QLD LEGAL FINANCE

FIELD GUIDE · TRUST ACCOUNTING

Trust account EFT controls *for Queensland law firms.*

How to design payment authority, banking access and evidence so that every electronic transfer out of trust can withstand scrutiny.

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The highest-risk point in a trust accounting process is often the moment money leaves the account.

By then, several things should already be true: the client ledger should support the payment, the authority should be clear, the destination details should have been verified, the right person should be releasing the funds, and the transaction record should be capable of being reconstructed later.

Queensland Law Society permits trust withdrawals by EFT where the practice has the required authorisation. Its current EFT Guidelines also prescribe who may effect the transfer, the particulars that must be retained, the treatment of modern payment methods and minimum security expectations.

The operational challenge is to turn those requirements into a payment process that remains controlled when volumes increase, staff change and urgent payments arise.

> **QLF PERSPECTIVE**
> A strong EFT process is not defined by how quickly a payment can be released. It is defined by how difficult it is to release the wrong payment.

1. Authority comes before convenience

A law practice intending to make EFT payments from trust must obtain QLS authorisation. The same framework applies to withdrawals from controlled money accounts.

That should be treated as a design constraint before online banking is configured — not as an administrative step to be completed after the bank functionality is switched on.

The practical setup file should record:

- the QLS EFT authorisation;
- the authorised trust-account signatories;
- the bank authority structure;
- the online banking roles actually assigned;
- any exemption relevant to the electronic payment methods the practice intends to use.

> **RED FLAG**
> The bank allows the transfer, therefore the practice assumes it is authorised to make it.

2. Separate preparation from release

The person who prepares a payment does not need to be the person who releases it.

For many firms, that distinction is the most important control in the EFT process.

A practical model is:

Preparation

- confirm the client and matter;
- check the available trust-ledger balance;
- confirm the purpose and underlying instruction or authority;
- verify the payee details;
- prepare the banking transaction;
- assemble the required written record.

Release

- review the amount and destination;
- confirm the supporting basis;
- consider whether bank details have changed;
- ensure the payment is being made from the correct ledger and account;
- authorise and release.

> **DIRECTOR QUESTION**
> Can the person who enters the transaction also create or amend the payee and release the payment without an independent review?

3. Banking roles should mirror the legal authority

A control can look strong on paper while the bank permissions undermine it.

QLS guidance specifically distinguishes user and authoriser roles and sole and joint signatory arrangements. It also permits finance, bookkeeping and administration staff to hold read-only access for transaction checking and bank-statement access.

The practice should periodically compare:

1. who is authorised internally;
2. who QLS has been notified about where required;
3. who the bank platform actually allows to transact;
4. what level of access each user holds.

> **RED FLAG**
> A former employee, former principal or administrative user retains broader trust banking access than their current role requires.

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. Individual credentials are non-negotiable

QLS requires trust-account credentials to be kept secure and not shared. Each user should have their own access credentials, and multi-factor authentication should be implemented with the financial institution.

Shared credentials destroy accountability because the practice can no longer establish who actually accessed or released the transaction.

GOOD CONTROL

One user, one identity, one access profile. No shared logins and no informal credential handover when someone is away.

5. The written EFT record is part of the transaction

The Regulations require a written record containing prescribed particulars for each EFT payment, retained in transaction order.

The record should capture, as applicable:

- transaction date and EFT reference number;
- amount;
- destination account name, BSB and account number;
- payee;
- client and matter reference;
- trust ledger to be debited;
- purpose of the payment.

The written record may be physical or electronic. The better operational question is whether it is generated consistently and retained where another competent person can retrieve it.

QLF PERSPECTIVE

Evidence should be created as the payment is processed. A payment record reconstructed from emails six months later is not the same control.

6. Payment references need discipline

QLS requires the EFT reference number to be recorded as the payment number in the trust records.

For higher-volume practices, consistent numbering also improves traceability between:

- the banking transaction;
- the trust payments cash book;
- the individual trust ledger;
- the supporting payment record;
- electronic lodgement or statutory payment records where relevant.

> **IN PRACTICE**
> A payment should be traceable in both directions: from the ledger to the bank evidence, and from the bank transaction back to the client matter and authority.

7. Bank-detail verification should be independent of the email requesting payment

Electronic payment fraud risk sits outside the arithmetic of trust accounting. A perfectly balanced ledger does not protect a firm from paying the right amount to the wrong bank account.

The practice should therefore establish a separate verification rule for new or changed payment details.

- Use a trusted contact source that is independent of the email containing the new details.
- Record who verified the details, when and how.
- Escalate late changes to payment instructions.
- Do not treat a familiar email chain as independent verification.

> **RED FLAG**
> A changed BSB or account number is accepted because the request appears inside an existing email conversation.

8. Modern payment methods require method-specific evidence

QLS allows a practice that has obtained the relevant exemption to use methods such as BPAY, PayID and PayTo where the usual BSB and account-number particulars are not available.

The trust records then need the particulars relevant to the method used.

