



Australian Government

BSBCNV506 Establish and manage a trust account

Release: 1

BSBCNV506 Establish and manage a trust account

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to establish, manage and administer a trust or controlled money account in a conveyancing practice. It encompasses reviewing for compliance with trust account requirements, establishing and managing trust accounts, maintaining trust transaction records, and monitoring and reviewing trust accounts.

It applies to individuals who use specialised knowledge and systematic approaches to analyse and manage financial information against specified criteria and compliance requirements.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the BSB Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Conveyancing

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1 Review trust account for compliance with trust account requirements	1.1 Clearly identify, accurately record and continuously update practice trust account requirements in line with relevant legislation and regulations 1.2 Develop policies and procedures for accurate trust account-keeping which comply with trust account requirements, key principles of accounting and financial management, and legislative requirements 1.3 Identify and apply criteria for evaluating electronic and manual trust accounting systems to ensure compliance with all trust account requirements

ELEMENT	PERFORMANCE CRITERIA
2 Establish and manage trust accounts	2.1 Identify and access source documents for trust transactions in line with legislative requirements 2.2 Produce documentation of trust records and transactions to give an accurate record of practice transactions on behalf of clients 2.3 Ensure transactions are supported by appropriate authorisation and documentation and are in line with practice and legislative requirements 2.4 Promptly and accurately record entries and transactions in line with relevant trust account requirements, and provide on demand as required 2.5 Promptly follow up discrepancies in entries or documentation to ensure clarification or resolution and report to relevant authorities where necessary 2.6 Check audit and security arrangements to ensure they provide adequate protection for client confidentiality and client funds held in trust
3 Manage and control trust accounts	3.1 Authorise and manage disbursements between trust and office accounts within agreed practice protocols and legislative requirements 3.2 Make appropriate arrangements with third parties and other professionals to ensure that practice trust accounts comply with legislative requirements 3.3 Disseminate or make readily available practice trust administration policies and procedures to relevant staff in line with practice and legislative requirements 3.4 Provide ongoing training for relevant practice staff to ensure efficient operation of trust accounts and financial and IT systems, and compliance with practice and legislative requirements 3.5 Develop and implement procedures for monitoring records and ensuring the security of trust account records
4 Monitor and review trust accounts	4.1 Regularly review documentation and other reporting requirements for compliance with legislative requirements 4.2 Regularly check and monitor trust account entries and transactions to ensure compliance with practice and legislative requirements 4.3 Monitor trust account transactions to ensure appropriate authorisation is obtained prior to any disbursements
5 Authorise and verify	5.1 Verify periodic reconciliation in compliance with legislative

ELEMENT	PERFORMANCE CRITERIA
trust accounts	requirements 5.2 Prepare and discuss periodic financial reports with clients to ensure continued accuracy 5.3 Maintain records for convenience and proper auditing 5.4 Meet legislative audit requirements

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Learning	3.4	Actively updates and builds own knowledge and personal competence in order to provide training and mentoring to others
Reading	1.1, 1.3, 2.1, 4.1, 5.1	Reviews and analyses financial information and data from a range of sources to check accuracy and completeness and to identify key aspects relevant to requirements
Writing	1.1, 1.2, 2.2, 2.4, 2.5, 3.2, 3.5, 5.2, 5.3	Accurately records information and prepares documentation using clear and accurate language to convey and clarify explicit information and requirements
Oral Communication	2.5, 3.2, 5.2	Participates in verbal exchanges using active listening and questioning techniques to clarify information and confirm understandings with a range of personnel
Numeracy	1.1, 1.3, 2.4, 2.5, 3.1, 4.2, 4.3, 5.1, 5.3	- Analyses and evaluates complex financial information and data against a range of criteria - Performs mathematical calculations to complete tasks and to check accuracy and completeness of financial information
Navigate the world of work	1.1-1.3, 2.1, 2.3, 2.4, 3.1-3.5, 4.1, 5.1, 5.4	- Develops or modifies organisational policies and procedures that comply with legislative and practice requirements - Takes full responsibility for compliance with legislative and organisational requirements - Maintains knowledge of legislative and practice requirements relevant to current role

Interact with others	2.5, 3.2-3.4, 4.3, 5.2	Selects and uses appropriate conventions and protocols to gain and provide relevant information on the establishment and management of a trust account
Get the work done	1.1-1.3, 2.1-2.6, 3.1, 3.2, 3.3, 3.5, 4.2, 4.3, 5.1, 5.3, 5.4	- Plans, organises and implements processes to complete required tasks efficiently and in compliance with legislative and practice requirements - Systematically gathers and analyses all relevant information and evaluates options in order to address problems and make decisions about practice trust account management - Uses the main features and functions of digital tools to complete work tasks and to access information.

Range of Conditions

This section specifies different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Electronic or manual trust accounting system must take into account, the following factors:	- administrative systems - Australian Accounting Standards and codes of practice - bookkeeping - disclosure and reporting requirements - electronic funds management including transfer/deposit/verification - ethical requirements - electronic conveyancing – legislation, regulations and codes of practice - legislative and regulatory requirements - office routines - security requirements - trust account procedures.
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBCNV506	FNSCNV506A	Updated to meet	Equivalent unit

Code and title current version	Code and title previous version	Comments	Equivalence status
Establish and manage a trust account	Establish and manage a trust account	Standards for Training Packages Moved from Financial Services Training Package to Business Services Training Package.	

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>

Assessment Requirements for BSBCNV506 Establish and manage a trust account

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Performance Evidence

Evidence of the ability to:

- establish, administer and manage a trust and/or controlled money account in a conveyancing practice that:
 - complies with statutory and legislative requirements for the operation of trust accounts
 - uses standard accounting principles and financial management practices
 - follows practice or agency policies and procedures.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and explain key:
 - accounting and bookkeeping techniques for financial control
 - auditing and reporting requirements relevant to trust account operations
- discuss issues relating to cost-benefit analysis of establishing/maintaining trust accounts
- outline key features of commonly used IT and management systems
- describe key features of policy and procedures of the practice relating to trust and office accounts
- identify and describe relevant financial, privacy, disclosure and business legislation and regulations relating to trust accounts
- identify and explain key security and ethical privacy procedures in relation to trust account operations
- identify and analyse key statutory standards on the operation, reporting and auditing requirements of a trust account
- analyse and describe key processes required to monitor financial performance evaluation
- outline professional and ethical behaviour relevant to managing trust accounts

- outline legislative and professional requirements relating to client security, privacy and confidentiality.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the conveyancing field of work and include access to:

- common office equipment, technology, software and consumables
- suitable records showing the establishment and management of a practice trust account.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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