back into the pooled trust account prior to being disbursed to the appropriate payees?

Yes No
 N/A
(no withdrawals were made from specific trust investments during the reporting period)

Please provide an explanation for any “**No**” answers to 8(a) or (b):

C. ACCOUNTING INFORMATION

1. Trust account records are maintained by:

- | | |
|--|--|
| <input type="checkbox"/> accountant (in-house) | <input type="checkbox"/> accounting firm |
| <input type="checkbox"/> bookkeeper/assistant | <input type="checkbox"/> lawyer in firm |
| <input type="checkbox"/> other (specify) _____ | |

2. Type of trust accounting system is:

- | | |
|------------------------------------|---|
| <input type="checkbox"/> manual | <input checked="" type="checkbox"/> electronic (name of software) _____ |
| <input type="checkbox"/> One-write | <input type="checkbox"/> other _____ |

3. Name of individual/firm who completes the monthly trust reconciliations: _____

4. Approximate number of trust cheques issued in the reporting period: _____

D. OTHER INFORMATION

1. CDIC Coverage

Has the firm complied with the annual reporting and disclosure obligations of CDIC? (See Rule 5-50 and PD 00-01)

- Yes No
 N/A
(all trust accounts are with a credit union)

2. Interest Recorded on Specific Investments

Do the firm's accounting practices comply with Practice Direction 88-03 when recording interest for specific trust investment accounts?

- Yes No
 N/A
(no specific investment accounts)

3. Valuable Property

Does the firm maintain a record of "valuable property" (anything of value, other than trust money, that can be negotiated or transferred by a member)?

- Yes No
 N/A
(no valuable property held)

Please provide an explanation for any "No" answers to 1, 2 or 3:

4. The Property Registry

Has the firm made payment(s) to The Property Registry during the reporting year?

Yes No

If “Yes”, answer (a), (b) & (c) below. If “No” proceed to Schedule A.

For each matter involving a payment from the trust or general account to The Property Registry where the firm receives or should receive a Client File Report from The Property Registry:

(a) The Client File Report was kept on each client file.

Yes No

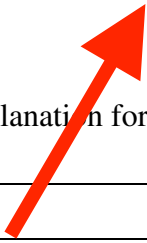
(b) The transactions on the Client File Report have been reconciled with the transaction(s) recorded in the firm accounting records from the trust and/or general account.

Yes No

(c) Any variances between the Client File Report and the above noted firm accounting records have been resolved in accordance with Law Society requirements.

Yes No

Please provide an explanation for any “No” answers to 4(a), (b) or (c):



uLaw has Client and matter level trust and general account statements

There is also settlement statements that address this

Schedule B

Schedule of Electronic Receipt of Funds

Please indicate the type of funds received and method of payment in the following table by indicating with a check mark.

	Trust	General	N/A
1. Credit Cards via conventional swipe terminal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Interac/Debit Cards by conventional swipe terminal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Credit Cards via portable device ¹	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Interbank Interac transfers by email	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Bill payments by electronic client transfer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Other ²	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ Please provide the name of the system used and the service provider:

² Please describe:

Credit Card via Payment Portal & Hosted Page

Integration

For electronic payments received constituting trust funds does your financial institution deposit those funds directly to the pooled trust bank account?

	Yes	No	N/A
7. Credit Cards via conventional swipe terminal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Interac/Debit Cards by conventional swipe terminal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Credit Cards via portable device	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Interbank Interac transfers by email	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Bill payments by electronic client transfer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If space is insufficient, please attach a separate schedule.

Credit Card via Payment Portal & Hosted Page
Integration

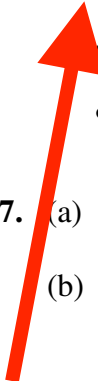
PART II

ACCOUNTANT'S SECTION

To be Completed by the Form D Accountant

A. GENERAL INFORMATION

1. Name of law firm: _____
2. Name under which the trust account is operated: _____
3. Reporting period from _____ to June 30, 2017.
4. (a) Date field work started: _____
(b) Date field work completed: _____
5. As of the date you started your field work, were the records up to date (*i.e.* to the current date)?
 Yes No
6. As of the date you started your review, provide the following dates:
 - The date of the latest entry in the book of original entry (trust account): _____
(day/month/year)
 - The date of the latest entry on the individual client ledgers: _____
(day/month/year)
 - The last month for which a trust reconciliation was prepared: _____
(month/year)
 - The date of the latest entry in the book of original entry (general account): _____
(day/month/year)
7. (a) Did you bring the records up to date as part of your review? Yes No
(b) If "Yes", please provide further details. (*i.e.* Which of the above records were you required to complete and what time period did you complete?)