Method	Trust record	Additional evidence/control
BPAY	Biller Code and Customer Reference Number	Retain the invoice or notice showing those particulars
PayID	Mobile number, email address or ABN/ACN used	Verify the authenticity of the PayID destination
PayTo	Payment agreement number	Retain request-finalisation notification or payment-agreement confirmation

> **DIRECTOR QUESTION**
> Does the practice's trust system capture the evidence required for every electronic payment method it has enabled?

9. PEXA, Sympli, QRO and Titles Queensland need a complete transaction trail

Direct-debit and electronic lodgement transactions should not sit outside the normal trust-control environment simply because the payment is generated through another platform.

For PEXA and Sympli, QLS requires the relevant Trust Authorisation Record and Settlement Completion Record, or equivalent records, to be retained in payment order.

QRO Online and Titles Queensland eLodgement also require the relevant transaction particulars and supporting records to be captured in the trust accounting records.

> **QLF PERSPECTIVE**
> A second platform is not a second control environment. The trust ledger still needs to tell the full story.

10. Record the payment promptly

Section 41 of the Regulation requires EFT payment details to be recorded in the trust payments cash book and relevant trust ledger within five working days, starting on and including the day the payment was made.

That period is a maximum, not a target.

Operationally, the strongest process records the transaction as part of the payment workflow or immediately after release.

> **RED FLAG**
> Payments are released through the bank during the week and entered into the trust system in a batch days later.

11. Build exception rules into the process

The payment process should identify transactions that require additional scrutiny before release.

Examples include:

- new payee;
- changed bank details;
- large or unusual payment;
- payment close to the available client-ledger balance;
- urgent same-day request;
- manual intervention in an electronic lodgement transaction;
- payment to an account not previously used for the matter;
- supporting authority that is incomplete or ambiguous.

Not every exception requires the same response. The important point is that the practice has consciously identified the events that deserve stronger review.

> **GOOD CONTROL**
> Urgency should increase scrutiny, not lower it.

12. Review the access environment, not just the transactions

Transaction testing alone will not identify every EFT risk.

At least periodically, the principal should also review:

- current online banking users;
- authoriser roles;
- sole and joint authority settings;
- read-only users;
- MFA status;
- departed or transferred staff;
- new payment methods enabled in the bank or practice system.

> **DIRECTOR QUESTION**
> Who could move trust money today, and is that list exactly the list the principal expects?

A practical trust EFT control matrix

CONTROL POINT	PREPARER	AUTHORISER	EVIDENCE
Client/matter identified	Confirm	Review	Matter and ledger reference
Ledger funds available	Check	Review	Trust ledger
Payment authority	Assemble	Confirm	Instruction/authority
Bank details	Verify	Challenge changes	Verification record
Payment prepared	Enter	Review	Bank transaction
Payment released	No release unless authorised	Authorise/release	Bank confirmation
Trust record	Complete	Available for review	EFT written record + ledger/cash book

Ten questions for principals

1. Does the practice hold current QLS authority for the EFT methods it uses?

2. Do bank permissions reflect the intended legal and internal authority model?

3. Can any one person prepare and release a trust payment without independent review?

4. Does every user have individual credentials and MFA?

5. Are new or changed bank details independently verified?

6. Can every EFT be traced from bank transaction to client ledger and supporting authority?

7. Are EFT reference numbers recorded consistently in the trust records?

8. Are BPAY, PayID, PayTo and electronic-lodgement transactions supported by the correct method-specific evidence?

9. Are trust EFTs recorded promptly rather than in later batches?

10. When was banking access last reviewed against current staff and signatories?

Where QLD Legal Finance fits

Trust EFT control sits at the intersection of banking, trust accounting and operational process.

QLD Legal Finance can support Queensland law practices with:

- EFT workflow and control design;
- preparation of trust payments and supporting records;
- ledger-balance and payment-evidence checks;
- bank-detail verification procedures;
- bank-access and authority reviews;
- month-end review of EFT records and exceptions;
- PEXA, Sympli and other trust-payment record organisation;
- ongoing trust accounting and financial-control support.

QLD Legal Finance does not replace the authorised principal or practitioner responsible for approving and releasing trust money.

The objective is to make every payment easy to evidence, difficult to misdirect and visible to the people responsible for the trust account.

Important information

This guide is general information only and does not take account of the circumstances of any particular law practice. It is not legal advice.

Law practices should refer to the Legal Profession Act 2007 (Qld), the Legal Profession Regulation 2017 (Qld), current Queensland Law Society EFT Guidelines and any authorisation or exemption applying to the practice.

Banking functionality, electronic payment methods and QLS administrative requirements may change. Current requirements should be confirmed before implementing or changing a trust-payment method.

Where there is uncertainty about authority to withdraw trust money, the use of a particular payment method or a suspected irregularity, appropriate professional advice or guidance from Queensland Law Society should be obtained.

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

Source basis

This draft has been prepared by reference to Queensland Law Society, Electronic Funds Transfers — Guidelines for trust account operations, Version 8, July 2025, supplied for the QLD Legal Finance resource

project.

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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