

RECOMMENDED PRACTICE GUIDE

SOLICITORS' ACCOUNTS PROGRAMME

COMMENTARY

The audit programme was developed to assist members in public practice in satisfying the reporting requirements of the provisions of the Solicitors' Account Rules, 1990 (SAR), the Solicitors' Accounts (Deposit Interest) Rules, 1990 (SADIR) and the Accountant's Report Rules, 1990 (ARR).

It does not cover any accountancy or audit work on the solicitor's own practice accounts.

The ARR established the duties required of the reporting accountant and sets out the tests that must be performed.

Rule 4(1) ARR refers to "all bank accounts (excluding trust accounts) kept, maintained or operated by the solicitor in connection with his practice". We have obtained an opinion from the Attorney General's Chambers that all bank accounts referred thereto would include also the office accounts.

Members who are not granted access to all banks accounts will have to consider the effect of his limitation of scope on his opinion in his report under Section 1 (b) of the Accountant's Report.

The reporting accountant shall give his report in the form set out in the Schedule to the ARR or in such form of the like effect approved by the Bar Council pursuant to Rule 5 ARR.

This Guide is a recommendation and should be adapted, where necessary, to meet the needs of each individual firm and their clients.

Approved standards on auditing adapted as necessary are applicable, in all material respects to the audit of the Solicitors' Accounts.

AUDIT PROGRAMME

CLIENT :

PERIOD :

SOLICITORS' ACCOUNTS

Prepared By

Date

Objective :

To ensure that the provisions of the Solicitors' Account Rules, 1990 (SAR), the Solicitors' Accounts (Deposit Interest) Rules, 1990 (SADIR) and the Accountant's Report Rules, 1990 (ARR) have been complied with.

Scope of Audit

Ascertain from the solicitor whether he practices on his own or in partnership and the name under which he practices.

Obtain the names, addresses and personal particulars of each partner in the practice and note any change in partnership or particulars of partners during the period.

Obtain the addresses of all branches operated by the solicitor and personal particulars of each resident partner or manager-in-charge and note any change during the accounting period.

Obtain specimen signatures of all partners and employees authorized as cheque signatories for all bank accounts.

Obtain the personal particulars of the officer responsible for maintaining the accounting records and details of accounting personnel and their duties.

Determine whether an Accountant's Report is required.

W/P Ref.	Yes	No	N/A	Extent of Tests/Remarks

Reviewed by _____

Date

If no, is it exempted in pursuance of Rule 6 (2) ARR and obtain a copy of exemption authority.

Is the accounting period for twelve months?

If the period is less than 12 months, is it in accordance with Rule 7(2) and (3), ARR 1990?

Is the date of the Accountant's Report in compliance with Section 79 of the Legal Profession Act 1976?

Obtain Certificate of Full Disclosures from the solicitor.

Obtain from the solicitor, names, addresses and account numbers of all bank accounts, including fixed deposits, kept or operated or maintained by the solicitor in connection with his practice.

Determine whether the Bar Council has been notified of any change in the particulars of client account and the opening of new client account and the closure of client account within the prescribed period under Rule 13 SAR.

Obtain a schedule of fixed deposits and interest accrued therefrom.

Obtain bank confirmations.

Ascertain from the solicitor the system of bookkeeping and the books of accounts kept in every office of the solicitor.

Examine the bookkeeping system and the books of accounts in every office of the solicitor to see whether it complies with Rule 11, SAR and that

W/P Ref.	Yes	No	N/A	Extent of Tests/Remarks

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<p>(i) There is an appropriate ledger account kept for each client;</p> <p>(ii) The ledger account shows separately from other information, particulars of all client's money received, held or paid on accounts of each client;</p> <p>(iii) Transactions relating to clients' money and other money dealt with through a client account are recorded in the solicitor's books so as to distinguish such transactions from transactions relating to any other money received, held or paid by the solicitor;</p> <p>(iv) There are records of all written intimations delivered by the solicitor to his clients.</p>				
<p>Test check postings to clients' ledger accounts from records of receipts and payments of clients' money and of the bill of costs of such accounts and records.</p>				
<p><u>Record of Work Done</u></p>				
<p>Examine books, accounts and other relevant documents to ascertain and confirm that the financial transactions (including transfers between ledger accounts) are in accordance with SAR and that entries in the clients' ledger accounts reflect these transactions in manner complying with SAR.</p>				
<p>Test check additions of clients' ledger accounts.</p>				
<p>Extract balances of clients' ledger at two dates subject to the waiver under Rule 4(1) (f) ARR.</p>				
<p>Inquire into and test check the system of recording cost and making withdrawals and transfers in respect of bill of costs from the client account in accordance with Rule 7</p>				

Reviewed by _____
Date

and 8 SAR.

Check that payments into clients' account are in accordance with SAR.

Peruse such office ledger, bank and cash account and bank statements of the solicitor to ascertain whether any clients' money has not been paid into a clients' account.

Check that money is deposited in accordance with Rule 3 SAR.

Test examination to ascertain whether payments from clients' ledger account have been made on any individual account in excess of the money held on behalf of that client.

Ascertain whether reconciliation statements are prepared and kept in accordance with SAR.

Reconcile the clients' account at two dates.

Inquire into any contra entries on the bank statements and obtain all explanations and information.

Compare clients' ledger balances (liabilities of the solicitor to his clients) at the two selected dates with the cash book balance on client account.

Inquire into all debit balances on clients' ledger and obtain all information and explanations.

Test check interest accruing on fixed deposits and payment of interest complies with the provisions of SADIR.

Other audit tests carried out as instructed.

W/P Ref.	Yes	No	N/A	Extent of Tests/Remarks

The audit objective have been achieved, subject to

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