# Module 1 Task 1

1. The Property Manager has asked Adrian to do a market appraisal at Unit 6 Kensington Gardens for the landlord, who wishes to sell the property when the tenant vacates. Unit 6 is on the first floor. During the inspection Adrian finds that the handrail on the balcony is loose. Adrian realises that this may be a safety problem if it gets any looser.

Complete the attached risk management plan and attach to the question.

|  |  |  |
| --- | --- | --- |
|  | Connect Skills Real Estate  Risk Management Plan | |
|  | Prompts | Details |
| Source of risk | How can the risk arise? | Hand rail may go further lose. |
| Risk Event | What can happen? | It can fall off. And also, anyone leaning over the rail can fall off the first floor as well. |
| Likelihood of event occurring | Is this event rare, unlikely, possible, likely or almost certain? | Highly likely. |
| Consequences of event occurring | Would the consequences of the event be insignificant, minor, moderate, major or catastrophic? | It can severely/fatally injure the person falling from first floor. Also, any passer-by can get severely injured. |
| Level of risk | Extreme, high, moderate, low? | High |
| Risk treatment | Avoid, control, transfer, or retain the risk? | Retain the risk |
| Responsibility | Who is responsible for the risk treatment option? | Landlord. |
| Resources required | What physical and human resources do you need to implement the risk treatment? | Anyone, who can use drill machine and bolts can fix the issue. Blacksmith can do a better job. |
| Performance measure | How will you know that the risk treatment is working? | The rail should not be loose anymore. |
| Timeframe | When will the treatment option be implemented? | Next day |

1. What is the role of a Principal / Licensee in charge / Officer in effective control?

**A principal licensee can name one LIC to be responsible for the whole business, or a few licensees to be responsible for various pieces of the business - insofar as they guarantee that no piece of the business is left unaided.**

1. Guy and Samantha are tenants at 11 Somerville Street, Belmore Heights, which is managed by Evansdale Realty. Their four-bedroom property has a swimming pool. The latch on the swimming pool gate does not always lock properly. They have a 3-year-old son who has managed to open the pool gate on a number of occasions. They have sent a letter to Evansdale Realty asking for the lock to be fixed. However, the landlord is unwilling to pay for a locksmith to do this.

How would you handle this situation?

**In case of such situation, the latch needs to be fixed immediately as any risk can have high consequences. Since landlord is unwilling to pay, an official complaint should be filed against him. Guy and Samantha should get the latch fixed by themselves and send the damages bill to landlord and file compliant against him.**

1. What is risk and how is it measured?

**Risk is chance or likelihood that an individual will be hurt or experience an unfavorable wellbeing impact whenever presented to a danger. It might likewise apply to circumstances with property or hardware misfortune, or hurtful consequences for the climate.**

1. What does "duty of care" mean in an agency?

**The duty of care is a guardian duty requiring chiefs as well as officials of an organization to settle on choices that seek after the enterprise's advantages with sensible steadiness and judiciousness. This guardian duty is owed by chiefs and officials to the partnership, not the enterprise's partners or more extensive society.**

1. Jackie, on one of her first site visits as a salesperson at Evansdale Realty, is taking prospective purchasers to an inspection in the agency's car. On the way she has a minor accident. Some days later Sarah is chasing up insurance cover for the repairs to the car and can't find any documentation at all about the accident.

What are the risks in this situation? What does Sarah need to do?

**In case she does not find the documents, she may not get the insurance price.**

1. What risks are associated with property management?

**Property the board is a group driven industry and has high work force to-income proportions. Oppressive work practices can be a critical wellspring of property the board risk.**

**Obviously settled fair work practices can decrease property the board risk around here, which incorporates:**

* **Sensible, recorded end rehearses**
* **Extra time pay**
* **Normal breaks**

**Following ADA guidelines**

**Infrequently, neglecting to address ADA-related risk might be connected with the actual attributes or states of the property that were available when you got it. Yet, there's a whole industry that has some expertise in finding rebellious pieces of your property, which can prompt suit.**

1. How would you deal with the following three complaints? Compare your answers to ours, in the Feedback to activities section at the end of this topic.
2. A vendor is complaining about the advertisements you have placed for his house. He is not happy with the type setting, number of words and the wording.

**Have a meeting with the vendor and ask for his recommendations, and also explain the reason behind your advertisement settings in terms of cost and space.**

1. Several clients (landlords, vendors, purchasers) complain that they are not getting good service.

**Create a feedback form, ask them to fill the form to identify the actual issue, and try to overcome it.**

1. A landlord complains that one of his tenants is in arrears and the agency doesn't seem to be doing anything about it.

**The agency must immediately contact the tenant and ask him to pay the arrears or legal action can be taken.**

1. List 3 different roles of a property manager.
2. **setting and collecting rent**
3. **handling maintenance requests**
4. **filling vacant properties and units.**
5. Describe one formal way of communicating with stakeholders.