Monthly reconciliation will give this info in seconds

8. For each pooled trust account listed in 1(a) on page 5, please provide the following **reconciled bank balances**. Please note: This is not the ending bank balance.

Savings institution	Account No.	Reconciled Balance	
		December 31, 2016	June 30, 2017
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. For each savings institution listed in 2(a) on page 5, please provide the following **reconciled bank balances**. Please note: This is not the ending bank balance.

Savings institution	Reconciled Balance	
	December 31, 2016	June 30, 2017
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



This is our reconciliation Statement

uLaw handles Cash using proper receipts and workflow

B. FUNDS RECEIVED IN CASH FORM (TRUST AND GENERAL RECORDS)

1. The firm received trust or general funds in the form of "cash" during the reporting period. Yes No

If "No", proceed to Section C.

2. The firm prepared and issued receipts for all trust and general funds received in cash. Yes No

If "No", please provide an explanation in the section below, then proceed to Section C.

3. Does the firm maintain a duplicate copy of receipts issued when cash is received (duplicate book or computer generated). Yes No
 (**Note:** It is acceptable to maintain one duplicate receipt book for all types of receipts, not just those received in cash.)

4. The receipts included the following details with respect to cash received:

Look at our Cash receipt for trust it has all these

- (a) date of receipt;
- (b) the name of the person from whom cash is received;
- (c) the amount;
- (d) the client name;
- (e) the file number (or other method to identify the specific matter);
- (f) the signature of the lawyer or person authorized by the lawyer to receive the cash;
- (g) the signature of the person from whom the cash is received.

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

Please provide an explanation for any "No" answers to questions 2 – 4 in Section B.

Question #	Explanation (provide specific details)

C. TRUST BOOK OF ORIGINAL ENTRY

1. The firm maintained a trust book of original entry. Yes No

If "No", please provide an explanation at the end of this section, then proceed to Section D.

2. The book of original entry included the following details with respect to trust funds received:

- | | | |
|--|---|-----------------------------|
| (a) date of receipt; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) receipts recorded in chronological order; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) payor; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) client name or file number; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (e) amount received; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (f) "form" of receipt (<i>i.e.</i> cash, cheque, money order, wire transfer, <i>etc.</i>). | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

3. The book of original entry included the following details with respect to withdrawals from trust:

- | | | |
|---|---|-----------------------------|
| (a) date of payment; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) payments recorded in chronological order; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) payee; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) client name or file number; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (e) amount paid; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| (f) cheque number. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

4. Trust Transfers Between Trust Ledgers

 **Inter Trust Transfer**

- (a) The firm maintained a book of original entry with respect to transfers between clients' ledgers. Yes No

N/A

(no transfers between ledgers)

- (b) If "Yes" did the book of original entry include the following details:

- | | | |
|---|---|-----------------------------|
| ▪ date of the transfer; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| ▪ client name or file number <u>from</u> which the monies were transferred; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| ▪ client name or file number <u>to</u> which the monies were transferred; | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| ▪ amount transferred. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

5. Specific Trust Investments

- (a) The firm maintained a book of original entry with respect to specific trust investments.

Yes No
 N/A

(no specific trust investments)

- (b) If "Yes" did the book of original entry include the following details:

- | | | |
|--|------------------------------|-----------------------------|
| ▪ amount(s) deposited, with corresponding date(s); | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| ▪ amount(s) withdrawn, with corresponding date(s); | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| ▪ interest earned, with corresponding date(s). | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

6. Throughout the period the above records were entered and posted in ink or some other permanent form.

Yes No

Please provide an explanation for any "No" answers in Section C.

Question #	Explanation (provide specific details)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

D. CLIENT TRUST LEDGERS

1. The firm maintained client trust ledgers.

Yes No

If "No", please provide an explanation in the section below, then proceed to Section E.

