QLD LEGAL FINANCE

SCORECARD · TRUST ACCOUNTING

The 24-point trust account *health check.*

A monthly control scorecard for the directors of a Queensland law practice — twenty-four testable controls, scored from evidence, with the exceptions written down and owned.

VERSION 2.0 · SEPTEMBER 2026

QLD Legal Finance Pty Ltd

ABN 44 697 013 906 · ACN 697 013 906
PO Box 25, Bald Hills QLD 4036 · 07 3261 2833 · enquiries@qldlf.com.au · qldlf.com.au

A CPA practice · Registered BAS Agent 26365265 · Liability limited by a scheme approved under Professional Standards Legislation

How the scorecard works

Complete it with the month-end reconciliation, trust ledger listing and supporting records in front of you. Score only what can be demonstrated from evidence.

- Yes = 1 point
- No = 0 points
- Not Sure = 0 points

> **WHY NOT SURE SCORES ZERO**
> A control that cannot presently be demonstrated should not receive credit. “Not Sure” is not automatically a breach; it is a visibility finding that should be resolved.

Assess the result at three levels:

- overall score out of 24;
- three category scores out of 8;
- critical-issue override for serious individual findings.

Overall score

SCORE	RATING	INTERPRETATION
22–24	Strong	Controls appear well established overall. Resolve any individual No or Not Sure.
18–21	Needs attention	Several controls require strengthening and tracked follow-up.
14–17	Material gaps	There are significant weaknesses in visibility or control. A structured review is warranted.
0–13	High concern	The trust control environment requires immediate, detailed review.

Category scores

The overall score can conceal concentration of weakness. Each category therefore carries its own score out of 8.

SCORE / 8	RATING	MEANING	RESPONSE
7–8	Strong	Controls appear consistently established.	Resolve the individual exceptions.
5–6	Needs attention	Several controls in this area are weaker than they should be.	Allocate actions and review next month.
3–4	Material gaps	This part of the control environment is not operating consistently.	Focused review required.
0–2	High concern	Substantial gaps exist in this control area.	Immediate attention required.

Critical-issue override

A high score does not dilute a serious individual finding. The following require immediate attention regardless of the total score:

- an unexplained reconciliation difference;
- a debit trust ledger;
- a suspected deficiency;
- a suspected or known trust irregularity;
- unauthorised or inappropriate banking access;
- a trust payment made without sufficient authority;
- a payment made from uncleared or insufficient client funds.

> **REPORTING THE RESULT**
> Example: Trust Health Score 23/24 — Strong overall | Critical issue: Yes | Immediate action required.

Monthly score sheet

#	CONTROL	YES	NO / NOT SURE	SCORE
1	Month-end reconciliation completed within 15 working days	☐	☐	_____
2	Trust bank reconciles exactly to the cash book	☐	☐	_____
3	Trust ledger total agrees exactly to the cash book	☐	☐	_____
4	Every reconciling item is individually identified	☐	☐	_____

#	CONTROL	YES	NO / NOT SURE	SCORE
5	No aged reconciling item lacks explanation and action	☐	☐	_____
6	No individual trust ledger is in debit	☐	☐	_____
7	Principal review is meaningful and evidenced	☐	☐	_____
8	Controlled money is included in the monthly control process	☐	☐	_____
9	Authorised withdrawal list is current	☐	☐	_____
10	No one person controls the entire trust payment process	☐	☐	_____
11	Trust money is receipted and banked promptly	☐	☐	_____
12	Cash trust money is dealt with through the required process	☐	☐	_____
13	Every trust-to-office transfer is supported before it occurs	☐	☐	_____
14	Payments are made only from cleared funds available on that matter	☐	☐	_____
15	Every trust-system and banking user has individual access	☐	☐	_____
16	A principal has independent visibility of the trust bank account	☐	☐	_____
17	Required trust account statements are furnished	☐	☐	_____
18	Receipt numbering and cancellation controls remain intact	☐	☐	_____
19	Trust records are retained for the required period	☐	☐	_____
20	Investment-related trust records are complete where applicable	☐	☐	_____
21	Controlled money and transit money are classified correctly	☐	☐	_____
22	Trust records are backed up properly	☐	☐	_____
23	The trust accounting system preserves the audit trail	☐	☐	_____
24	The practice has a defined response to a trust irregularity	☐	☐	_____

