
FORM OF TRUST AUDIT REPORT TO BE FURNISHED TO THE LEGAL PRACTICE COUNCIL

It was noted that with the implementation of the Legal Practice Act, 28 of 2014 and the Rules on 1 November 2018 that for purposes of an audit such period of review may also include the requirements as per the Attorneys Act, 53 of 1979 and Rules (as repealed) resulting in the auditor having two sets of criteria against which to conduct an audit.

As a transitional arrangement it was agreed that the annexed form of audit report will be accepted which effectively provides for the auditor to report on the compliance with the related sections of both the Attorneys Act and Legal Practice Act and Rules. This transitional arrangement applies for financial years where both the Attorneys Act and Legal Practice Act were effective. It is accepted that the scope the audit will not result in any duplication of testing.

Independent Auditor's Reasonable Assurance Report on Attorneys' Trust Accounts

To the <Practitioner/Partners/Directors¹> (insert the name of the attorney's firm)

Report on Compliance of the Attorneys Trust Accounts with the Act and the Rules

We have undertaken a reasonable assurance engagement on the compliance of attorneys' trust accounts of <insert the name of the attorney's firm> with Section 78(1), 78(2)(a) and (b), 78(2A), 78(3) and 78(4) of the Attorneys Act, No. 53 of 1979 (the Attorneys Act), and the Rules² of the Attorneys' Profession (the Rules) for the <period from <insert date> to 31 October 2018, as well as sections 86, 87(1), 87(3) and 87(4) of the Legal Practice Act, 28 of 2014 (the LPA³), and Rules 54 and 55 made under the authority of sections 95(1), 95(3) and 109(2) of the Legal Practice Act, 28 of 2014 (as amended), (LPC Rules⁴) for the period from 1 November 2018 to <insert date>> /<year ended <insert date>.

We clarify that we are not required to perform any procedures on records or documents relating to accounting for deceased and insolvent estates and trusts other than those dealt with via the firm's trust banking account(s).

As part of our engagement, we are required to agree the information extracted from the accounting records and included in the accompanying Attorney's Annual Statement on Trust Accounts for the <period from <insert date> to <insert date> /<year ended <insert date>> to the underlying records that were the subject of our engagement on the compliance of attorneys' trust accounts with the Act and the Rules. We are also required to read the attorney's representations and the other disclosures in the Attorney's Annual Statement on Trust Accounts for the purpose of identifying material inconsistencies based on our knowledge obtained in our engagement on the compliance of attorneys' trust accounts with the Act and the Rules.

<Practitioner's/Partners/ Director's/Directors> responsibility for the trust accounts

The <practitioner/partners/directors> is/are responsible for ensuring that the attorneys' trust accounts are maintained in compliance with the Attorneys' Act, Rules, LPA and LPC Rules, and for such internal control as the <practitioner/partners/directors> determine(s) is necessary to maintain the integrity of the trust accounts in accordance with the relevant mandates, including such controls as the <practitioner/partners/directors> determine(s) is also necessary to prevent and detect fraud and theft. The <practitioner/partners/directors> is/are also responsible for preparing the attached Annual Statement on Trust Accounts of the firm/practitioner and for preparing the attached Attorney's Annual Statement on Trust Accounts and for the financial information and declarations contained therein.

¹ Throughout the report - delete whichever: "proprietor/partners/directors" is "not applicable"

² Rules: 35.5; 35.6; 35.7; 35.8; 35.9; 35.10; 35.11; 35.12; 35.13.1 - 35.13.6; 35.13.7.1.5 - 35.13.7.1.6; 35.13.8 - 35.13.16; 35.14; 35.15; 35.16; 35.17; 35.30; 35.31; 35.32; 35.33; 35.34; 35.35; 36.4; 36.5; 36.6; 36.7; 36.8; 36.9; 36.10; 36.11.

