

COVID-19 Guidance

A Guide to the External Examination Period March 2020

1. Introduction

The VLSB has advised the external examiners of the following:

- You should be doing examinations virtually given the current government emphasis on social distancing.
- You should obtain records via secure email to complete the audit as best you can.
- These alternate arrangements will apply to this examination period only.
- That we anticipate there may be a small number of practices that cannot accommodate a virtual examination (as they have paper based systems), we will need to look at those on a case by case basis

There have been no changes to the due dates of preparing the annual statement of trust money and external examiners reports.

Statement of trust money period	01/04/2019 to 31/03/2020
Part A – Law Practice Trust Money Confirmation	Due 30/04/2020
Part B – Statement of Trust Money	Due 30/04/2020
External Examiners' Report	Due 31/05/2020

If there are problems with being able to complete these by **31 May** we encourage you to email the VLSB Regulatory Compliance Programs team at trustgroup@lsbc.vic.gov.au.

2. Discuss the examination approach with your external examiner

If the examiner has not been in touch with you yet, make contact with them to discuss how they envisage the examination process being completed. Discuss a proposed timetable for the completion of the Part A, Part B and External Examiners' report, as well as access to records when and where.

It would be ideal to have the Parts A & B completed before the due date to allow the examiner more time to complete the external examiners' report by their due date.

3. Access to records

Does the law practice have infrastructure in place to support remote access?

Does the law practice keep all its records in the cloud?

Can the law practice grant remote access to the examiner to review trust records etc.?

Can this access be restricted to view only?

Can the law practice access its building/offices to collect required records/matter files/supporting documentation if required?

What office equipment is available, if any, scanners, printers etc.?

Is it safe to mail records/files to the examiner? Original or Copy?

Can information be emailed through a secure network or portal?

As we all make our way through the everchanging environment created by the spread of COVID-19 we still need to comply with the regulatory requirements of having law practice trust accounts and trust records externally examined.

How do we approach the examination process in these unusual times?

The LIV has put together a few points that law practices and principals should consider or address during the examination period. Some practices/practitioners are probably already down the track of identifying these issues and again this is meant to guide you in this period.

4. What information needs to be available and in what format?

Do you have all your bank statements available, for the general trust account and any Controlled Money Accounts?

Are they in an electronic format?

Are trust records kept in an electronic format, that is receipts, payments, cashbooks, transfer journals, ledgers accounts, reconciliations?

Have all reconciliations been completed?

Have you investigated and reviewed reconciling items including outstanding adjustments and unidentified deposits?

Have you identified and reviewed dormant balances?

Have you identified and reviewed stale cheques (unpresented cheques > 12 months)?

Have all, if any, deficiencies been properly investigated and rectified?

Has the CMA monthly listing been prepared as per Rule 64(9)?

How are matter files maintained? Manual or electronic?

Are registers up to date, including Register of Files opened, Powers & Estates, Financial Interest, safe custody and investments?

Whilst not exhaustive, this list has identified some of the crucial material

5. Additional Support

[Trust Consultancy Service \(TrustConsult\)](#) Email: trustconsult@liv.asn.au

A confidential service designed to support legal practitioners implement sound management practices, or validate existing practices, in the way trust money and trust

records are handled. All in the knowledge that the Uniform Law and Legal Profession Uniform General Rules requirements are met.

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