



Australian Government

Department of Education, Employment and Workplace Relations

FNSCNV506A Establish and manage a trust account

Revision Number: 1

FNSCNV506A Establish and manage a trust account

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to establish, manage and administer a trust or controlled money account in a conveyancing practice.</p> <p>It encompasses reviewing for compliance with trust accounts requirements, establishing and managing trust accounts, maintaining records of trust transactions, and monitoring and reviewing of trust accounts.</p> <p>This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.</p>
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Application of the Unit

Application of the unit	The unit has application to job roles involving establishing and managing a trust account in a conveyancing practice.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Review trust account for compliance with trust account requirements	<p>1.1. Practice <i>trust account requirements</i> are clearly identified, accurately recorded and continuously updated in line with relevant legislation and regulations</p> <p>1.2. Policies and procedures for accurate trust account keeping are developed which comply with trust account requirements, key principles of accounting and financial management, and legislative requirements</p> <p>1.3. Criteria for evaluating <i>electronic and manual trust accounting systems</i> are identified and applied to ensure compliance with all trust account requirements</p>
2. Establish and manage trust accounts	<p>2.1. Source documents for <i>trust transactions</i> are identified and accessed in line with legislative requirements</p> <p>2.2. Documentation of trust records and transactions are produced to give an accurate record of practice transactions on behalf of clients</p> <p>2.3. Transactions are supported by appropriate authorisation and documentation and are in line with practice and legislative requirements</p> <p>2.4. Entries and transactions are promptly and accurately recorded in line with relevant trust account requirements, and can be provided on demand</p> <p>2.5. Discrepancies in entries or documentation are promptly followed up to ensure clarification or resolution and are reported to relevant authorities where necessary</p> <p>2.6. Audit and security arrangements are checked to ensure they provide adequate protection for client confidentiality and client funds held in trust</p>
3. Manage and control trust accounts	<p>3.1. Disbursements to and from trust accounts are authorised and managed within agreed practice protocols and legislative requirements</p> <p>3.2. Appropriate arrangements are made with third parties and other professionals to ensure that practice trust accounts comply with legislative requirements</p> <p>3.3. Practice trust administration policies and procedures are disseminated or made readily available to relevant staff in line with practice and legislative</p>

ELEMENT	PERFORMANCE CRITERIA
	<p>requirements</p> <p>3.4. Ongoing training of relevant practice staff is provided to ensure efficient operation of trust accounts and financial and IT systems, and compliance with practice and legislative requirements</p> <p>3.5. Procedures for monitoring records and ensuring the security of trust account records are developed and implemented</p>
4. Monitor and review trust accounts	<p>4.1. Documentation and other reporting requirements are regularly reviewed for compliance with legislative requirements</p> <p>4.2. Trust account entries and transactions are regularly checked and monitored to ensure compliance with practice and legislative requirements</p> <p>4.3. Trust account transactions are monitored to ensure appropriate authorisation is obtained prior to any disbursements</p>
5. Authorise and verify trust accounts	<p>5.1. Periodic reconciliation is verified in compliance with legislative requirements</p> <p>5.2. Periodic financial reports are prepared and discussed with clients to ensure their continued accuracy</p> <p>5.3. Records are maintained to enable them to be conveniently and properly audited</p> <p>5.4. Legislative audit requirements are met</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- analytical, evaluative and deductive reasoning skills relevant to identifying all aspects legislation, trust account records and financial reports
- risk management skills for establishing, administering and managing trust accounts
- communication skills to:
 - determine and confirm client requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- decision making and problem solving skills to analyse and make decisions about practice trust accounts consistent with legislative and ethical requirements
- financial analysis skills for accessing, interpreting and managing complex financial information
- IT skills for accessing and using appropriate software such as spreadsheets and databases, computerised and manual trust account systems and using internet information
- literacy skills to read and interpret documentation from a variety of sources
- numeracy skills to accurately analyse, record and store data in accordance with organisational requirements
- organisational skills, including the ability to plan and sequence work and gather, record and consolidate financial information

Required knowledge

- accounting and bookkeeping techniques for financial control
- auditing and reporting requirements relevant to trust account operations
- cost-benefit analysis of establishing/maintaining trust accounts
- commonly used IT and management systems
- policy and procedures of the practice
- relevant financial, privacy, disclosure and business legislation and regulations
- security, ethical privacy procedures in relation to trust account operations
- statutory standards on the operation, reporting and auditing requirements of a trust account
- trust accounting policy and procedures

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • comply with statutory and legislative requirements for the operation of trust accounts • apply financial management and accounting principles and knowledge to trust accounts • apply detailed knowledge of the policies and procedures of the practice • demonstrate commitment to client service and maintenance of client security, privacy and confidentiality • undertake high level critical analysis, monitoring and financial performance evaluation • demonstrate high standards of professional and ethical behaviour in all actions.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a workplace or a closely simulated work environment • access to and use of a range of common office equipment, technology, software and consumables • suitable assessment records showing the establishment and management of a practice trust account.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills which may include formal examinations • setting and reviewing workplace projects and

EVIDENCE GUIDE	
	<p>business simulations or scenarios</p> <ul style="list-style-type: none">• evaluating samples of work• accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT	
<p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</p>	
<p><i>Trust account requirements</i> include but are not limited to:</p>	<ul style="list-style-type: none"> • audit and accounting requirements • client confidentiality • client instructions, expectations and needs • compliance of financial and IT systems and technology with relevant legislation and regulations • disclosure and reporting requirements • financial management principles and practices • relevant regulations and legislation • taxation and financial fees and charges.
<p><i>Electronic or manual trust accounting system</i> performance must take into account, the following factors:</p>	<ul style="list-style-type: none"> • administrative systems • Australian Accounting Standards and codes of practice • bookkeeping • consumer credit codes • disclosure and reporting requirements • electronic funds management including transfer/deposit/verification • ethical requirements • IT legislation, regulations and codes of practice • legislative and regulatory requirements • office routines • security requirements • trust account procedures.
<p><i>Trust transactions</i> may include:</p>	<ul style="list-style-type: none"> • a range of dealings in real estate, business or personal property • electronic, computerised or manual entries or processes.

Unit Sector(s)

Unit sector	Conveyancing
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		