

Audit Requirements – Property and Stock Agents Act 2002 & Conveyancers Licensing Act 2003

Frequently asked questions

Who has to lodge a trust account auditor's report?

Under the *Property and Stock Agents Act 2002* and *Conveyancers Licensing Act 2003*, **all licensees** are required to lodge a trust account auditor's report if they received or held trust money during the audit period.

What if I am in partnership with other licensees?

Only one licensee in a partnership has to lodge an audit for the partnership.

When does it have to be lodged?

Lodgement must be within 3 months of the end of the audit period which is 30 June each year.

The due date for lodgement is 30 September each year.

You still need to lodge even if you ceased trading during the period or only traded for part of the period.

Who is responsible for lodging the auditor's report correctly and by the due date?

The Act makes it quite clear it is the **licensee's responsibility** to ensure the report is lodged by the due date.

Before engaging an auditor, inform them that the report must be lodged by 30 September and confirm that the auditor will be able to complete the report in time for you to lodge it by the due date.

Give the auditor access to all records and documents relating to money held in a trust account for the audit period, as soon as possible after the end of the audit period.

Monitor the progress of your report with the auditor on a regular basis. Do not just leave the report with the auditor and forget about it. If your auditor cannot complete the report within the agreed timeframe due to some unforeseen circumstance preventing on time lodgement, you should immediately engage another auditor.

How do I lodge an auditor's report?

From 1 July 2019, your auditor will be completing and submitting your auditor's report through the 'Auditor's Report Online' portal.

To confirm engagement of your auditor, you will need to authorise the auditor through an email from the auditor requesting permission to lodge an Auditor's Report on your behalf.

When the report is completed and submitted by your auditor, you will receive a copy to your email.

Can the lodgement deadline be extended?

All auditor's reports are required to be lodged by the due date. The deadline will only be extended in exceptional circumstances which existed over a period of time and can be supported by evidence.

Reasons such as unaware of the requirement to lodge, forgetting to provide access to the auditor, allowing insufficient time for the auditor to complete the report, forgetting to lodge the report, the auditor was too busy to get it done in time or the auditor forgot to lodge the report, are not acceptable.

What happens if the auditor's report is not lodged by the due date?

If an auditor's report is not lodged by the due date or not lodged at all, and you do not have an acceptable reason, Fair Trading will contact you and take action based on your circumstances.

Failure to lodge by the due date makes an individual or corporation a disqualified person under the Act and liable to disciplinary action.

Alternatively, Fair Trading could issue a \$550 fine for a late lodged audit by an individual or \$1,100 for a corporation. A \$1,100 fine applies for a late lodged statutory declaration by an individual or corporation.

Failure to lodge an auditor's report means you may not be able to renew your licence until you lodge.