

## 25 POINT SCHEDULE - TIPS FOR AUDITORS

Note: the following information is provided to assist auditors fully address the 25 point "Prescribed Information for Audit Report" schedule set out in section 23 (1) of the Trust Accounts Regulation 1999. Refer to the Regulation to view the correct layout of the schedule. All 25 points must be addressed in the auditor's report.

### 1. The period of the audit.

The financial period is 1 April to 31 March each year. If a trust account was closed down during the financial period, the auditor must mention this in the audit report.

### 2. The auditor's name.

The name of the individual auditor, not the name of the business the auditor works for.

### 3. The auditor's qualifications to act as an auditor for a trustee under the Act.

The auditor provides details of his or her qualifications to conduct audits on trust accounts, as prescribed under section 15 of the Trust Accounts Act 1973.

### 4. If the auditor is a member of a firm appointed as an auditor for a trustee under the Act, the firm's name.

Auditor to provide name of their business or employer.

### 5. The address of each place of business to which the audit report relates.

Provide the business address of the firm to which the trust account belongs. If the firm has several addresses, provide only the address relevant to the trust account.

### 6. The name of the trustee to which the audit relates.

Provide the name of the individual(s) who is trustee to the trust account.

### 7. If the trustee is a registered business name, the name of each member of the business.

Provide the actual name of each individual person appointed as trustee to the trust account. Do not provide the name of company directors or signatories if they are not trustees. Remember only public accountants can be trustees under the Trust Accounts Act 1973.

8. Whether, in the auditor's opinion, the trust account has been kept in accordance with the Act.

This point has to be addressed regardless of the fact that the trustee may have fully complied with the Act. Where an auditor intends to bring a matter to the attention of the supervising entity, such matters can be detailed here.

9. If the trustee has been a trustee for 12 months or more, the day an unannounced examination of the trust account was conducted by the auditor.

The auditor must carry out at least one unannounced examination of the trust account during the financial period. It is not at the discretion of the auditor to decide otherwise. Refer to section 18.3 of the Act. Any issues of concern regards integrity of the trust account, must be immediately reported to the supervising entity.

10. The name of each trust account and the name of each financial institution at which a trust account has been kept.

Provide the name of each financial institution where a trustee holds a trust account. Ensure that an audit report is submitted for each trust account operated by a trustee.

11. Whether the auditor also audits the trustee's general account.

12. Whether the auditor has—

- (i) asked the trustee for permission to examine the trustee's general account; and
- (ii) been refused permission.

Provide an answer for both parts of point 12.

13. Whether a trust account has been overdrawn and, if so, the particulars of the overdrawn account.

Provide details of the date and amount that the trust account was overdrawn.

14. Whether a trust ledger account has been overdrawn [during the financial year].

15. If a trust ledger account has been overdrawn—

- (i) the date it was overdrawn; and
- (ii) the amount by which it was overdrawn; and
- (iii) the date the account reverted to a nil or credit balance; and
- (iv) the reason why it was overdrawn; and
- (v) whether, in the auditor's opinion, the overdrawing was promptly corrected; and
- (vi) if the overdrawing was not promptly corrected, the reason why it was not promptly corrected.

Ensure that all six points are addressed if the trust ledger account has been overdrawn.

16. Whether the trust account cash book has been reconciled with the trust account financial institution statement balance and the trust account ledger each month.

The auditor must state whether or not the cash book has been reconciled with the statement balance and account ledger each month during the financial period.

17. The receipt numbers of the following—

- (i) each trust receipt form used in the audit period;
- (ii) each unused trust receipt form given to the auditor.

All used and unused receipts numbers, issued by the trustee during the financial period must be reported. If no unused receipt numbers are available because receipts are computer generated, the auditor must advise this. The auditor must also advise on whether direct debit or EFT transactions are used.

18. A statement containing the following particulars—

- (i) any amounts held in trust by the trustee on the last day of the financial period;
- (ii) the name of the person on whose behalf the amounts are held;
- (iii) a reconciliation of the trust account cash book with the trust account financial institution statement balance as at the last day of the financial period.

The auditor is expected to report all funds held in trust on the last day of the audit period, even if those funds are nil. The name of all beneficiaries for whom money is held, plus the amount of money held must be mentioned in the auditor's report, and a reconciliation of the cash book to the bank statement must also be reported. Copies of bank statements are not required.

19. Any information about the trust account that, in the opinion of the auditor, should be included in the report.

This point in the schedule allows the auditor to report on any non-urgent matters that should be brought to the attention of the supervising entity. It is at the discretion of the supervising entity to follow up on such matters.

20. Particulars of trust moneys—

(i) held by the trustee on the last day of the audit period; and  
(ii) to which a person has been absolutely entitled for at least 1 year as at the end of the financial period.

If a trustee holds funds belonging to a beneficiary on the last day of the audit period to which the beneficiary has been entitled for at least one year, the auditor must provide details of those funds including the name of the beneficiary.

If the name or whereabouts of a beneficiary is unknown, funds held for a whole year as at 1 April, must be transferred to the Public Trustee of Queensland, no later than the following 1 June.

21. Particulars of any amount invested by the trustee under section 16(2)(a).

Provide details of trust monies invested by the trustee on behalf of clients.

22. A statement that the auditor holds professional indemnity insurance as prescribed by this regulation.

Any auditor, who audits a trust account under the Trust Accounts Act 1973, must have professional indemnity insurance of not less than \$250,000.

23. The name of any approved signatory, other than the trustee, to the trust account in the financial period.

The name of an individual, nominated by a trustee, as a signatory to the trust account.

24. Whether the trustee has given a security under section 31 of the Act.

The auditor must advise whether or not the trustee has lodged a financial institution security with the supervising entity.

25. Whether the auditor has complied with the auditing procedures and standards prescribed under this regulation.

The auditor must state that they have met auditing procedures and standards, as prescribed in section 26 of the Trust Accounts Regulation 1999 (i.e. the Auditing Standards Board of the Australian Accounting Research Foundation).