

Law Society of Prince Edward Island

**ANNUAL LAWYERS' REPORT ON TRUST MONIES, Form 17**

[In accordance with Part 5 of the *Legal Profession Act* and Part 7 of the Regulations thereunder]

**Filing Instructions:**

→ **Completed form 17.** *Form 17 (Annual Lawyers' Report on Trust Monies) must be completed and made available to the auditors of the Law Society upon receipt of notice of a review.*

→ *If space is insufficient, please attach schedules giving the information requested.*

→ *For "we" read "I" throughout where appropriate.*

**Submit completed Form 17 to the Law Society's accountant upon their arrival at your firm.**

- 
1. This report covers the twelve month period immediately preceding its completion.
  2. Name of law firm, member, or law corporation \_\_\_\_\_
  3. Addresses of offices covered by this Form \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  4. Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_
  5. At present:
    - (a) Names of partners  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
    - (b) Names of employed lawyers who are not partners \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
    - (c) Names of ALL lawyers associated with the firm other than partners and employees  
\_\_\_\_\_  
\_\_\_\_\_
    - (d) Names of ALL lawyers who are members of other Law Societies, identifying the other Society/Societies \_\_\_\_\_  
\_\_\_\_\_
  6. Changes during past 12 months in partners, employed lawyers and associated lawyers (furnish full particulars, indicating the exact date on which any member left or joined your firm during the period covered by this Form).  
\_\_\_\_\_  
\_\_\_\_\_

7. Accounting records are maintained primarily by:  
 Full-time bookkeeper \_\_\_\_\_ Accounting Firm \_\_\_\_\_  
 Secretary/bookkeeper \_\_\_\_\_ Part-time bookkeeper \_\_\_\_\_  
 Law Firm's principal(s) \_\_\_\_\_

8. The nature of the accounting system is mainly:  
 Manual \_\_\_\_\_ Computer In-house \_\_\_\_\_  
 One-write \_\_\_\_\_ Computer Service Bureau \_\_\_\_\_  
 Name of software used to maintain computerized trust records: \_\_\_\_\_

9. During the period covered by this report, the following are ALL the accounts in which trust money as defined in Reg. 71(l) are held by this firm. Please indicate if an account was opened or closed during this period.

Financial Institution [Name and Branch]	Account Number	Date opened and/or closed during Report Period
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

10. (a) The following are the current signing officers on the accounts listed in #9:

Financial Institution Name and Branch	Account Number	Signing Officers and Position with Firm
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) Have there been any changes in the signing authority during the past 12 months?  
 Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, explain \_\_\_\_\_  
 \_\_\_\_\_

11. (a) During the past 12 months, was any trust money or other valuable property as defined in sub-regulations 71(l) &(m) held outside the firm's general or specific trust accounts and records?

Yes \_\_\_\_\_ No \_\_\_\_\_

(b) If 'yes', have all waivers and certificates of independent legal advice been obtained pursuant to *sub-regulation 84(1)(b)* and maintained on file?

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, explain \_\_\_\_\_  
 \_\_\_\_\_

12. With respect to general trust accounts operated by the firm, does the firm provide each chartered bank, trust or loan company with an annual report as required by the Canadian Deposit Insurance Corporation's regulations so as to ensure that each client's funds, rather than the account itself, are insured up to the limit of CDIC Insurance?  
Yes \_\_\_\_\_ No \_\_\_\_\_

13. Are you holding in trust any funds for which the purpose of the trust cannot be fulfilled or the trust funds cannot be distributed?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please identify and list amounts

---

---

14. During the past 12 months:

(a) Books, records and accounts have been maintained to record all trust money and trust property received and disbursed, which is clearly distinguishable from the records of money received and disbursed on the general account [Reg. 72(1)]  
Yes \_\_\_\_\_ No \_\_\_\_\_

(b) All members must report on large cash transactions regardless of the jurisdiction of practice/provision of legal services.

i) Did you receive cash in an aggregate amount equivalent to \$7,500 CDN or more in respect of any one client? [Reg.85(2)]  
Yes \_\_\_\_\_ No \_\_\_\_\_

ii) Was the cash solely for legal fees and/or disbursements? Yes \_\_\_\_\_ No \_\_\_\_\_

(c) The following books, records and accounts have been maintained [Reg. 72(1)]:

(i) a book of original entry, or data source, showing the date of receipt and source of trust money for each client and identifying the client on whose behalf the trust money is received,  
Yes \_\_\_\_\_ No \_\_\_\_\_

(ii) a book of original entry, or data source, showing all disbursements out of trust money for each client and showing each cheque number or Electronic Fund Transfer identifier, the date of each disbursement, the name of each recipient, and identifying the client on whose behalf each disbursement is made out of trust money,  
Yes \_\_\_\_\_ No \_\_\_\_\_

(iii) a client's trust ledger, showing separately for each person on whose behalf trust money has been received, all such money received and disbursed and any unexpended balance,  
Yes \_\_\_\_\_ No \_\_\_\_\_

(iii) a record showing all transfers of money between clients' trust ledger accounts with explanations for which purpose such transfers are made,  
Yes \_\_\_\_\_ No \_\_\_\_\_

(iv) a book of original entry, or data source, showing the date of receipt and source of all money received other than trust money,  
Yes \_\_\_\_\_ No \_\_\_\_\_

(v) a book of original entry, or data source, showing all disbursements of money other than trust money and showing each cheque or voucher number, the date of each disbursement and the name of each recipient,

Yes \_\_\_\_\_ No \_\_\_\_\_

(vi) a book, data source or chronological file of copies of billings showing all fees charged and other billings to clients, the dates such charges are made and identifying the clients so charged,

Yes \_\_\_\_\_ No \_\_\_\_\_

(vii) a record showing all trust property held in trust from time to time for all clients, and identifying the client on whose behalf the property is held, and

Yes \_\_\_\_\_ No \_\_\_\_\_

(viii) bank statements or passbooks, cashed cheques and detailed deposit slips or EFT written confirmation forms for all trust and general accounts.