³ Section 86(5)(b) is only effective from 1 March 2019

⁴ LPC Rules: 54.6; 54.7; 54.8; 54.9; 54.10; 54.11; 54.12; 54.13; 54.14.1; 54.14.2; 54.14.3; 54.14.4; 54.14.5; 54.14.6; 54.14.7.2; 54.14.7.3; 54.14.8; 54.14.9; 54.14.10; 54.14.11; 54.14.12; 54.14.13; 54.14.14; 54.14.15; 54.14.16; 54.15; 54.16; 54.17; 54.18; 54.19; 54.31; 54.32; 54.33; 54.34 and 55

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

(Name of firm) / (The firm) applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express a reasonable assurance opinion on the compliance of attorneys' trust accounts with the Attorneys Act, Rules, LPA and LPC Rules, based on our assurance procedures performed, and to report as required on the accompanying Attorney's Annual Statement on Trust Accounts.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform the engagement to obtain reasonable assurance about the compliance of attorneys' trust accounts, in all material respects, with the Attorneys' Act, Rules, LPA and LPC Rules.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the compliance of attorneys' trust accounts with the Act and the Rules. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with the Act and the Rules, whether due to fraud and error. In making those risk assessments we considered internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our reasonable assurance engagement included the following procedures:

- Considering, and applying when considered applicable in the engagement circumstances, the guidance in the *Revised Guide for Registered Auditors: Engagements on Attorneys' Trust Accounts* issued by the Independent Regulatory Board for Auditors;
- Making inquiries of the attorney and the attorney's staff;
- Testing transactions for all significant activities with the objective of evaluating whether:
 - Transactions were appropriately identified as trust transactions;
 - Trust transactions were in accordance with mandates and supported by adequate documentation and narrative to identify from whom funds were received, and for whose credit;
 - Deposits and withdrawals from the trust bank account were to, or for, a trust creditor; and
 - Transfers to the attorney's business account were only in respect of moneys claimed to be due to the attorney; and

- Testing and/or scrutinising bank reconciliations, as considered appropriate in the engagement circumstances, and evaluating whether confirmations from financial institutions were in support of the records made available to us.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the attorneys' trust accounts of *(insert the name of the firm)* for the period/year ended *<insert date>* were maintained, in all material respects, in compliance with the Attorneys' Act and Rules until 31 October 2018 as well as the LPA and the LPC Rules from 1 November 2018 to *<insert date>>/<year ended <insert date>>*

Report on Attorney's Annual Statement on Trust Accounts⁵

As part of our engagement, on the compliance of attorneys' trust accounts with the Act and the Rules, we have agreed the information extracted from the trust accounting records included in the accompanying Attorney's Annual Statement on Trust Accounts for the *<period from (insert date) to (insert date)> /<year ended <insert date>>* to the underlying records that were the subject of our engagement. We have also read the Attorney's Annual Statement on Trust Accounts for the purpose of identifying whether the information contained therein is inconsistent with our knowledge obtained in the course of our engagement. The Attorney's Annual Statement on Trust Accounts is the responsibility of the attorney.

Based on our reading we have not identified any information contained in the Attorney's Annual Statement on Trust Accounts that is inconsistent with our knowledge obtained in the course of our engagement. However, our opinion on the attorneys' trust accounts does not cover the Attorney's Annual Statement on Trust Accounts and accordingly we do not express an opinion thereon.

Report on Other Legal and Regulatory Requirements

<The form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.>⁶

Restriction on distribution and use

This report is for the purpose of meeting the auditor reporting requirements of the Act and the Rules and, as regards the accompanying Attorney's Annual Statement on Trust Accounts, the additional auditor reporting requirements of the Legal Practice Council and the Legal Practitioners' Fidelity Fund. Consequently, it is not suitable for any other purpose. It is intended solely for the use of the *<practitioner/partners/directors>* of the firm, the Legal Practice Council and the Legal Practitioners' Fidelity Fund, and should not be distributed to other parties.

⁵ Refer to paragraphs 82-84 of the *Revised Guide for Registered Auditors: Engagements on Attorneys Trust Accounts* (the Guide) for guidance regarding the auditor's reporting responsibilities.

⁶ Refer to paragraph 85 of the Guide for illustrative wording to insert as: *Report on Other Legal and regulatory requirements*, where a reportable irregularity has been reported.

Auditor's Signature

Name of individual registered auditor

IRBA registration number of the firm and/or auditor

Registered audit firm

Date of auditor's report

Auditor's address (if not on a firm letterhead)