

## FORM OF ASSURANCE REPORT BY INDEPENDANT AUDITOR

The Cape Law Society  
P O Box 4528  
CAPE TOWN, 8000

Assurance Report of the Independent Auditor [to the <Proprietor / Partners / Directors<sup>1</sup>> of

\_\_\_\_\_  
, the Cape Law Society and the Attorneys Fidelity Fund

1. We have completed our assurance engagement in respect of the attorney's trust accounts of \_\_\_\_\_ (*insert the name of the attorney's firm*) to determine whether those accounts were maintained in compliance 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 "Act"), and in terms of the Rules 13.5.3, 13.7, 13.13, 13.14.1, 13.14.2 and 13.16 and 13.20 of the Cape Law Society for the <period from \_\_\_\_\_ (*insert date*) to \_\_\_\_\_ (*insert date*)> <or year ended \_\_\_\_\_ <*insert date*>>.

### 2. <Proprietor/Partners/Directors> responsibility for the trust accounts

The <proprietor/partners/directors of \_\_\_\_\_ (*insert the name of the attorney's firm*) is/are responsible for ensuring that the attorney's trust accounts are maintained in compliance with the provisions of the Act and the Rules of the Cape Law Society. The <proprietor/partners/directors> is/are also responsible for the implementation of accounting and internal control systems and the completion of the Internal Control Questionnaire in the SAICA Guide<sup>2</sup>.

### 3. Auditor's responsibility

Our responsibility is to express our conclusion on whether the attorney's trust accounts were maintained in compliance with Section 78(1), 78(2)(a) and (b), 78(2A), 78(3) and 78(4) of the Act and in terms of the Rules 13.5.3, 13.7, 13.10, 13.13, 13.14.1, 13.14.2, 13.16 and 13.20 of the Cape Law Society for the period \_\_\_\_\_ (*insert date*) to \_\_\_\_\_ (*insert date*) <or year ended \_\_\_\_\_ <*insert date*> based on our assurance engagement.

Our assurance engagement was conducted in accordance with the International Standards on Auditing (ISAs) including the International Standard on Assurance Engagements (ISAE 3000) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and the guide issued by the South African Institute of Chartered Accountants (SAICA), *Guidance for Auditors: The Audit of Attorneys' Trust Accounts in terms of the Attorneys Act, No 53 of 1979 and the Applicable Rules of the Provincial Law Societies* ("the Guide". The guide sets out the minimum procedures to be performed in evaluating whether the attorney's trust accounts were maintained in accordance with the relevant sections of the Act and of the Rules of the Cape Law Society. In addition, we have performed such other

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

<sup>2</sup> Appendix II - Internal Control Questionnaire in the SAICA *Guidance for Auditors: The Audit of Attorneys' Trust Accounts in terms of the Attorneys Act, No 53 of 1979 and the Applicable Rules of the Provincial Law Societies*.

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#### \* Applicable Rules for the Provincial Law Societies

Cape Law Society	Rules 13.5.3, 13.7, 13.10, 13.13, 13.14.1, 13.14.2 and 13.16 and 20
KwaZulu-Natal Law Society	Rules 17, 20, 21 and 21A
Free State Law Society	Rules 16, 16A and 16B and 16C
Law Society of Northern Provinces:	Rules 68.1, 68.2, 68.3, 68.4, 68.5, 68.6.1, 68.6.2, 68.8, 68.9, 69.1, 69.2, 69.3, 69.4, 69.5, 69.6, 69.7, 69.9, 70, 77 and 77A

procedures as we considered necessary to obtain sufficient appropriate evidence to support our reasonable assurance conclusion.

We have not performed 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). Accordingly, we do not express any conclusion in this regard.

We believe our assurance engagement provides a reasonable basis for our conclusion.

#### **4. Basis for qualified conclusion**

The following contravention/s of Sections of the Act and Rules of the Cape Law Society relating to the firm's trust accounts occurred which is/are regarded as material<sup>3</sup>:  
(If none, state NIL)

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*(Any contravention of Sections 78(1), 78(2)(a) and (b), 78(2A), 78(3) and 78(4) of the Act, and any contravention of the rules of the Cape Law Society relating to trust accounts in terms of the Rules are regarded as material and should be reported. If the report is qualified then the next heading is to be changed to "Qualified conclusion" and the wording is to change to "In our opinion, except as noted in our Basis for qualified conclusion above, the ...")*

#### **5. Conclusion**

In our opinion, the attorney's trust accounts of \_\_\_\_\_  
(insert the name of the attorney's firm) for the \_\_\_\_\_ <period from (insert date)  
to \_\_\_\_\_ (insert date)> / <or year ended \_\_\_\_\_ <insert date>>  
were maintained in compliance with Sections 78(1), 78(2)(a) and (b), 78(2A), 78(3) and  
78(4) of the Attorneys Act, No. 53 of 1979 and in terms of the Rules  
13.5.3,13.7,13.10,13.13,13.14.1,13.14.2,13.16 and 13.20 of the Cape Law Society.

Our report covers the accounting records relating to the attorney's trust accounts and does not extend to the financial statements of the business of \_\_\_\_\_  
\_\_\_\_\_ (insert the name of the attorney's firm) taken as a whole.