Yes \_\_\_\_\_ No \_\_\_\_\_

(ix) a record of the receipt and disbursement of money received by the firm but not paid into a trust account as permitted by *Reg. 73(6) & (7)*;

N/A \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

(d) The books, records and accounts have been entered and posted currently at all times as required by *Regulation 72(2)*

Yes \_\_\_\_\_ No \_\_\_\_\_

15. During the past 12 months, we have maintained a record showing a comparison made monthly of the total of balances held in all accounts containing trust monies and the total of all unexpended balances of trust money as they appear from the books and records, together with the reason for any differences between the totals

Yes \_\_\_\_\_ No \_\_\_\_\_

and supported by:

(i) a detailed listing made monthly showing the amount of trust money held for each client and identifying each client for whom trust money is held; and

(ii) a detailed reconciliation made monthly of each account containing trust monies [*Reg. 72(1)(h)*].

Yes \_\_\_\_\_ No \_\_\_\_\_

16. The reconciliations required of the trust accounts referred to in #15 above have been made monthly within 30 days from the end of the period in respect of which the reconciliation is made [*Reg. 72(2)*].

Yes \_\_\_\_\_ No \_\_\_\_\_

17. During the past 12 months:

(a) was all trust money required to be deposited in a trust account deposited no later than the first banking day following the day of receipt? [*Reg. 73(1)*]

Yes \_\_\_\_\_ No \_\_\_\_\_

(b) has any trust account been used for office or personal use? [*Reg. 73(7)*]

Yes \_\_\_\_\_ No \_\_\_\_\_

- (c) has any account containing trust moneys been overdrawn as a whole, or with respect to the funds held on account of any person? [Reg. 74(2)]  
Yes \_\_\_\_\_ No \_\_\_\_\_
- (d) has any money been withdrawn from an account containing trust monies except: [Reg. 74(2)]
- (i) money properly required for payment on behalf of a client,
  - (ii) money required to reimburse the member for money properly expended, or for expenses properly incurred, on behalf of a client
  - (iii) money properly required for or toward payment of the member's fees for which a billing or other written notification has been delivered to the client
  - (iv) money that is directly transferred into another trust account and held on behalf of a client
  - (v) money that has been deposited inadvertently into a trust account in contravention of these Regulations.
- Yes \_\_\_\_\_ No \_\_\_\_\_
- (e) were there funds withdrawn from the trust account greater than the client has to its credit? [Reg. 74(2)]  
Yes \_\_\_\_\_ No \_\_\_\_\_
- (f) was money on deposit in a trust account to which the member or firm became entitled reasonably promptly withdrawn from the trust account? [Reg. 74(1)]  
Yes \_\_\_\_\_ No \_\_\_\_\_
- (g) at all times was a balance on deposit maintained in each trust account, which together with undeposited trust money, was sufficient to meet all obligations with respect to monies held in trust for each client? [Reg. 74(11)]  
Yes \_\_\_\_\_ No \_\_\_\_\_
- (h) was trust money held outside the Province of Prince Edward Island done so in accordance with Regulation 73(8)?  
N/A \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_
- (i) was trust money deposited in a trust account that did not directly relate to legal services being provided? [Reg. 73(5)(a)]  
N/A \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

18. If records and trust accounts are maintained by a computerized system, answer (a) and (b) below.

- (a) If the client's trust ledger is printed annually rather than monthly, are records maintained on back-up storage during that year?  
N/A \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_
- (b) Are the books, records and accounts maintained so that an audit trail is created for all amendments to accounting transactions?  
Yes \_\_\_\_\_ No \_\_\_\_\_

19. Client Identification/Verification

Did you obtain and record identification information for every client, and if required, verify the identity of the client, in accordance with Regulation 86?

Yes \_\_\_\_\_ No \_\_\_\_\_

20. Please provide an explanation for any exceptions to the *Regulations* reported above:  
(attach schedule if necessary)

---

---

---

## LAWYER'S CERTIFICATION AND AUTHORIZATION

To be signed by a sole practitioner or a partner designated in writing by the other members of the firm to complete Form 17.

### CERTIFICATION

I hereby certify to the Law Society of Prince Edward Island:

- (a) THAT to the best of my knowledge and belief the books, records and accounts maintained in connection with the practice fully disclose the trust obligations to clients;
- (b) That to the best of my knowledge and belief, I have complied with section 44 of the *Legal Profession Act* and *Regulations* made thereunder.

### AUTHORIZATION

I hereby:

- (a) authorize the Law Society of Prince Edward Island to make available to the Law Foundation of Prince Edward Island the account numbers of all general trust accounts listed in Form 17 together with the names and address of the institutions in which the accounts are maintained;
- (b) consent to all financial institutions with accounts of the firm containing trust monies to disclose to the Law Society of Prince Edward Island occasions on which any of the trust accounts have been subject to a deficiency, shortfall or overdraft;
- (c) agree to make available to a public accountant designated by the Law Society all books, records, computer files and other materials relating to the keeping of trust monies on behalf of clients of this firm. Confidentiality is to be maintained by the Secretary of The Law Society of Prince Edward Island.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

---

Authorized Member