

Trust Account Audit Report Lodgement questions

Was the agent licensed for the entire audit period?

Yes
 NO

Applies to the licensed entity that is the trust account holder. The licensed entity could be an individual, individuals in partnership, a corporation, or corporations in partnership.

Applies to the dates covered by the audit period.

If the agent is a corporation, was there a licensed person in charge for the entire audit period?

Yes
 N/A
 NO

Applies to the dates covered by the audit period.

Was trust money banked on time?

Yes
 NO

Applies to trust money as per [s15 of AFAA](#), and as per timings under [s16 of AFAA](#).

Were amounts paid out of the trust account only in a way permitted under AFAA?

Yes
 NO

Considerations to be made about each checked payment out of the trust account:

- paid to the correct person entitled to the amount
 - authorised in writing by the relevant client
 - drawn against sufficient funds held for that transaction
 - for client payments and commission, disbursed only once the relevant transaction was finalised
 - for commission, drawn only once the client payment was disbursed
 - for invoices, the correct amount paid and only as per the invoice
 - for non-trust money received under [s18\(2\)](#) of AFAA, that it was paid out within 14 days after becoming available for drawing
 - for trust money in dispute, that it was paid out in accordance with [Part 2 Division 5 of AFAA](#).
 - Complied with other relevant stipulations under AFAA.
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Were payments made in accordance with timeframes under AFAA?

Yes
 NO

- Payments to the person entitled includes clients, creditors, RTA, etc.
 - Timeframes are as per [s22\(5\)](#) of AFAA.
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In checked samples, did the agent correctly charge commission?

Yes
 NO

- Charged only the amount specified on the signed Form 6.
 - Calculated the amount correctly.
 - Commission was charged on rent actually collected or sale price actually achieved.
 - Other fees charged were authorised on the signed Form 6.
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Did the trust account bank balance reconcile with the cashbook and ledger at the end of each month during the audit period?

Yes
 NO

- Any adjustments used to balance are in accordance with s18 AFAR.
 - Performed within 5 business days after the end of month.
 - Performed using closing balances as at last day of month.
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Were the trust account records properly kept and able to be properly audited?

Yes
 NO

- Records were made available for auditing purposes.
 - All records required by AFAA and AFAR had been kept.
 - All required records included required details as per AFAA and AFAR.
 - Records accurately reflected trust account activity and followed sound accounting principles.
 - Software programs used also complied with s4 and s27 of AFAR.
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Were there any breaches of AFAA or AFAR identified?

Yes
 NO

Consider any evidence discovered in the audit process that indicates the agent:

- was not validly appointed for a transaction
 - received or paid amounts not in accordance with AFAA
 - failed to pay an amount to a special trust account in accordance with s17(2) AFAA
 - failed to account to clients as per s23 AFAA
 - failed to correctly deal with a transferred trust account as per s23 AFAR.
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There are matters that I think should be reported to the Chief Executive.

Yes
 NO

Other matters may include, but are not limited to:

- trust account overdrawn.
 - ledger overdrawn and relevant amount was paid out of TA.
 - amounts held >3months (excluding commercial bonds, or validly held due to long settlements).
 - use of a ledger that is not for a person on whose behalf the agent received trust money (i.e. unknown, or suspense ledger).
 - using adjustments to balance instead of correcting transaction errors.
 - other trust accounts held that have not been audited for the same period.
 - not completing all required unannounced examinations during the audit period.
 - auditor appointment not within required timeframe.
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