#### **6. Supplementary information**

Our assurance procedures indicated that:

- 6.1 the attorney's trust accounts for the period reported on have been updated monthly and balanced at least quarterly,
- 6.2 the firm complied/ has not complied with the service fee structure (including the cash deposit fee structure where applicable) and the credit interest rates, as amended from time to time, as nationally/provincially agreed upon between the Attorneys Fidelity Fund and the firm's bank(s),

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<sup>3</sup> Specify *Sections and Rules contravened* and provide details of contravention/s

6.3 the ratio as a percentage of total bank charges (excluding VAT) incurred during the current period to the total of interest earned during the period / year was \_\_\_\_\_

6.4 the firm's trust accounts for the period subsequent to the period of our assurance engagement, was last inspected by us on \_\_\_\_\_ (insert date of last inspection), have been written up to \_\_\_\_\_ (insert date) and the trial balance was last balanced at \_\_\_\_\_ (insert date), and [the proprietor/partners/directors] provided us with the following changes in the composition of the firm which occurred during the period from \_\_\_\_\_ (insert date) to \_\_\_\_\_ (insert date) / <or year ended \_\_\_\_\_ <insert date>>.

6.5 the [proprietor/partners/directors] principal place of practice (insert full physical address) is at:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6.6 the firm's South African branch offices, are at (insert full physical addresses)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**7. Information extracted from the trust accounting records**

The following information was extracted from the trust accounting records that were the subject of our assurance engagement, in respect of the reconciliation of interest earned on the firm's section 78(1) and section (2)(a) trust accounts from the beginning of the period \_\_\_\_\_ (insert date) to the end of the period \_\_\_\_\_ (insert date):

7.1 Amount brought forward from the previous financial year in respect of interest earned on monies deposited in terms of section 78(1) and monies invested in terms of section 78(2)(a) of the Attorneys Act, No. 53 of 1979 is	
7.2 Amount earned during the current period on monies deposited in trust banking accounts in terms of section 78(1) and monies invested in trust investment accounts in terms of section 78(2)(a) of the Attorneys Act, No 53 of 1979 is	
7.3 Amount incurred during the current period in respect of refundable bank charges (excluding VAT – firms not liable for Vat as registered vendors may include VAT) is	
7.4 Amount already paid over to the Law Society as nominee of the Attorneys Fidelity Fund during the period under review in terms of section 78(3) of the Attorneys Act, No. 53 of 1979 is <b>(a schedule of the payments made is to be attached)</b>	

7.5	Amount carried over to the next financial period in respect of interest earned on monies deposited in terms of section 78(1) and monies invested in terms of section 78(2)(a) of the Attorneys Act, No. 53 of 1979 is	
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7.6 The amount referred to in paragraph 7.5 agrees/ does not agree with the balance as recorded in the books of account, which amount, less the amount of R\_\_\_\_\_ paid over to the Society since period end, is/ is not held in the firm's trust account. If not held in the trust account, a written explanation detailing how the trust interest has been dealt with is to be annexed to the report.

The following information was extracted from the trust accounting records that were the subject of our assurance engagement in respect of trust creditors/liabilities and trust funds available at the period / year end \_\_\_\_\_ (insert date) and on one other date \_\_\_\_\_ (insert date), were as follows:

	At period / year end	Other date selected <sup>4</sup>
<b>Trust creditors/liabilities</b>		
Trust creditors ito Section 78(1) & Section 78(2)(a)		
Trust creditors ito Section 78(2A)		
<b>Total trust creditors/liabilities</b>		
Trust funds available in terms of:		
Section 78(1) trust banking accounts		
Section 78(2)(a) trust investment accounts		
Section 78(2A) trust investment accounts		
Trust cash on hand		
Debit balances in trust ledger (details as set out in paragraph 4)		
<b>Total funds</b>		
<b>Trust surplus/ (deficit)</b>		

## 8. Investment Practices

8.1 The firm has/ has not carried on the business of an investment practice during the year under review;

8.2 the firm has/ has not complied in all respects with the provisions of Rule 20 of the

<sup>4</sup> The date selected must be a date, other than the financial year end, which occurs during the financial year / period to which this assurance engagement relates.

Society's Rules;

8.3 if the answer to paragraph 8.2 is: "has not complied", list all instances in which the Rules may not have been complied with.

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(If space is insufficient, this may be continued on a separate sheet and attached to this assurance report).

**Restriction on use and distribution of the report**

The layout and wording of our report is in compliance with the relevant sections of the Attorney's Act and Rules of the Cape Law Society and may not be suitable for any other purpose, consequently, it is intended solely for the use of <proprietor/partners/directors> of the firm, the Cape Law Society and the Attorneys Fidelity Fund and should not be distributed to any other parties without our prior written consent.

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*Auditor's Signature*

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*<Insert name of registered audit firm and IRBA Registration Number, if report is not on letterhead of firm>*

Per: \_\_\_\_\_  
*<Insert name of sole practitioner, partner, director, >*  
Registered Auditor  
Chartered Accountant (SA)<sup>5</sup>  
Address,  
Date

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<sup>5</sup> Chartered Accountant (SA) may be omitted – depending on signing conventions adopted by audit firm

**SUPPLEMENTARY INFORMATION REQUESTED BY THE CAPE LAW SOCIETY – (NOT SUBJECT TO OUR ASSURANCE ENGAGEMENT)**

**FIRM \_\_\_\_\_**

**(INSERT FIRM NAME)**

**Schedule of Interest payments**

For the financial period \_\_\_\_\_ to \_\_\_\_\_

Trust Banking Account at \_\_\_\_\_ <insert Name of Bank>, Branch Code No. \_\_\_\_\_ and Account No. \_\_\_\_\_

	Date	Financial Period	Method of Payment (EFT / Cheque)	Amount
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
<b>Total</b>				

**Notes:**

1. The total indicated above should agree with Par 7.4 of the assurance report
2. Kindly note that a separate schedule should be submitted for each trust bank account operated by the firm