



Auditing reminders for agents and auditors

Consumer Protection expects agents will be preparing their business trust account records for the audit period, 1 January 2014 to 31 December 2014 for submission to their auditor shortly.

To assist agents and auditors in completing audits and fulfilling the requirements under Section 70(1) of the *Real Estate and Business Agents Act 1978*, Consumer Protection provides the following lists of reminders for agents and auditors that may assist.

Reminders for agents

- Agents must disclose all accounts to their auditors (this includes accounts that may not have been used recently) in order for the Annexure A (part of the report) to be accurate.
- Ensure that all records relating to all Tenancy Bond Trust Accounts (even if held by the Bond Administrator or closed during the 2014 calendar year) are provided to the auditor.
- All records relating to discrepancies in trust accounts (regardless of error made by agent or by bank) must be provided to the auditor.
- Ensure the address provided in any statutory declarations by agents is the agent's current address.
- Only submit a statutory declaration of no funds held if the agent did not hold or receive any money for or on behalf of others during the 2014 calendar year.

Reminders for auditors

- Annexure A trust account balances are balances held in the bank, not reconciled balances according to the agent's ledgers.
- All trust accounts need to be disclosed in Annexure A with the proper titling as per the bank records.
- All trust accounts need to be disclosed in Annexure A, even if the accounts were closed during the audit year.
- All separate interest bearing trust accounts need to be separately listed in Annexure A, with the proper titling as per the bank records.
- Ensure that all Tenancy Bond Trust Accounts (even if held by the Bond Administrator or closed during the 2014 calendar year) are disclosed in Annexure A.

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- Check the title of trust accounts for agents to ensure as per Regulations (Name of TC Holder, Business Name of TC Holder, TC number and REBA Trust Account).
- Ensure the Entity Name and Business Name are correct on all documents within the audit report, including statutory declarations.
- Ensure statutory declarations are witnessed appropriately by authorised witnesses, listing their full name and qualifications.
- If there are any matters in relation to the trust account that the auditor would like to communicate to Consumer Protection, please note this in the statutory declaration by the auditor and also attach a management letter detailing the matters.
- If no management letter is attached to the audit report, please do not mention a management letter in the cover letter.
- All instances of overdrawn trust accounts must be disclosed, including cases where they relate to errors made by financial institutions or the agents.
- Use the new audit report templates provided within our publication *A Guide to Auditing Real Estate and Business Agents' Trust Accounts* (these new templates do not refer to the Real Estate and Business Agents Supervisory Board).
- Check that the agent's address is correct especially if auditors are using template reports of other agents.
- Check that the agent's business name is a registered business name with Australian Securities and Investments Commission (ASIC).
- Where there is a change of auditor, please ensure that the Change of Auditor Request form is completed and signed by the agent, new auditor and the outgoing auditor. We are unable to accept audit reports where the auditor has changed but no Change of Auditor Request form is received and approved by Consumer Protection.
- Ensure that the audit report is complete – not missing any pages, statutory declarations by agent and auditor are included, and Annexure A properly lists all trust accounts open at any time during the audit year. Incomplete audit reports cannot be accepted and will remain outstanding until complete reports are provided and accepted by Consumer Protection.

Further information

If you have any questions, or require any further information please visit the auditing real estate agents section of our website www.commerce.wa.gov.au/consumer-protection/auditors or contact the audits team by email at audits@commerce.wa.gov.au or by telephone on (08) 6552 9583.

For a full list of forms and publications including the *Real Estate and business agents trust account handbook* and *A guide to auditing real estate and business agents' trust accounts* visit www.commerce.wa.gov.au/publications/auditors-real-estate-agents-forms-and-publications