QLD LEGAL FINANCE

QUICK ANSWER · TRUST ACCOUNTING

Changing trust account signatories — *the control steps people miss.*

Internal authority, bank permissions and the notices QLS is owed — including the one that falls due every July.

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Changing a trust signatory is not just a banking administration task.

The practice needs the authority decision, the bank permissions, the Queensland Law Society notification and the internal access record to remain aligned.

Queensland Law Society's Trust Accounting Guide restates it, but the duty is imposed by section 46 of the Legal Profession Regulation 2017 (Qld): written notification is required when a practitioner or associate is authorised or ceases to be authorised to sign trust cheques or otherwise effect, direct or authorise withdrawals from the practice's trust account.

> **QLF PERSPECTIVE**
> The control objective is simple: the people who can move trust money should be exactly the people the practice intends, the bank permits and the practice has properly authorised.

1. Start with the authority decision

Before changing online banking access, establish who is being authorised and the nature of that authority.

The practice should be clear about:

- whether the person may act alone or only jointly;
- whether they are an authorised principal, legal practitioner or associate;
- whether the authority extends to EFT, cheque or other withdrawal processes;
- what happens when the principal is unavailable.

> **RED FLAG**
> Bank access is granted first and the practice works out the formal authority position afterwards.

2. Make the bank permissions match the authority

QLS specifically notes that authorised signatories must be given the appropriate level of authority when internet banking or direct-debit authorities are set up.

If a person is intended to act jointly, the banking platform should not give them sole-release capability.

Likewise, a user who only needs visibility should not receive transaction authority.

> **DIRECTOR QUESTION**
> Does the bank platform reflect the intended authority model exactly — not approximately?

3. Notify QLS when authority starts or ends

QLS states that the practice must give written notice either before, or within 14 days after, authorising or terminating the authority of an associate or Australian legal practitioner to withdraw money from the trust account.

The notification includes the person's details and, for an associate, whether they are an employee of the practice.

GOOD CONTROL

Treat the QLS notification as part of the signatory-change checklist, not as a separate task someone needs to remember later.

THE NOTICE PEOPLE MISS

Section 46 of the Regulation sets two duties, not one. Written notice must reach the Society either before, or within **14 days** after, an authorisation event — someone becoming, or ceasing to be, authorised to sign trust cheques or otherwise effect, direct or authorise withdrawals. Separately, during **July each year** the practice must give written notice of everyone authorised as at 1 July. That July notice is not required if the external examiner's report for the period ending that 31 March has already been given to the Society under section 274 of the Act.

4. Removal matters as much as appointment

When a practitioner or associate leaves the firm, changes role or no longer requires trust authority, access should be removed promptly.

The practice should update:

- bank signatory authority;
- online banking user permissions;
- direct-debit or connected payment platforms;
- internal authority records;
- QLS notification records.

RED FLAG

A former employee no longer appears on the firm's organisation chart but can still access or authorise trust transactions.

5. Review the practical fallback before the change takes effect

Removing or changing a signatory can create an operational gap if the remaining authority structure is not considered.

Before the change is finalised, ask:

- Who can release urgent trust payments tomorrow?
- Is joint authority still workable if one person is absent?
- Does the practice have a lawful and practical fallback when the principal is unavailable?
- Do connected platforms such as internet banking reflect that fallback?

> **QLF PERSPECTIVE**
> A control that prevents unauthorised payments is essential. A control structure that accidentally prevents every authorised payment is still poorly designed.

6. Do not assume trust-account and controlled-money notifications are identical

QLS distinguishes between trust-account signatory notification requirements and controlled-money arrangements.

Its current Trust Accounting Guide says the section 46 notification requirement for authorising or terminating a person to withdraw money applies to a trust account, but there is no equivalent notification requirement for controlled money accounts.

That distinction is easy to miss if the practice uses one generic 'bank authority change' checklist for every account type.

> **GOOD CONTROL**
> Identify the account type first, then apply the correct authority and notification process.

> **MULTI-FACTOR AUTHENTICATION IS REQUIRED**
> The QLS EFT Guidelines state that law practices are *required* to arrange multi-factor authentication with their financial institution for access to the trust account and to EFT functionality. It is not optional hardening, and it belongs on the same checklist as authority and access.

7. Keep an authority register that can be tested

A practice should be able to produce a current list of everyone who has trust withdrawal authority and show that the bank and internal records agree.

A useful authority register may include:

- name;
- role;
- authority type;
- sole or joint status;

- date authority commenced;
- date QLS notified;
- bank access level;
- date authority ceased, where applicable;
- date access was removed.

> **DIRECTOR QUESTION**
> If you compared the authority register with the bank user list today, would they match?

The signatory-change control sequence

STEP	CONTROL
☐ 1. Decide	Document the authority being granted or removed
☐ 2. Configure	Make bank and payment-platform permissions match that authority
☐ 3. Notify	Complete the required QLS notification within the applicable timeframe
☐ 4. Record	Update the internal authority register
☐ 5. Test	Confirm the user can do exactly what is intended — no more and no less
☐ 6. Remove	Revoke obsolete access promptly when authority ends
☐ 7. Review	Periodically compare the bank, QLS and internal authority position

What should the principal review?

- Who currently has authority to withdraw trust money?
- Who can actually release a payment in online banking?
- Which users have read-only access?
- Are any former staff or old signatories still present?
- Are sole and joint roles configured correctly?
- Have recent appointments or terminations been notified to QLS?
- Does the practice still have an effective fallback authority arrangement?

Where QLD Legal Finance fits

QLD Legal Finance can maintain the authority register, reconcile banking users to the trust-control framework, identify obsolete access and support the administrative side of signatory changes.

The law practice remains responsible for determining who is authorised to withdraw trust money and for making the required notifications.

The aim is that authority never exists in one place and not another.

Important information

This guide is general information only and is not legal advice.

Law practices should refer to the Legal Profession Regulation 2017 (Qld), current Queensland Law Society guidance and their approved ADI's authority procedures when appointing or removing trust-account signatories.

Queensland Law Society's current Regulation requires trust-account authorisation or termination to be notified to the Society either before or within 14 days after the change, and requires a further notice during July each year listing everyone authorised as at 1 July.

The control sequence in this guide is a QLD Legal Finance operational framework. It is not a separate statutory checklist issued by Queensland Law Society.

QLD Legal Finance supports Queensland law practices with trust accounting, financial control and advisory services. It is not affiliated with or endorsed by Queensland Law Society.

Source basis

Prepared by reference to Queensland Law Society, Trust Accounting Guide — Trust Money and Trust Accounts, Version 12, April 2024, including the sections dealing with authorised associates, trust-account signatories and notification of changes.

WHERE THIS CAME FROM

This guide is part of the QLD Legal Finance resource library — practical material written for the people who run Queensland law practices, not for other accountants. If something here raises a question about your own firm, write to **enquiries@qldlf.com.au** or call **07 3261 2833**. A director will answer personally.

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