2. The individual client trust ledgers included:

(a) a separate ledger for each client and each legal matter;

Yes No

(b) details of all receipts, payments and transfers in chronological order, indicating date, cheque/receipt number, payor/payee, dollar amount and the balance in the client's account;

Yes No

(c) a separate client trust ledger for each client's specific trust investment.

Yes No
 N/A

(no specific investments)

3. Throughout the period, the client trust ledgers were entered in ink or other permanent form.

Yes No

Please provide an explanation for any "No" answers in Section D.

Question #	Explanation (provide specific details)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**E. MONTHLY TRUST RECONCILIATION
(REPORTING PERIOD AND SUBSEQUENT EVENTS PERIOD)**

- | | |
|---|---|
| <p>1. Reconciliations were prepared for each month, no later than the end of the next month, for:</p> <p>(a) all pooled trust account(s);</p> <p>(b) all specific trust investment account(s).</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> N/A</p> <p>(no specific investments)</p> |
| <p>2. The following three components of the monthly trust reconciliations were in agreement:</p> <p>(a) the ending balance from the books of original entry;</p> <p>(b) the total of the individual client trust ledgers;</p> <p>(c) the reconciled bank balance.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>3. The monthly trust reconciliations clearly identified and fully explained all differences, adjustments and reconciling items.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>4. All differences or adjustments (excluding outstanding cheques) were corrected by the end of the next month.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>5. Outstanding deposits on the bank reconciliations were cleared within one banking day.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>6. The monthly client trust listings included debit balances (overdrawn client trust balances).</p> <p>If “Yes”, please complete Schedule # 1 on page 25
“Schedule of Debit Balances (Overdrafts) on Client Trust Ledgers”.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |

Please provide an explanation for any “No” answers to questions 1-5 in Section E.

Question #	Explanation (provide specific details)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

G. DETAILED TESTING FOR THE MONTH OF APRIL 2017

Review the trust reconciliation(s), trust records and related bank documents for the month of April 2017 and complete the following:

(Note: If there was no activity for this month, choose the prior or subsequent month and indicate the month tested.)

(month tested)

1. Book of Original Entry

(a) If using a One-Write or manual system, perform test adds on the book of original entry. Did the book of original entry add correctly?

Yes No
 (N/A)
(computerized system)

(b) All receipts, withdrawals and transfers between matters were recorded in chronological order in the book of original entry.

Yes No

(c) All trust receipts were deposited into the pooled trust account within one or two business days of receiving the funds.

Yes No

(d) All trust withdrawals were made by consecutively numbered cheques.

Yes No

(e) All withdrawals from specific investment accounts were deposited back into the pooled trust account.

Yes No
 (N/A)
(no specific investments)

(f) The ending balance in the book of original entry agreed to the amount reported on the reconciliation.

Yes No

2. Bank Records (Bank Statement, Cheques and Deposit Book)

(a) Review the cleared cheques for the month.

▪ All trust cheques were completed using the end recipient's name as the payee.

Yes No

▪ All trust cheques were signed by at least one lawyer in the firm or by another lawyer authorized by The Law Society of Manitoba. (see questions 8 on page 2 and 10 on page 3)

Yes No

▪ All cheques payable to a financial institution included the purpose of the payment on the cheque (i.e. "payout of mortgage").

Yes No

(b) All withdrawals from the pooled trust bank statement(s) were via cheque.

Yes No

If "No", please complete Schedule #3 on page 27 "Schedule of Withdrawals from Trust other than by Cheque".

Software does it Automatically

H. MOST RECENT MONTHLY TRUST RECONCILIATION

1. The most recently prepared reconciliation is for the month of _____.

2. Were there any outstanding cheques older than 6 months? Yes No

If the answer is "Yes", please complete Schedule # 4 on page 28 "Schedule of Stale Dated Cheques".

uLaw will highlight it

3. Were there any balances shown on the:
 (a) pooled trust account client trust listing(s) without trust account activity within the last 2 years? Yes No
 (b) specific trust investment account client trust listing(s) with no other activity other than interest receipts or automatic renewals within the past two years? Yes No
 N/A
 (no specific investment accounts)

If "Yes", please complete Schedule # 5 on page 29 "Schedule of Inactive Trust Balances".

