

External Examiner Guidelines 2024



THE LAW SOCIETY
OF NEW SOUTH WALES

What do I do once I am appointed?

Once appointed as an External Examiner (EE), remind the law practice to complete a [Notification of Appointment or Cessation of External Examiner form](#).

What is an External Examiner Report (EER)?

An EER is an independent assessment of the trust records and is required under [Section 155](#) of the Legal Profession Uniform Law (NSW) (Uniform Law).

What is the purpose of an EER?

The purpose of the EER is to:

- confirm that the information submitted in the law practice's Confirmation and Statement of Trust Money (commonly known as Part A and Part B) is correct.
- confirm whether the trust records for all types of trust money have been properly maintained in accordance with the provisions of the Uniform Law and the Legal Profession Uniform General Rules 2015 (Uniform General Rules).
- detail any observed breaches of the Uniform law and Uniform General Rules.

How should I prepare an EER?

You will undertake appropriate examination of the trust records to satisfy yourself that they have been maintained in accordance with the Uniform Law and the Uniform General Rules, including sampling techniques and other enquiries to form your opinion.

You should retain a copy of your work papers, including any completed checklists, supporting documentation, copies of reconciliations etc. which will be subject to periodic reviews by the Law Society.

When is the EER due?

The EER should be submitted on or before 31 May.

If 31 May falls on a Saturday, Sunday or a public holiday, the EER may be lodged on the next business day.

How do I submit an EER?

EERs should be submitted online using the Law Society of NSW Trust Lodgement Portal (TLP).

How can I learn to navigate TLP?

We have introduced an [e-learning module](#) which will be available from Monday 15 April 2024 to help you get accustomed to the layout and features of TLP.

Is there an EER checklist to assist?

Yes, we have developed an [External Examiner's Checklist](#) to guide you through the examination process and assist with assessing compliance with relevant legislation.

Is there a Legal Accounting Handbook to assist?

Yes, we have compiled a [Legal Accounting Handbook](#) which covers common trust record-keeping requirements, relevant sections and rules of the Legal Profession Uniform legislation, and practical examples of common trust records.

What are the authorised institutions to hold trust money?

- **General Trust Account** can be established and held at any of the [Authorised Authorised Deposit Taking Institution \(AADI\)](#), listed on our website.
- **Controlled Money Account** can be established and held at any of the AADI or any other authorised deposit taking institutions (ADI) registered by the [Australian Prudential Regulation Authority](#).

What if the general trust account is closed before the trust year end?

If a general trust account is closed before the end of the trust year, it must still be included in the Part B and an EER is required up to the date the general trust account was closed.

Can I contact the Authorised ADI to verify the trust account information?

Yes, under Section 370 of the Uniform law, you can seek information as a part of your examination by serving them with a Notice.

Note that section 149(4) of the Uniform Law prohibits the AADI from charging you for complying with the Notice.

What is authorised trust accounting software?

The Law Society examines and certifies trust accounting software to ensure compliance with the Uniform Law and Uniform General Rules, when used as intended. Please visit our website for the [current list of certified software](#).

What if I don't have enough information to form an opinion?

Contact the law practice to request any additional information needed to form an opinion.

- Submit a qualified report if:
 - you **cannot obtain sufficient information** from the law practice in order to form an opinion. Make sure to detail the attempts and any other relevant information to support our review of Part B.
 - there is a **delay in obtaining information from an AADI**. Include any outstanding information in your report.

If your opinion changes upon subsequent receipt of this information, please notify the Chief Trust Account Investigator at trust@lawsociety.com.au or (02) 9926 0337.

What do I do if I am terminated by a Law Practices?

The law practice must obtain prior approval from the Law Society by completing a '[Notification of Appointment or Cessation of External Examiner](#)' form.

What do I do if I wish to resign as External Examiner?

If you decide to resign as an EE, you can inform the law practice without prior approval from the Law Society. However, you must also notify the Trust Accounts Department of your resignation. The law practice will then need to complete the '[Notification of Appointment or Cessation of External Examiner](#)' form.

Where can I go for further information?

For further information, you can contact and the Chief Trust Account Investigator or the Trust Accounts Department at trust@lawsociety.com.au or (02) 9926 0337.