SPECIAL PURPOSE AUDIT REPORT AS AT: (INSERT DATE) - FINAL

Property Agents and Land Transaction Act 2016 (the Act) - Section 138 & *Property Agents and Land Transaction Regulations* 2017 (the Regulations) - Regulations 30 – 37
The focus for this Final Audit is month end reconciliations and that appropriate authority was obtained to transfer trust monies from the Trust Account.

Property Agent Details

Auditor Details

1.	Property Agent's Licence Name		11.	Name of Auditor	
2.	Business Name		12.	Trading As	
3.	Name of Managing Agent		13.	Auditor's designation (CPA, CAANZ., IPA)	
4.	Name of Financial Institution		14.	Membership number	
5.	BSB		15.	Address	
6.	Trust Account Number		16.	Email address	
7.	Account use (sales, property management, both, auctions)		17.	Contact Telephone	
8.	Specifically name who is signatory to the trust account				
9.	Specifically name who within the organisation can make payment from the trust account by EFT (this might be different to the signatory(s)).				
10.	Does the business have in place trust account maintenance/policies/procedures governing the operational management of the trust account(s)?				

I report for the above-named trust account:

THAT I have examined the accounting records of trust monies for the period to (insert start date to end date) required by Section 138 of the *Property Agents and Land Transactions Act* 2016 and Regulations 30 to 37 *Property Agents and Land Transactions Regulations 2017*.

THAT in carrying out the audit I –

(i) have made such general test examinations as considered appropriate of the transactions recorded in the trust account; and

(ii) have checked each item on the attached Audit Check List which is an integral part of this audit report and noted those matters where the legislation is not being complied with; and

(iii) have performed the Audit in accordance with relevant Australian Auditing and Assurance Standards.

18.	**I *have/*have not** discussed the results of the Audit with the Managing Property Agent.	
	THAT in my opinion -	
19.	the trust account records ***were*were not** properly drawn up and kept in accordance with the Act; and	
20.	there ***was/*was not** a defect or irregularity in the trust account records; and	
21.	the amount in the trust account, after being reconciled under Regulation 21 ***was/*was not** sufficient to meet all trust account liabilities during period; and	
22.	I ***obtained/*did not obtain** all the information, documents, explanations, and assistance required to complete the audit; and	
23.	the requirements of the Act and Regulations in respect of trust money and the keeping of trust accounts ***have/*have not** been complied with fully.	
24.	Signed I confirm that I am an auditor within the meaning of the *Property Agents and Land Transactions Act* 2016 (the Act)	
25	Dated	

***cross/delete as required**

Please note

Regulation 35 provides that if the auditor finds that the requirements of the Act or Regulations in respect of trust money and the keeping of accounts have not been complied with fully, the auditor **must** specify in the audit report the matters that have not been complied with fully. Please note there is no materiality threshold.

Do not add non-compliance comments to the checklist but add detail of breaches in the area below.

26.	**Comment to non-compliance** **All adverse results to the checklist should be cross-referenced by number and the deficiency identified here**
reference number	**Comment to non-compliance**

PROPERTY AGENTS BOARD
AUDIT CHECK LIST FOR THE PERIOD ENDED (INSERT DATE) - FINAL

CHECKLIST		Yes, No, or N/A
1.	Did you (or your organisation) conduct the audit on this Trust Account in the last financial year?	
2.	I enquired as to whether a Board inspection or specific review of the trust accounting and other associated records was undertaken from the last audit to this audit.	
3.	If an inspection was conducted during the audit year, I sighted a copy of the Inspection Report and confirm that any breaches of legislation identified with the Report have been addressed?	
4.	Were any issues raised by the Board with the Property Agent (in writing) on last audit report?	
5.	If yes, I sighted the relevant Board correspondence and confirm that any issues raised on last year's audit have been addressed?	
6.	If issues identified during an inspection undertaken during the audit year or the previous year's audit have <u>not</u> been addressed make comment on the Property Agent's explanation as to why the matter(s) have not been rectified. Use the comment to non-compliance section on the Audit Report at page 3 point 26.	
7.	If a defect or irregularity on the trust account occurred during the audit period, I sought confirmation of a report to the Board of the defect or irregularity in accordance with s137 of the Act.	

TRUST ACCOUNT SYSTEM USED		
8.	Did the property agent use a computer software package to process this trust account's transactions?	
9.	If yes, name the software package used (eg. Console, Rockend, Property Tree, HPS, etc).	

REGULATION 9 –TRUST ACCOUNT RECEIPTS TO BE ISSUED		
10.	Does the Property Agent trust account receipt have the words "trust account" printed on it?	

REGULATION 10 – FORM OF TRUST ACCOUNT RECEIPT		
11.	What is the Property Agent's name printed on the Trust Account Receipt?	
12.	What is the ABN or ACN printed on the Trust Account Receipt?	

REGULATION 12 - TRUST ACCOUNT PAYMENTS		
13.	Did the Property Agent make payment of trust money from the trust account by a trust account cheque? (if yes answer points 15,16 & 17)	
14.	Did the Property Agent make payment of trust money from the trust account by electronic transfer? (if yes answer points 18, 19, 20 & 21)	

REGULATION 13 - TRUST ACCOUNT CHEQUES (complete only if answered yes to point 13)		
15.	What is the Property Agent's name printed on the Trust Account Cheque?	
16.	What is the ABN or ACN printed on the Trust Account Cheque?	
17.	Are the words "trust account" printed on the Trust Account Cheque?	