4. Were there any trust balances held in a lawyer's name or the law firm name (unless for a lawyer's current legal matter)? Yes No

If "Yes", please complete Schedule # 6 on page 30 "Personal or Law Firm Monies in Trust".

5. Were there any individual client trust ledgers identified as miscellaneous, general, sundry, or other unusual names? Yes No

If "Yes", please complete Schedule # 7 on page 31 "Miscellaneous Matters".

6. Select a sample of * _____ balances from the client trust listing and trace to the balance on the individual client trust ledger account. Did all sample balances agree? Yes No
(number)

7. Select a sample of * _____ balances from the client trust ledger accounts and trace to the client trust listing. Did all sample balances agree? Yes No
(number)

* **Sample Size** Minimum sample is 10 for a one lawyer firm. Increase sample size by 1 by 1 for each additional lawyer in the firm to a maximum sample size of 30.

Trust Ledgers by Client
 Can be generated to show this

Question #	Explanation (provide specific details)
_____	_____
_____	_____
_____	_____

I. TESTING OF LAW FIRM FILES

The procedures in this section require a sampling of the law firm's client files. The required sample sizes have been indicated. However, if you consider additional testing is necessary in light of the results noted in your initial sample, please indicate the sample size and provide an explanation.

1. Select a sample of * _____ client trust ledgers. Obtain the client file.
(number)

- (a) Trace the receipts and withdrawals on the ledgers to the supporting documents in the files and ensure the trust funds were deposited, disbursed and recorded in accordance with the Rules.
- (b) Where the file has been closed, a copy of the client's final client trust ledger has been filed in the closed file.

Yes No

Yes No

* **Sample Size** Minimum sample is 5 for a one lawyer firm. Increase sample size by 1 for each additional lawyer in the firm to a maximum sample size of 25.

2. From the book of original entry, select a sample of * _____ of the
(number)

most recent payments from the pooled trust account to the general office account for fees and disbursements. (See below for sample size.)

(**Note:** The sample should be selected from payments made just prior to your review, not the member's year end.) Obtain the client file.

- (a) The statement of account was located in the file to support the transfer.
- (b) The amount of the payment from the pooled trust account agreed to the statement of account.
- (c) The statement of account and related covering letter was dated prior to or on the day of the trust payment.
- (d) An accurate accounting of receipts and disbursements was provided to the client. (*i.e.* agree the client trust ledger to the accounting provided to the client.)

Yes No

Yes No

Yes No

Yes No

* **Sample Size** Minimum sample is 5 for a one lawyer firm. Increase sample size by 1 for each additional lawyer in the firm to a maximum sample size of 10.

**Statement of trust and accounts, Settlement statement
show all this**

3. Select a sample of 2 transfers between client trust ledgers from the book of original entry. The member/firm is required to obtain written authorization from the client from whose account the funds are to be transferred, or verbal authority subsequently confirmed in writing to the client.

Was there authorization for the transfer on the client's file?

Yes No
 N/A
(no transfers)

Please provide an explanation for any "No" answers in Section I.

Question # Explanation (provide specific details)

Question #	Explanation (provide specific details)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Inter Matter Trust Transfer Report

J. GENERAL RECORDS

1. The firm maintained a general book of original entry.

Yes No

If "No", provide an explanation in the section below and proceed to question 5.

2. The book of original entry included the following details with respect to general funds received:

(a) date of receipt;

Yes No

(b) receipts recorded in chronological order;

Yes No

(c) payor;

Yes No

(d) client name or file number (if applicable);

Yes No

(e) amount received;

Yes No

(f) "form" of receipt (*i.e.* cash, cheque, money order, wire transfer, *etc.*).

Yes No

3. The book of original entry included the following details with respect to withdrawals from general:

(a) date of payment;

Yes No

(b) payments recorded in chronological order;

Yes No

(c) payee;

Yes No

(d) client name or file number (if applicable);

Yes No

(e) amount paid;

Yes No

(f) cheque number/internet reference/debit reference.

Yes No

4. Throughout the period, this record was entered and posted in ink or other permanent form.

Yes No

5. The firm maintained an accounts receivable ledger or other suitable system that records the accounts rendered, the payments made on account, and the balance owing to or from the client.

Yes No

6. All general bank statements pertaining to the reporting period and subsequent events period were available for review.

Yes No

Please provide an explanation for any "No" answers in Section J.

