



Australian Government

BSBCNV614 Apply principles of trust accounting

Release: 1

BSBCNV614 Apply principles of trust accounting

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 7.0.

Application

This unit describes the skills and knowledge required to establish, manage and administer trusts or controlled money accounts in a 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.

The unit 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 Companion Volume Implementation Guide or the relevant regulator for specific guidance on requirements.

Unit Sector

Technical Skills – 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. Evaluate trust account compliance	1.1 Identify, record and continuously update practice trust account requirements in line with relevant legislation and regulations 1.2 Develop policies and procedures for trust account-keeping according to trust account requirements, key principles of accounting and financial management, and legislative requirements 1.3 Identify and apply criteria for evaluating electronic or manual trust accounting systems and confirm compliance with trust account requirements

ELEMENT	PERFORMANCE CRITERIA
2. Establish and manage trust accounts	2.1 Identify and access source documents for trust transactions according to legislative requirements and practice policies and procedures 2.2 Produce documentation of trust records and transactions and confirm documentation is an accurate record of practice transactions on behalf of clients 2.3 Confirm transactions are supported by required authorisation and documentation and according to legislative requirements and practice policies and procedures 2.4 Record entries and transactions according to relevant trust account requirements, and provide to relevant stakeholder, where required 2.5 Identify discrepancies in entries or documentation and confirm clarification or resolution 2.6 Report discrepancies to relevant authorities, where required 2.7 Check audit and security arrangements and confirm 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 according to legislative requirements and practice policies and procedures 3.2 Make required arrangements with third parties and other professionals and confirm that practice trust accounts comply with legislative requirements 3.3 Distribute practice trust administration policies and procedures to relevant staff according to practice and legislative requirements 3.4 Facilitate continuous training for relevant practice staff according to legislative requirements and practice policies and procedures 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 Review documentation and other reporting requirements for compliance with legislative requirements 4.2 Check and monitor trust account entries and transactions and confirm compliance with legislative requirements and practice policies and procedures 4.3 Monitor trust account transactions and confirm authorisation is obtained prior to any disbursements
5. Authorise and verify trust accounts	5.1 Verify periodic reconciliation in compliance with legislative requirements 5.2 Prepare and discuss periodic financial reports with clients and

ELEMENT	PERFORMANCE CRITERIA
	identify issues, where required 5.3 Maintain records for convenience and 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	Description
Learning	Updates and builds own knowledge and personal competence in order to provide training and mentoring to others
Reading	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	Records information and prepares documentation using clear and accurate language to convey and clarify explicit information and requirements
Oral Communication	Participates in verbal exchanges using active listening and questioning techniques to clarify information and confirm understandings with a range of personnel
Numeracy	- 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
Self-management	- Takes full responsibility for compliance with legislative and organisational requirements - Maintains knowledge of legislative and practice requirements relevant to current role
Planning and organising	Plans, organises and implements processes to complete required tasks efficiently and in compliance with legislative and practice requirements
Technology	Uses the main features and functions of digital tools to complete work tasks and to access information

Unit Mapping Information

Supersedes and is equivalent to BSBCNV506 Establish and manage a trust account.

Links

Companion Volume Implementation Guide is found on VETNet -

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

Assessment Requirements for BSBCNV614 Apply principles of trust accounting

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- establish, administer and manage a trust in a practice on at least two occasions.

In the course of the above, the candidate must:

- comply with statutory and legislative requirements for the operation of trust accounts
- use standard accounting principles and financial management practices
- follow practice policies and procedures.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- accounting and bookkeeping techniques for financial control
- auditing and reporting requirements relevant to trust account operations
- professional and ethical behaviour relevant to managing trust accounts
- legislative and professional requirements relating to client security, privacy and confidentiality
- features of commonly used IT and management systems, including trust account management software
- trust account operations
- practice policies and procedures relating to trust and office accounts
- financial, privacy, disclosure and business legislation and regulations relating to trust accounts
- security and ethical privacy procedures in relation to trust account operations
- statutory standards on the operation, reporting and auditing requirements of a trust account
- key processes required to monitor financial performance evaluation.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- records showing the establishment and previous management of a practice trust account.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion Volume Implementation Guide is found on VETNet -

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