

**THE CAPE LAW SOCIETY, INCORPORATED AS THE LAW SOCIETY OF THE CAPE
OF GOOD HOPE**

AMENDMENT OF RULES

It is hereby notified, in terms of section 74 (1) of Act No 53 of 1979, that an amended Schedule of Rule 13.20, as agreed by the majority of members present or represented at the Annual General Meeting of the Society held at Port Elizabeth 28 & 29 October 2005, is inserted by the Council of the Cape Law Society, which Rule has, in terms of section 74 (2) of Act No. 53 of 1979, been approved by the Chief Justice after consultation by Council, in terms of section 74 (3) of Act No. 53 of 1979, with the Judges President of the Cape of Good Hope, Eastern Cape and Northern Cape Divisions of the High Court of South Africa.

N GANGEN
Director

**SCHEDULE to RULE 13.20
FORM OF REPORT BY INDEPENDENT ACCOUNTANT**

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

REPORT OF AN INDEPENDENT ACCOUNTANT
(to be submitted under cover of the accountant's letterhead)
IN TERMS OF RULE 13.20.1 OF THE RULES OF THE LAW SOCIETY IN RESPECT OF

(Name and street and postal addresses of firm)

- 1 I/We have audited the trust accounts of the abovementioned firm to determine whether those accounts were maintained in compliance with Sections 78(1), 78(2), 78(2A), 78(3) and 78(4) of the Attorneys Act, No. 53 of 1979 ('the Act') and with Rules 13.5.3, 13.7 13.13, 13.14.1, 13.14.2 and 13.16 of the Rules of the Cape Law Society for the period from _____ (insert date) to _____ (insert date).
- 2 The proprietor/partners/directors of the abovementioned firm is/are responsible for ensuring that the firm's trust accounts are maintained in compliance with the provisions of the Act and the Rules of the Cape Law Society and for the implementation of accounting and internal control systems. Our responsibility is to express an opinion on whether the firm's trust accounts were maintained in compliance with the sections of the Act and the Rules referred to above for the period _____ (insert date) to _____ (insert date) based on our audit.

3. This report covers the accounting records relating to the firm's trust accounts and does not extend to the financial statements of the abovementioned firm taken as a whole.

scope

4. I/We conducted our audit in accordance with the statement of South African Auditing Standards applicable to special purpose audit engagements and the guide issued by the South African Institute of Chartered Accountants, '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. This guide sets out the minimum audit procedures to be performed in evaluating a firm's trust accounts.

An audit includes -

- examining, on a test basis, evidence supporting the amounts and disclosures in the trust accounts; and
- assessing the accounting principles used by the firm.

5. I/We believe our audit provides a reasonable basis for my/our opinion.
6. I/We have not performed any audit procedures on records or documents relating to accounting for deceased and insolvent estates and trusts. Accordingly, I/we do not express any opinion in this regard.

Qualification

7. The report is subject to the following qualifications (if none, state NIL) -

(Any contravention of Sections 78(1), 78(2)(a) and (b), 78(2A), 78(3) and 78(4) of the Act and/or the Rules of the Law Society referred to above relating to trust accounts are regarded as material and should be reported).

Opinion

8. In my/our qualified/ unqualified opinion, except as noted above, the attorney's trust accounts of the abovementioned firm for the period from _____ (insert date) to _____ (insert date) were maintained in compliance with Sections 78(1), 78(2)(a) and (b), 78(2A), 78(3) and 78(4) of the Act and with Rules 13.5.3, 13.7, 13.13, 13.14.1, 13.14.2 and 13.15 of the Cape Law Society.

Supplementary information

9. I/We extracted the following information from the audited trust accounts -

Reconciliation of interest earned on the firm's trust accounts from the beginning of the period _____ (insert date) to the end of the period _____ (insert date) -

9.1

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	
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- 9.2 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 75(2)(a) of the Attorneys Act, No 53 of 1979 is
- 9.3 Amount incurred during the current period in respect of refundable bank charges (excluding VAT) is
- 9.4 Amount already paid over to the Attorneys Fidelity Fund during the period under review in terms of section 78(3) of the Attorneys Act, No. 53 of 1979 is
- 9.5 Amount carried over to the next financial year in respect of interest earned on section 78(2)(a) of the Attorneys Act, No. 53 of 1979 is
- 9.6 The amount referred to in paragraph 9.5 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.
10. The ratio as a percentage of total bank charges (excluding VAT) incurred during the current period to the total of interest earned during the year was _____
11. 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 banker(s).
12. Trust creditors and trust funds available at the period end _____ (insert date) and on one other date _____ (insert date, being another month end within the period covered by the report), were as follows -

	At year end	Other date selected
Funds Employed		
Trust creditors		
Trust creditors i.t.o section 78(2A)		
Total trust creditors		
Employment thereof:		
Section 78(1) trust banking accounts		
Section 78(2)(a) investments		
Section 78(2A) investments		
Trust cash on hand		
Debit balances in trust ledger (details as set out in paragraph 7)		
Total funds		

13. Our audit procedures indicated that -

13.1 the firm's trust accounts for the period reported on have been updated monthly and balanced at least quarterly;

13.2 the firm's trust accounts for the period subsequent to the period being audited, 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).

14.1 the management of the firm provided us with the following changes in the composition of the firm which occurred during the period from _____ (insert date) to _____ (insert date) -

14.2 the firm's principal place of practice is at (insert full physical address) -

14.3 the firm's branch office/s is/are at (insert full physical addresses) -

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