Question # Explanation (provide specific details)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

K. ACCOUNTANT'S CERTIFICATION

This will certify that _____ have:
(name of accountant or accounting firm)

1. Reviewed and are familiar with the requirements of The Law Society of Manitoba's Rules respecting Financial Accountability [Rules 5-41 to 5-53.3(3)].
2. To the best of our knowledge, we have been provided with the firm's records for all pooled trust accounts, and all specific trust investment accounts maintained by the firm during the period under review, as well as the firm's general records for all general accounts.
3. Reviewed the trust records and general records of the firm for the Form D period.
4. Reviewed the Memorandum to Form D Accountants and have applied the procedures outlined in the Accountant's Section.
 - (a) Approximate number of hours taken completing the required review of the records and the questionnaire _____.
 - (b) Approximate number of trust ledger cards examined _____.
 - (c) Approximate number of files examined _____.
5. As part of this review, we have completed the Accountant's Section which is Part II to this report including Schedules 1-7 as applicable.
6. We have reviewed the monthly trust reconciliations for the reporting period and the subsequent events period.
7. Based on our review in accordance with the procedures required herein, in our opinion, except where noted in the Accountant's Section, the firm has during the Form D period:
 - (a) Kept and maintained such books, records and accounts in connection with their law practice as are required by the Rules 5-41, 5-42, 5-44, 5-48.1 and 5-53.1(2) of the Law Society of Manitoba for pooled trust accounts, specific trust investment accounts and general accounts;
 - (b) Prepared monthly trust and bank reconciliations for each month [as required by Rule 5-42(2)] in the Form D period;
 - (c) Complied with Rule 5-43(1) for handling trust monies; and
 - (d) Complied with Rules 5-53.1, 5-53.2 and 5-53.3 respecting cash receipts.
8. We have discussed any exceptions noted in the Accountant's Section with the member/firm.
9. (a) In connection with this engagement, we have reviewed the relevant rules and the *Code of Professional Conduct* applicable to our accounting body, and we comply with the provisions regarding independence and conflicts of interest.

- (b) Our accounting firm is registered as a practising office/I maintain an office of convenience that is registered with Chartered Professional Accountants of Manitoba and is/am engaged in public practice.

Name of accountant: _____

Signature of accountant: _____

OR

Name of accounting firm: _____

Name of responsible partner: _____

Signature of responsible partner: _____

Date: _____

Mailing Address: _____

Postal Code: _____

Telephone #: _____

Fax #: _____

E-Mail Address: _____

Note to Form D Accountant:

Please ensure that any supplementary schedules included in Part II are submitted on your letterhead, and signed and dated on each page.

PART III
LAW FIRM CERTIFICATION

To be completed by the firm **AFTER** the Form D accountants have completed Part II.

The Certification is to be signed and dated:

(a) in the case of a sole proprietor, by the lawyer;

(b) in the case of a firm, by two lawyers having signing authority on the trust bank account(s).

I/We _____ and _____
certify that: (print names)

1. All pooled trust accounts, specific trust investment accounts and general accounts of this firm were disclosed to the Form D accountant.
2. I/We have provided the Form D accountant with whatever information or explanation he/she required.
3. The books, records and accounts maintained in connection with the practice and produced for the accountant's review accurately disclose the trust obligations to clients.
4. The information contained in this report is correct.
5. I/We agree with the completed Accountant's Section. (If you need to include further information or explanation regarding the exceptions noted by the Form D accountant, please attach a schedule.)
6. I/We have completed Appendix 1 for all inactive accounts identified by the Form D accountant in Schedule #5 of Part II.
7. I/We did authorize and irrevocably direct the Form D accountant to immediately report in writing to The Law Society of Manitoba any apparent shortfall in my/our trust account in excess of \$100 which existed at the time of the Form D review. In the event the total of all trust liabilities to all clients exceeded by more than \$100 the total of all monies on deposit in all trust bank accounts, and I/we hereby expressly waive any confidentiality that may attach to such information in the possession of our accountant.
8. I/We _____ and _____
(print names)
have been authorized by the firm to make this certification.

Signature _____ Date _____

Signature _____ Date _____

If you are signing the Certification, please ensure you have signed and dated all supplementary schedules.
(To be completed by the Law Firm after the Accountant has completed their review.)

