



Australian Government

CPPREP5002 Establish and monitor property industry trust account management practices

Release: 1

CPPREP5002 Establish and monitor property industry trust account management practices

Modification History

Release 1 This version first released with CPP Property Services Training Package Release 8.0.

New unit of competency.

Application

This unit specifies the skills and knowledge required to establish and monitor management practices for property industry trust accounts.

It includes accessing, reading and interpreting regulatory controls for trust accounts in a property agency practice and establishing, monitoring and reviewing the application of agency controls for opening, operating, monitoring and closing trust accounts, including delegation of authority, security and data management.

The unit also includes the skills and knowledge to identify and control fraudulent practices that impact the trust account.

The unit applies to industry professionals in the property industry in control of an agency.

State or territory licensing requirements may apply to this unit.

Pre-requisite Unit

Nil

Unit Sector

Real estate

Elements and Performance Criteria

Elements describe the essential outcomes.

Performance criteria describe the performance needed to demonstrate achievement of the element.

- | | | | |
|---|---|-----|--|
| 1 | Interpret regulations for property agency trust accounts. | 1.1 | Identify property industry operations for which trust accounts are required. |
| | | 1.2 | Interpret relevant legislation regulating property agency trust accounts. |

- | | | | |
|---|--|-----|--|
| | | 1.3 | Identify and analyse suitable systems for property agency trust accounts to meet legislative requirements. |
| | | 1.4 | Identify and outline legislative requirements for opening and closing trust accounts. |
| 2 | Develop risk management plans. | 2.1 | Identify and record risks associated with the operation of real estate trust accounts. |
| | | 2.2 | Develop strategies to monitor and control risks associated with operating a trust account. |
| | | 2.3 | Develop plan to evaluate effectiveness of controls. |
| | | 2.4 | Identify and plan controls for fraudulent activities associated with real estate trust accounts. |
| 3 | Implement systems to control property agency trust accounts. | 3.1 | Establish systems, policies, procedures, checklists and controls for property agency trust accounts. |
| | | 3.2 | Establish documented systems for authorisation and delegation of trust account responsibilities according to legislative requirements. |
| | | 3.3 | Ensure trust account procedures and protocols are communicated to, and applied by, agency staff. |
| | | 3.4 | Apply recognised bookkeeping principles to trust account management. |
| | | 3.5 | Establish internal and external audit schedule. |
| | | 3.6 | Review controls and security arrangements for trust accounts. |
| 4 | Authorise and verify trust accounts. | 4.1 | Verify periodic reconciliation of compliance with legislative requirements. |
| | | 4.2 | 4.2 Maintain records for convenience and proper auditing. |

Foundation Skills

This section describes the language, literacy, numeracy and employment skills essential to performance in this unit but not explicit in the performance criteria:

- technology skills to appraise computerised trust account systems and access information via the internet and databases within agency records management systems
- numeracy skills to calculate and confirm accuracy of trust account transactions, balances, reconciliations and records.

Unit Mapping Information

No equivalent unit.

New unit of competency.

Links

Companion volumes to this training package are available at the VETNet website - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>

Assessment Requirements for CPPREP5002 Establish and monitor property industry trust account management practices

Modification History

Release 1 This version first released with CPP Property Services Training Package Release 8.0.

New unit of competency.

Performance Evidence

To demonstrate competency in this unit, a person must research, develop, implement and document strategies to manage compliance of trust accounts including:

- research and analyse legislation and risks associated with property industry trust accounts.
- develop, implement and document a management plan to address risks associated with trust accounts
- develop, implement and document systems to establish, monitor and review trust account controls
- review one periodic reconciliation statement where the documentation falls short of procedural and legislative requirements and prepare a written report detailing:
 - each shortfall
 - relevant legislative requirement/s applying to each shortfall
 - how each shortfall should be remedied prior to the reconciliation statement being signed off.

In doing this, the person must meet the performance criteria for this unit.

Knowledge Evidence

To be competent in this unit, a person must demonstrate knowledge of:

- purpose and types of property industry trust accounts
- legislative and regulatory framework for real estate trust accounts in the state or territory of operation
- fiduciary duties and responsibilities for trust account management and associated legal compliance requirements
- risk management principles and application to property industry trust accounts including instances where account is overdrawn, compromised or discrepancies are identified.
- agency procedures to control integrity, security, confidentiality and privacy of trust accounts:
 - for both electronic and manual trust accounting systems
 - protocols for authorisation of trust account transactions and delegation of authority

- account reconciliations and balances
- internal and external audit schedules
- procedures for access to trust account system
- recognised bookkeeping practices
- actions required when a trust account is overdrawn, compromised or a discrepancy is identified
- maintenance and retention of records for agency trust accounts, including data backup
- processes to open, close and amend property agency trust accounts.

Assessment Conditions

Assessors must satisfy the requirements for assessors listed in the Standards for Registered Training Organisations.

Assessment must be conducted in the workplace or in a simulated workplace environment.

Assessors are responsible for ensuring that the person demonstrating competency has access to:

- real estate trust account systems applicable to property agency transactions
- procedures and policies for property agency trust accounts
- legislation and standards applying to property agency trust accounts and transactions in the state or territory of operation.

Links

Companion volumes to this training package are available at the VETNet website - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>