REGULATION 14 – PAYMENTS BY ELECTRONIC FUNDS TRANSFER (complete only if answered yes to point 14)	
18.	Did the Property Agent make payments of trust money by electronic funds transfer?
19.	If yes, did the Property Agent have written authorities from the persons on whose behalf payments are made by electronic funds transfer?
20.	Are the individual transfers authorised by the person in charge of the business premises at which the payment is made or a person acting for an on behalf of the person in charge?
21.	Is there more than one person required to authorise payment by EFT?

REGULATION 15 – TRUST ACCOUNT CASH BOOKS	
22.	Did the Property Agent keep cash books in respect of the trust account?
23.	Did the trust account cash book record the receipt and payment particulars in the order in which the money is received or paid?

REGULATION 21 - MONTHLY RECONCILIATIONS	
24.	Has the Property Agent reconciled this trust account in each calendar month?
	Did the property agent reconcile the trust account by:-
25.	calculating the balance of the trust account (Receipts and Payments) cash books (control account); and

26.	matching the balance of the trust account cash books with the statements issued for the trust account by the approved financial institution (reconciliation to "bank statements"); and taking into account unpresented payments, deposits in transit and other adjustments; and	
	preparing a schedule of the property agent's ledger accounts that:-	
27.	recorded the name of each client, property or transaction for whom the property agent holds trust money; and	
28.	stated the amount of money held in each ledger account; and	
29.	resulted in a total amount held in the trust account that is equal to the matched amount in paragraph (a) and (b) of Regulation 21(2) when the amounts in the schedule are tallied?	
30.	Did any ledger accounts schedule contain any overdrawn (DR) balances? (Any debits effectively create a deficiency in the trust account. The deficiency would total all such debits at any given time.)	
31.	Were debit balances cleared/rectified promptly, ie at least within one month?	
32.	Did the opening balance of the monthly reconciliation trust a/c balance agree with the last month's closing balance of the reconciliation for all months of this audit period?	
33.	If not, provide details - Use the comment to non-compliance section on the Audit Report at point 20.	
34.	Was each component of the monthly reconciliation supported by schedules or computer printouts disclosing fully the individual transactions which total the amounts shown in the reconciliation?	
35.	Were adjustments for errors rectified within a few days of discovery in the reconciling procedures?	
36.	Have long outstanding or stale (15 months old) unpresented cheques been cleared?	
37.	Were the individual components of any buffer, suspense, holding or similar clearing accounts adequately identified and managed appropriately throughout the period? *A sub-listing of the contents of such clearing accounts is required on month end reconciliations if the system does not clearly identify each transaction by date received.*	
38.	Have all buffer, suspense, holding or similar clearing accounts been cleared?	

REGULATION 22 – SCHEDULE OF INVESTED TRUST MONEY		
39.	Did the property agent invest trust money under regulation 29?	
40.	If yes, did the property agent prepare a schedule of the invested trust money each time he or she reconciles the trust account under regulation 21?	
41.	If yes, has the invested trust money been transferred to another property agent or solicitor?	

REGULATION 6 – SUPERVISION OF TRUST ACCOUNTS		
42.	Was the monthly reconciliation record endorsed by the Property Agent with a signed and dated statement that the records are complete and accurate within 2 days of making the reconciliation?	
43.	Did the managing Property Agent signed and dated the relevant certification page? (that is, the certification page figures agree with the supporting schedules)	
44.	Is the preparer of the reconciliation different to the managing Property Agent?	
45.	As a matter of good practice did the preparer of the reconciliation also sign?	

REVIEW OF RENTAL ARREARS, BOND DISBURSEMENT AND PORTFOLIO SIZE (leave blank if not applicable)		
46.	Are rental collections processed through this trust account?	
47.	If yes, how often were the rental arrears reviewed? Daily? Weekly? Fortnightly? Other? Provide details.	
48.	How many properties comprised the rental portfolio? (Approximate number)	
49.	Were residential bonds processed through this trust account?	
50.	If yes, were all the residential bonds received been paid to the Rental Deposit Authority within the 10 working days timeframe?	
51.	Was the rent-roll sold to another property agent?, if yes, provide the name:	

Account Balance, Closure and Trust Account Record Storage		
52.	Is this trust account at a Zero ($0) balance?	
53.	Has this trust account been closed by the financial institution?	
54.	Has the Property Agent indicated where the trust account records will be stored? If so, provide details where the trust account records will be stored.	

OTHER RECONCILING ISSUES – FOR YOUR ATTENTION

Issues that consistently presents themselves during an inspection by the Board's Inspector relates to monthly reconciliations.

In particular,

- the managing property agent is not checking that the opening balance agreed with the last month's closing balance.
- the managing property agent is not signing the correct version of the reconciliation sheet, normally the version after the EFT run and processing of any monthly adjustments.
- that systems are allowing the bank statement amount to be adjusted, to allow the reconciliation to "balance".