



Trust account audits and the qualified audit program

The *Real Estate and Business Agents Act 1978* requires all agents who hold a current triennial certificate and have held or received monies in trust during the 2015 year, to cause the audit of their trust accounts.

Agents who have not held or received monies in trust during the 2015 year can submit a statutory declaration in lieu of an audit report.

Trust account audits

Annual audit reports or statutory declarations for the year ending 31 December 2015 must be lodged with the Department by 5pm on 31 March 2016.

Agents who have held the roles of *bona fide* control, branch manager, licensed director, partner or licensed partner for another licensed trading entity are not required to submit an audit or statutory declaration for their individual licence.

However, agents who are operating a business under their individual licence and triennial certificate, often referred to as being a sole trader, and have held or received trust monies during the 2015 year, will need to follow the audit requirements for their trust accounts.

You can email the audit report or statutory declaration to audits@commerce.wa.gov.au, or post it to Locked Bag 14 Cloisters Square Perth 6850.

The Department recommends that you familiarise yourself with the requirements for the audit report or statutory declaration by reviewing the 'Real Estate and Business Agents' Trust Account Handbook' and the 'A guide to auditing real estate and business agents' trust accounts' which are available [here](#).

Qualified audit program for 2015

The Department is implementing a modified process for assessing and actioning qualified audit reports (QAR) this year.

Typically a QAR occurs when an auditor identifies that matters have been managed properly except for some exceptional issues. Examples can include minor deficiencies in proper trust accounting processes or record keeping practices.

The Department investigates all high risk concerns identified in a QAR, including reoccurring failures and areas of identified high risk. However for the remaining issues, the Department will write to the agent confirming that they must undertake corrective action.

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The program's design is to reduce red-tape by informing the agent of the corrective requirements but not requiring a formal response to the QAR.

Agents are expected to implement amended practices to address the issues identified in their QAR. The Department will undertake random compliance checks to ensure agents have taken appropriate measures and further compliance action will be taken if changes have not occurred.

More information on the obligations of real estate agents is available on the Department's [website](#). Enquiries can be made by email: consumer@commerce.wa.gov.au or by calling **1300 30 40 54**.

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