Category totals:

Part 1 — Reconciliation & ledger integrity	_____ / 8
Part 2 — Payment & access controls	_____ / 8
Part 3 — Records, disclosure & system integrity	_____ / 8
Overall Trust Health Score	_____ / 24

Part 1 — Reconciliation and ledger integrity

1 The month-end trust reconciliation was prepared within 15 working days

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Date prepared; month-end reports; principal review date.

A WEAK ANSWER MAY SIGNAL

Backlog, incomplete records, over-reliance on one person or weak month-end discipline.

DIRECTOR QUESTION

Is this an isolated late month, or is late reconciliation becoming the operating model?

2 The trust bank balance reconciles exactly to the cash book

☐ Yes ☐ No ☐ Not sure Score _____ / 1 CRITICAL CONTROL

EVIDENCE TO INSPECT

ADI reconciliation; cash-book balance; supporting reconciling-item schedule.

A WEAK ANSWER MAY SIGNAL

Unrecorded bank activity, missing transactions, unresolved bank items or a forced reconciliation.

RED FLAG

“It is only out by a small amount.” The size does not explain the difference.

3 The total of all trust ledger balances agrees exactly to the cash book

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Month-end trust trial balance and cash-book balance.

A WEAK ANSWER MAY SIGNAL

Posting gaps, incorrect client allocation, journal issues or system errors.

DIRECTOR QUESTION

Does the bank reconcile because the client allocation is correct, or merely because the total happens to agree?

4 Every reconciling item is individually identified

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Schedules for outstanding deposits, unpresented cheques, unidentified deposits and other adjustments.

A WEAK ANSWER MAY SIGNAL

Balancing figures carried without explanation or inadequate documentation.

RED FLAG

An unexplained line called “Adjustment”.

5 No reconciling item is ageing without explanation and action

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Age, owner, explanation and next action for each older item.

A WEAK ANSWER MAY SIGNAL

Stale cheques, unresolved deposits, unidentified money or possible deficiencies.

DIRECTOR QUESTION

What is the oldest item on the reconciliation and why is it still there?

6 No individual trust ledger is in debit

☐ Yes ☐ No ☐ Not sure Score _____ / 1 CRITICAL CONTROL

EVIDENCE TO INSPECT

Trust trial balance and any overdrawn-ledger report for the period.

A WEAK ANSWER MAY SIGNAL

Payment from the wrong matter, payment before funds cleared, misposting or deficiency.

> **RED FLAG**
> A debit ledger is not ordinary bookkeeping housekeeping. Establish the cause immediately.

7 The reconciliation has been meaningfully reviewed by a principal

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Dated principal review and evidence that exceptions were considered.

A WEAK ANSWER MAY SIGNAL

Rubber-stamp review and excessive reliance on the preparer.

> **DIRECTOR QUESTION**
> What did the review identify or confirm this month beyond the fact that the total balanced?

8 Controlled money is included in the monthly control process

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Controlled-money records, balances and monthly review to the same cut-off.

A WEAK ANSWER MAY SIGNAL

A parallel trust process with weaker oversight.

> **GOOD CONTROL**
> One month-end control routine should encompass the whole trust environment.

Part 2 — Payment and access controls

9 The list of people authorised to withdraw trust money is current

☐ Yes ☐ No ☐ Not sure Score _____ / 1 CRITICAL CONTROL

EVIDENCE TO INSPECT

Internal authority records, bank users/signatories and current QLS position.

A WEAK ANSWER MAY SIGNAL

Departed users, obsolete signatories or banking permissions inconsistent with authority.

DIRECTOR QUESTION

Who could release a trust payment today — not who should be able to, but who actually could?

10 No one person controls the whole trust payment process

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Who creates payees, prepares payments, releases payments, records transactions and reconciles the account.

