



Form 15 - Accountant's Report

FORM 15 - for Fiscal Year End (mm/dd/yyyy): [ ]

Accountant's Report

This report must be completed by an independent Chartered Accountant, or Certified General Accountant who is NOT a submortgage broker. The accountant shall be guided by the Table of Recommended Minimum Examination Guidelines (page 5 of the Engagement Letter between Accountant and Client -Form 13).

DO NOT LEAVE ANY QUESTIONS UNANSWERED.

NOTE: this report must be completed even if the mortgage broker handled trust funds but did not maintain a trust account. If you are unable to perform any of the required procedures, please provide an explanation. If the form is not completed in full, applicable pages will be returned for completion.

To: the Registrar of Mortgage Brokers,
At the request of [ ], being the Designated Individual for [ ] (the mortgage broker), we have conducted certain procedures on the books, records, and accounts maintained by the mortgage broker for the fiscal year ended [ ].
In preparing this report, we have:
1) read Section 6 of the Mortgage Brokers Act Regulations and the Conditions of Registration;
2) obtained a signed copy of the Mortgage Broker's Representations to the Registrar of Mortgage Brokers; and
3) signed an Engagement Letter Between Accountant and Client (Form 13), dated: [ ]
Our examination was guided by the Table of Recommended Minimum Examination Guidelines (on page 5 of the Engagement Letter). In completing this report, certain procedures as set out below were carried out on three months selected by us. The months of [ ] and [ ] (hereinafter referred to in this report as the "selected months") were used for the purpose of completing procedures 2, 3, 5, 6, 7, 8, 9, 10, 11, 15, and 17 below. Based on the limited procedures carried out, and with respect to each particular procedure, we report as follows:

1. We reviewed the trust bank reconciliation and trust liability reconciliation for each of the  months in the fiscal year ended  and observed that:

- a) there were sufficient funds in the depositories to meet the trust liabilities;
- b) listings and reconciliations have been prepared monthly within 45 days of the date of the prior month's bank statement;
- c) there were no unreconciled differences; and
- d) each trust reconciliation was dated and bore the signature of the Designated Individual, or a person appointed by the Designated Individual, **with the following exceptions:**

2. For the selected months, we reviewed (*number of*)  trust transactions and determined that they were entered in the mortgage broker's trust ledger accounts with supporting records and that, for each mortgage transaction:

- a) there is a written agreement between the mortgage broker and any person providing the mortgage or other trust money, expressly acknowledging the trust arrangement between them, and setting forth the terms under which the money is to be received and disbursed;
- b) a separate file has been maintained for each mortgage;
- c) deposit records in sufficient detail have been prepared to permit the identification of the payment into the account of each receipt of trust money recorded; and
- d) cancelled cheques or other supporting documentation with sufficient detail have been prepared to permit the identification of withdrawals made from the account of each disbursement of trust money recorded, **with the following exceptions:**

3. We verified by tracing to supporting documents the information in the trust bank account reconciliation as at the end of the selected months and found the information contained in the reconciliation to be correct, **with the following exceptions:**

4. We confirmed directly with depositories as at  (fiscal year end date), the amount of \$  on deposit in all trust accounts disclosed in the **Mortgage Broker's Representations to the Registrar of Mortgage Brokers**. We agreed the amounts confirmed with the balances recorded in the mortgage broker's trust bank reconciliation, and reviewed the reconciling items to arrive at the mortgage broker's reconciled bank balance of \$ .

5) We compared trust ledger balances from (# of)  selected trust ledger accounts to the listing of trust liabilities and compared (# of)  balances from the listing to the trust ledger accounts, both as at the end of the selected months, and found them in agreement, **with the following exceptions:**

6) We traced the details of the last receipt of the selected months and the first receipt for the next month from the trust liability records to the trust bank records to ensure that the entries were recorded in the appropriate months, **with the following exceptions:**

7) We traced the last five disbursements of the selected months and the first five disbursements for the next month from the trust liability records to the trust bank records to ensure that the entries were recorded in the appropriate months, **with the following exceptions:**

8) We traced the trust liability month-end balances of the accounts examined in procedures 6 and 7 above to the listing of trust liabilities applicable to that date and found them to be in agreement, **with the following exceptions:**

9) For the selected months, we traced (number)  deposits from the trust ledger to the bank deposit books, bank statements and supporting records, and found the deposits were made within two (2) banking days after their receipt or within any further period agreed to in writing by the parties to the transaction, **with the following exceptions:**

10) We examined (number)  disbursements in the selected months from the trust accounts to determine whether the disbursements were in accordance with the timing and other terms of trust governing the use of that money, **with the following exceptions:**

11) We scrutinized (number)  trust ledger liability accounts and there were no debit balances that had arisen during the year, **with the following exceptions:**

12) We scrutinized the mortgage broker's depository statements and passbooks for all general accounts and trust accounts disclosed in the **Mortgage Broker's Representations to the Registrar of Mortgage Brokers** and found no overdrafts during the fiscal year, **with the following exceptions:**

13) We scrutinized the mortgage broker's depository statements and passbooks for all general accounts and trust accounts disclosed in the **Mortgage Broker's Representations to the Registrar of Mortgage Brokers** and found that the Mortgage Broker did not receive any cash deposits in respect of a single transaction which were in excess of \$10,000, **with the following exceptions:**

14) We determined, by inquiry and observation of receipts and disbursements, that the mortgage broker  
 HAS       DOES NOT HAVE (Indicate one) a general account for funds other than trust funds.

15) We verified (ALL) (A MINIMUM OF 15) receipts and (ALL) (A MINIMUM OF 15) disbursements in the general account for the selected months and noted that they were not trust transactions, **with the following exceptions:**

**16)** We reviewed the mortgage broker's bank statements for all accounts, including trust and general, and during the reporting period the mortgage broker did not issue a cheque that was dishonoured, **with the following exceptions:**

**17)** We verified (ALL) (A MINIMUM OF 15) receipts and (ALL) (A MINIMUM OF 15) disbursements in the trust account for the selected months and noted the following, wherever applicable:

- a)** the trust monies are separated and apart from monies that belong to the mortgage broker;
- b)** a commission, fee, other remuneration, or reimbursement of expenses incurred out of a trust transaction has been withdrawn by cheque from the trust account when it has become payable, but not before;
- c)** money received by a mortgage broker from a person buying or proposing to buy a mortgage from the mortgage broker on account of the purchase price thereof has been withdrawn by the mortgage broker from the trust account when the mortgage concerned has been transferred to that person, or their nominee, but not before; and
- d)** no service charge or other charge has been deducted from the monies in the trust account by the depository at which the trust is maintained, **with the following exceptions:**

**18)** We have forwarded a copy of the report to the Designated Individual and have discussed the contents of the report with the Designated Individual.

**Additional comments, if any, can be stated here or on an attached sheet.**

**Certification by Accountant**

We have reported on the results of the preceding procedures, however, such procedures do not constitute an audit and therefore we do not express an opinion on the financial position of the mortgage broker.

Signature & Professional Designation of Accountant:

Date Signed:

Print Name:

Name of Accounting Firm:

Address of Accounting Firm: