Conveyancers Licensing Act 2003
Conveyancers Licensing Regulation 2006

AUDITOR'S REPORT in respect of Conveyancers' trust account(s) books and records for the audit year ended 30 June 2015

This AUDITOR'S REPORT is required to be COMPLETED BY A REGISTERED COMPANY AUDITOR and lodged by the Licensee Entity, TO THE ADDRESS ON THE BACK PAGE on or before the due date of 30/09/2015

IMPORTANT:
Licensee Entity: read Item 10 Notes before engaging the auditor that you engage to complete this report
Auditor: read Item 10 Notes before accepting the engagement

AUDITOR'S DECLARATION

1. **Neither I or my firm are disqualified from undertaking this audit pursuant to section 79 of the Act.**

2. **Pursuant to section 75 of the Act, I have completed this report in respect of the following Licensee Entity** (ie EITHER sole trader, OR members of partnership OR corporation) that held trust money and carried on business, or held trust money and was inactive, during the period

Licensee Entity Names(s):

Licensee Entity No(s) of the above:

For Audit Year: **1/07/2014** to **30/06/2015** Due by 30/09/2015

3. **The Trust Records referred to in this report relate to the Trust Account(s), as listed under Schedule 1, conducted under the Licensee Entity Names(s), as named above**, being in relation to trust money received or held during the 12 months ended 30/06/2015

4. I was provided with the Records of the Licensee Entity for whom this report is prepared, on :
/ /20

5. **In carrying out the audit, I have made test examinations of the transactions recorded in the Trust Records in accordance with generally accepted auditing standards and practice.**

6. In accordance with Item 10 notes, this AUDITOR'S REPORT has identified breaches that are in contravention of the legislation

YES ☐ **NO** ☐ If Yes, those breaches are listed on Schedule 2

7. The following are the number of additional pages, other than this booklet, that form part of this report _____

Auditor's Declaration continued page 2

Auditors Declaration continued from page 1

8. Trust Records

In my opinion, based on appropriate examinations and sampling techniques of the Trust Records, throughout the period covered by the report, and subject to the qualifications noted:

(1) The accounting systems and internal controls used by the licensee(s) to ensure that trust money has been properly accounted for were:

***** (1.1) Appropriate/ Inappropriate** for the business conducted; and

***** (1.2) Operated/ did not operate** satisfactorily

(2) *** Trust Money recorded as received, held and/or disbursed during the period **has/ has not** been accurately recorded in the manner prescribed.

(3) *** The records prescribed for the recording of trust money **have/ have not** been maintained regularly and properly

(4) *** During the period the reconciled balance(s) of the trust account(s) **were/ were not** sufficient to meet all trust creditors of the licensee entity as disclosed by the books of accounts and records.

*** Delete as appropriate

9. A summary of the findings and reasons for issuing a qualified or adverse report is reported on Schedule 3 of this report

This AUDITOR'S REPORT is qualified or adverse **YES** ☐ **NO** ☐

Required documents, if applicable, are attached in accordance with NOTES item 11.

Dated this .....day of .....…...20

Signed .....…….....

Auditor's Full Name.....
(Block Letters)

Company Auditor's Registration No. ___ ___ ___ ___ ___

Auditor's Firm Name (*if any*).....

Postal Address……Phone No.( )……..

10. NOTES:

a) Important information for the Licensee Entity

i) **REMINDER :**
This report, for the period 1 July 2014 to 30 June 2015 must be lodged by the Licensee Entity by no later than the due date of 30 September 2015.

This requirement falls under section 75 of Part 6 Division 2 of the Act, as follows;

> *"(1) A person who is a licensee, a former licensee or the personal representative of a licensee must, within 3 months after the end of the audit period applicable to the person:*
> *(a) cause the records and documents relating to any trust money held during that period by the person in accordance with this Act to be audited by a person qualified to act as an auditor for the purposes of this Division, and*
> *(b) lodge the auditor's report on the audit with the Director-General".*

ii) ** Under this Division a registered company auditor is the required person who must be engaged to undertake this audit unless, as an alternative, you already have obtained prior written approval for an approved person under section 79(1)(b) of the Act; such approvals are only given in exceptional circumstances.*

iii) *You should ensure the registered company auditor you engage holds a current registration – you can check this at the following Australian Securities & Investments Commission website page, http://www.search.asic.gov.au/pro.html .*

iv) *The lodgement of this auditor's report by the due date is not the responsibility of the auditor you have engaged, it is your responsibility; you should ensure that the engagement is contracted to ensure sufficient time for you to effect lodgement by the due date.*

v) *An extension of time cannot be given for trust balancing and accounting workload problems that may arise. Licensee Entities and auditors should program to ensure that they have provided appropriate time frames to complete and lodge this auditor's report on or before the due date.*

vi) *What are the penalties for late lodgement*

Failure to lodge the correct audit documentation by the required date makes the Licensee Entity a disqualified entity under section 10(1)(n) of the Act.