A WEAK ANSWER MAY SIGNAL

End-to-end control by one person and unnecessary fraud/error exposure.

GOOD CONTROL

Preparation and authorisation should be genuinely distinct functions where practicable.

11 Trust money is receipted and banked promptly

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Receipt dates, bank dates and any outstanding-deposit items.

A WEAK ANSWER MAY SIGNAL

Held cash/cheques, delayed processing or incomplete transaction capture.

12 Cash trust money is not netted off or dealt with informally

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Cash receipts and subsequent banking trail.

A WEAK ANSWER MAY SIGNAL

Money dealt with before entering the trust-account process.

GOOD CONTROL

Cash should create more discipline, not less.

13 Every trust-to-office transfer is supported before it occurs

☐ Yes ☐ No ☐ Not sure Score _____ / 1 CRITICAL CONTROL

EVIDENCE TO INSPECT

Withdrawal basis, supporting document, required notice/request where applicable, payment and ledger entry.

A WEAK ANSWER MAY SIGNAL

Authority assumed, support created retrospectively or costs drawn on estimate.

DIRECTOR QUESTION

Could the support for a randomly selected transfer be produced immediately?

14 Payments are made only from cleared funds available on that matter

☐ Yes ☐ No ☐ Not sure Score _____ / 1 CRITICAL CONTROL

EVIDENCE TO INSPECT

Bank receipt, cleared status, client ledger and post-payment balance.

A WEAK ANSWER MAY SIGNAL

Reliance on expected funds or another client's money.

RED FLAG

Expected funds are not available funds.

15 Every trust-system and banking user has individual access

☐ Yes ☐ No ☐ Not sure Score _____ / 1 CRITICAL CONTROL

EVIDENCE TO INSPECT

User list, roles, MFA, leaver removal and absence of shared credentials.

A WEAK ANSWER MAY SIGNAL

Unattributable activity or excessive permissions.

GOOD CONTROL

Access should be attributable, current and no broader than necessary.

16 A principal has independent visibility of the trust bank account

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Principal access or independent bank information not generated solely by the preparer.

A WEAK ANSWER MAY SIGNAL

Review based entirely on information supplied by the person being reviewed.

> **QLF PERSPECTIVE**
>
> Processing access and oversight access need not be the same. Strong outsourced finance support does not require unrestricted authority to move client money.

Part 3 — Records, disclosure and system integrity

17 Required trust account statements are being furnished

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Annual and completed-matter statement records, requests and exemptions relied upon.

A WEAK ANSWER MAY SIGNAL

No central process for statement obligations or inconsistent matter closure.

18 Receipt numbering and cancellation controls remain intact

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Sequential receipt record, cancellations and any manual receipt books.

A WEAK ANSWER MAY SIGNAL

Missing source records or uncontrolled manual processes.

19 Trust records are retained for the required period

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Retention structure, archived records and ability to retrieve older trust material.

A WEAK ANSWER MAY SIGNAL

Trust records destroyed with the legal file or lost after system/storage changes.

DIRECTOR QUESTION

Can we actually produce the older record, not merely point to a retention policy?

20 Investment-related trust records are complete where applicable

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Investment register, supporting instructions and transaction records.

A WEAK ANSWER MAY SIGNAL

Investments visible to the fee earner but not to the finance function.

21 Controlled money and transit money are identified correctly

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Classification at receipt, supporting directions and the corresponding records.

A WEAK ANSWER MAY SIGNAL

Classification corrected only after the event or during examination.

22 Trust records are backed up properly

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Backup frequency, separate-location arrangement and restore capability.

A WEAK ANSWER MAY SIGNAL

Backups that exist in theory but have never been tested or are not sufficiently separated.

DIRECTOR QUESTION

If the trust system failed today, how quickly could the records be restored?

23 The trust accounting system preserves the audit trail

☐ Yes ☐ No ☐ Not sure Score _____ / 1

EVIDENCE TO INSPECT

Audit trail, debit-ledger reporting, deletion restrictions and transaction amendment controls.

