

Trust Account Information Sheet



Your external examiner and the annual external examination

Once in each financial year law practices must have their financial records examined by an external examiner. The form and content of the External Examiners report must be approved by the Society (Reg 74). It is a requirement of the Act that examiners reports be provided to the Society (s274).

External Examiners are accounting professionals that have applied to the Law Society Northern Territory (the Society) for designation that they are eligible for appointment as External Examiners pursuant to s268 to *the Legal Profession Act* (the Act). Examiners may appoint assistants with the Society's approval.

The Society requires Examiners to re-apply each year and the Society confirms their credentials with the relevant professional body. New Examiners are required to complete a briefing conducted by the Society. The Society maintains a list of designated External Examiners on the website.

The purpose of the examiner's report is to provide your practice with an independent opinion that trust transactions and entrusted funds have been recorded and managed in accordance with the Act and the Regulations. The powers of examiners are contained in Chapter 6 of the Act and include the power to require access to information or documents and there are penalties for failing to comply with that requirement. In the course of the examination, client files and or trust account records should not to be removed from the practice.

Opinions or recommendations of your examiner are not a finding in respect of your conduct nor are they evidence of an actual breach. However, the information in the Examiner's report is recorded by the Society and forms part of a practice/practitioner profile which is reviewed regularly and may inform future action by the Society. Additionally, the information contained in an Examiner's report may form the grounds upon which an investigation under s263(1)(b) may be conducted.

Should your Examiner's report identify issues, it is highly recommended that you address them as a matter of priority. You should seek further information from your Examiner if you do not understand the issue identified. If you consider the opinion of your Examiner to be incorrect you should contact the Examiner as a matter of urgency. You should also advise the Society in writing.

Should you be concerned about the performance of your Examiner, please contact the Society.

Further information may be found on the Society's website.