That section relevantly provides;

> *10* ***Disqualified persons***
>
> *(1) A person is a disqualified person for the purposes of this Act if the person: ……*
>
> *(n) has failed to provide the Director-General with an auditor's report that the person is required to provide under this Act on the audit of the records and documents relating to any money held in a trust account kept by the person under this Act, unless the Director-General determines that in the circumstances that failure should not disqualify the person.*
>
> *……..…… …*

b) Important information for the Engaged Auditor

i) *Under section 79 of the Act, a person can undertake this audit only in the following circumstances;*

> ***79 Qualifications of auditors***
>
> *(1) A person is qualified to act as an auditor for the purposes of this Division if the person:*
> *(a) is a registered company auditor within the meaning of the Corporations Act, or*

(b) is a person who has been nominated by the person whose records and documents are to be audited and who has been approved by the Director-General by order in writing.
(2) Such a person is not qualified to act as an auditor for the purposes of this Division if the person:
(a) is or has at any time within 2 years before the last day of the period in respect of which the audit is to be made, been an employee or partner of the person whose records or documents are to be audited, or
(b) is a licensee, or a shareholder in a corporation that is a licensee and that has not more than twenty shareholders.

ii) *Under section 80, the person engaged to undertake the audit has the following duty;*

(1) If an auditor in the course of making an audit for the purposes of this Division discovers that any breach of this Act or the regulations has been committed, that there is any discrepancy relating to the trust money to which the audit relates or that the records or documents concerned are not kept in such a manner as to enable them to be properly audited, the auditor must:
(a) fully set out the facts so discovered by the auditor in the report made by the auditor for the purposes of the audit, and
(b) forward a copy of the report to the Director-General.

iii) *This auditor's report provided by you would be an engagement to examine the accounting records and internal controls and procedures of the Licensee Entity during the audit period, in relation to trust money and other matters designated by Part 5 Trust Money of the Act, and report those matters in terms of the generally accepted auditing standards and practice.*

iv) *This report would be an examination, in terms of, but does not have to be limited to, the following provisions of the legislation;*

- *Part 6 Records, Division 1, section 69 of the Act*

- *Part 5 Trust Money, Division 1, section 52, Division 2, sections 53 and 55 to 57 and Division 4, sections 62 and 63 of the Act*

Required documents can be accessed via http://www.fairtrading.nsw.gov.au/Property_agents_and_managers/Agency_responsibilities/Trust_accounts.html

- *Part 5 Trust Money and Part 6 Records, of the Regulation*

v) *The legislation can be accessed under "Browse" and "Browse Repealed" at http://www.legislation.nsw.gov.au/ .*

vi) ***See 10 Notes a) vi) above - If this auditor's report is not lodged by the required date severe penalties can apply against the Licensee Entity.***

Licensees have a responsibility under the Act to have books and records fully balanced and reconciled at the end of each month and within 21 days for the end of the audit year. If appropriate books and records relating to the trust money that are being audited have not been provided, are incomplete OR have not been reconciled in accordance with the requirements of the Act, this ***report*** *should be qualified accordingly - extensions of time are not given for such situations.*

11. REQUIRED TRUST BANK RECONCILIATION(S) AND LIST OF TRUST TRIAL BALANCE(S) FOR THE AUDIT YEAR 1 JULY 2014 TO 30 JUNE 2015

Where there are audit qualifications of a financial nature, the auditor must attach a copy of the trust bank reconciliation statements and the trial balance (incorporating the list of ledger accounts of the principals that moneys are held for), for the effected accounting period/s, and for the final end of audit year accounting period, in respect of the effected Trust Account/s.

12. General information

General information about the Conveyancers Licensing Act 2003 can be found on the Fair Trading website: http://www.fairtrading.nsw.gov.au, *go to Businesses, Specific industries and businesses and then Conveyancing.*

Trust audit guidelines to assist with the completion of this audit can be accessed on the same Fair Trading website, http://www.fairtrading.nsw.gov.au, *go to Businesses, Specific industries and businesses, Conveyancing and then Trust accounts and audit requirements for audit information and forms.*

See Schedules pages 6 to 8

SCHEDULE 1

For Licensee Entity _____

DETAILS OF CONVEYANCER TRUST ACCOUNTS HELD
For AUDIT YEAR 01/07/2014 TO 30/06/2015

Name of Trust Account	***Name of Financial Institution***	***BSB No.***	***Account No.***	***Closing balance [or if closed during this period, date closed]***

SCHEDULE 2

For Licensee Entity _____

SUMMARY OF BREACHES OF THE ACT AND/OR REGULATION
For AUDIT YEAR 01/07/2014 TO 30/06/2015

[If no breaches noted show result "**NIL**"]

Section of Act/ Clause of Regulation	**DESCRIPTION AND EXTENT OF BREACH**

SCHEDULE 3

For Licensee Entity _____

SUMMARY REVIEW MEMORANDUM

For AUDIT YEAR 01/07/2014 TO 30/06/2015

This memorandum summarises the reasons for issuing a **qualified** audit report and is to be completed after considering the results of all procedures followed to complete the Report.

Important: Read the information provided in this documentation and that is on the NSW Fair Trading website before making any telephone inquiries.

I, the licensee-in-charge _____
[print full name]
acknowledge that I have received this completed Auditor's Report.

Licensee signature _____ / /20

Return to:

Director-General
Department of Finance, Services and Innovation
c/- NSW Fair Trading
Locked Bag 5066
Parramatta NSW 2124

Inquiries:

Telephone: 13 32 20

Office Hours: 8:30 am – 5:00 pm

Monday – Friday

The Licensee Entity is required to retain a full copy of this report.