A WEAK ANSWER MAY SIGNAL

Changes that cannot be reconstructed or system settings that weaken the evidentiary trail.

> **QLF PERSPECTIVE**
> Software supports the control framework; it does not replace it.

24 The practice knows how it will respond to a trust irregularity

☐ Yes ☐ No ☐ Not sure Score _____ / 1 **CRITICAL CONTROL**

EVIDENCE TO INSPECT

Internal escalation procedure, record preservation, responsibility for fact-finding and reporting decisions.

A WEAK ANSWER MAY SIGNAL

A reactive “fix it first, work out the reporting later” approach.

> **IN PRACTICE**
> A defined response process matters most before the first serious issue occurs.

Your Trust Health Result

Part 1 — Reconciliation & ledger integrity	_____ / 8
Part 2 — Payment & access controls	_____ / 8
Part 3 — Records, disclosure & system integrity	_____ / 8
Overall Trust Health Score	_____ / 24
Overall rating	_____
Critical issue identified	☐ Yes ☐ No
Open actions	_____
Oldest unresolved action	_____ days

Previous month score: _____ / 24 Change: _____ points

Action register

Every No or Not Sure should be converted into an action, assigned and tracked until resolved.

Q	FINDING	OWNER	ACTION	DUE	STATUS

> **TREND MATTERS**
> Track both the score and unresolved findings. A rising score with the same old exception carried month after month is not genuine improvement.

How to interpret the result

The overall score measures consistency across the 24 controls. The category scores show where weakness is concentrated. The critical-issue override prevents one serious matter from being diluted by a strong total.

The score should therefore drive a discussion, not end one. The useful output is not the number itself; it is the list of exceptions, their owners, and whether the same weaknesses recur.

Three findings that should never be normalised

- a debit trust ledger;
- an unexplained trust reconciliation difference;
- a suspected irregularity or deficiency.

Where QLD Legal Finance fits

A scorecard has limited value if nobody owns the exceptions it identifies.

QLD Legal Finance works with Queensland law practices to maintain the underlying trust accounting and financial-control environment throughout the year. That may include:

- preparing monthly reconciliations and trust records;
- identifying debit balances, aged items and unusual transactions;
- following up unidentified deposits and reconciling items;
- maintaining payment and trust-to-office support;

- reviewing dormant balances;
- giving principals concise visibility over exceptions;
- keeping the trust function ready for external examination.

The objective is not to transfer the principal's responsibility. It is to ensure that responsibility is supported by reliable records, visible exceptions and a disciplined monthly process.

For a smaller law practice, that is the difference between "the trust bookkeeping gets done" and "the trust accounting function is genuinely under control".

Important information

This scorecard is general information only. It does not take account of the circumstances of any particular law practice, is not legal advice and is not an external examination.

The scoring methodology is a QLD Legal Finance management tool. It is not a statutory or Queensland Law Society scoring system.

A Yes response does not certify compliance. A No or Not Sure may require investigation beyond the scope of this scorecard.

Law practices should refer to the Legal Profession Act 2007 (Qld), the Legal Profession Regulation 2017 (Qld) and current Queensland Law Society guidance when determining their obligations.

Where an irregularity, deficiency or uncertainty about trust money is identified, 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

Prepared by reference to the Queensland Law Society trust-accounting material supplied for the QLD Legal Finance resource project, including the Trust Accounting Guide — Trust Money and Trust Accounts (Version 12, April 2024) and Electronic Funds Transfers — Guidelines for trust account operations (Version 8, July 2025).

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.

General information only. This document is general in nature and does not take account of your firm's circumstances. It is not legal advice, income tax advice or financial product advice, and it is not a substitute for the *Legal Profession Act 2007* (Qld), the *Legal Profession Regulation 2017* (Qld) or current Queensland Law Society guidance. Rates, thresholds and lodgement dates change — confirm them before you rely on them. QLD Legal Finance Pty Ltd supports law practices with trust accounting, financial control and advisory services; it does not act as an external examiner and is not endorsed by, or affiliated with, the Queensland Law Society. Current as at September 2026.