**Email is a formal, and most convenient way of communicating with the stakeholders.**

1. What is Compliance Reporting?

**Compliance reporting involves to report exhibit a company complies to a bunch of industry guidelines, rules, guidelines and regulations expected by states or administrative bodies.**

1. Why do businesses have compliance programs?

**A compliance program is a bunch of interior strategies, systems and preparing modules utilized by a business intended to: recognize and lessen the risk of breaking the Competition and Consumer Act 2010 (CCA) cure any break that might happen. make a culture of compliance inside the business.**

1. Can a business be too small to have a corporate compliance program?

**No, your business is never small enough to not have a corporate compliance program. The key is to fit your program to the size and kind of business you run. Regardless of whether you are a business of one, a corporate compliance program will empower the proper documentation of fundamental business cycles like bookkeeping processes.**

14. Complying with the real estate agency's ongoing compliance requirements may include implementing the following into your business?

you can relate to these and others

Licensing

CPD

Trust accounting

Disclosures

section 32 guidelines

**Implementing compliance helps your company forestall and recognize infringement of rules, which shields your association from fines and claims. The compliance interaction ought to be progressing. Numerous associations lay out a program to reliably and precisely oversee their compliance strategies over the long haul.**

1. Outline the methods of reviewing a compliance program/management system.

**1. Compliance program reviews by an external independent firm;**

**2. Annual compliance audits;**

**3. On-going monitoring of processes and policies; and**

**4. Compliance effectiveness survey.**

16. List two legislative instruments relevant to a real estate agent in your state or territory.

* **Property and Stock Agents Act 2002**
* **Estate Agents Act 1980**

# Module 1 Task 2

Task 1 - Conduct Privacy Review

Use our simulated website (https://www.connectskillsrealestate.com.au/ ) or access a business or an agency and conduct a privacy review to make sure the agency takes reasonable steps to protecting the personal information it holds from misuse and loss from unauthorised access, modification or disclosure.

Assume that your organisation needs to comply and it can choose to:

•become bound by an approved industry code

•apply to have its own code under the Privacy Act approved by the Federal Privacy Commissioner

•be bound by the Australian Privacy Principles (APPs)

The key reasons for carrying out a review of activities are to assess:

•the type of information your organisation collects and keeps

•how your organisation uses such information and with whom it shares such information (if at all)

You need to address the following questions:

1. What personal information has been and will be collected and from whom?

**Some of the details include: Name, gender, location, age.**

2. How is personal information collected? (any medium of information collection should be taken into account, for example; standard forms, surveys, mail, emails, call centres)

**The information can be collected through surveys and emails.**

3. The purpose for which personal information is collected?

**To identify if the agency is abiding by the Privacy Laws.**

4. The functions or activities carried out by your business and do all the purposes for which information is collected relate to one of those functions or activities?

**The business deals with lending and leasing the property. The gathered information is related to these operations.**

5. How is the personal information stored and disposed of?

**The personal information will be stored electronically, and will be destroyed/deleted permanently once the survey is done. It will not be shared with any unauthorized party.**

6. What information is disclosed to third parties? (for example; mailing houses, business partners)

**No information will be disclosed to unauthorized parties.**

7. How accurate and up to date is the information? (this will involve an assessment of what procedures there are to update information or delete irrelevant information and to ensure accurate date recording)

**Only recent most information will be used in the survey to ensure accuracy.**

8. Are there any strategies you could implement to improve compliance?

**Compliance forms and evaluation surveys can be used for further improvement.**

Task 2 - Analyse and Determine Compliance Management

Scenario A

You are licensee in charge of an agency. You need to document a compliance strategy to manage compliance in Connect Skills Real Estate Agency by analysing and determining compliance management for:

•two legislative requirements of your choice

•two internal areas of best practice of your choice

You must also develop and implement risk control strategies to manage compliance for the relevant legislative requirements and areas of best practice.

This compliance strategy will be shared amongst your team. You have recently employed two new staff members who are new to real estate so it is important to make sure to be descriptive and explain these requirements thoroughly within the strategy.

You must use the compliance strategy template which is attached to the question to complete this activity.

1. **Compliance Strategy**
2. **Purpose**

*The purpose is to guarantee that an association has inside controls that enough measure and deal with the risks it faces. Compliance officials give an in-house administration that really upholds business regions in their duty to comply with applicable regulations and guidelines and inner techniques.*

1. **Legislation & Best Practices**

*The Australian Competition and Consumer Commission (ACCC) is Australia's pinnacle consumer insurance and competition office. The ACCC is an autonomous legal government authority serving the public interest. A large portion of our compliance and requirement work is directed under the arrangements of the Competition and Consumer Act 2010 (the Demonstration).*

***Best Practices***

*Keep Tightly to Every single Monetary Record*

*Besides the fact that you keep should hold of your monetary records for bookkeeping and expense purposes, however you ought to guarantee that these records are exceptional and simple to get to. Each receipt, receipt and exchange record ought to be saved for as long as six years so you can furnish the ASIC with data and a clarification of your everyday business activities.*

*Unveil Your Directors*

*Whether you're shaping a company, a trust or an organization in Australia, you ought to ensure that ASIC has a duplicate of each and every chief's name, date of birth and private location. In the event that you have a company secretary, they should likewise be enrolled with the ASIC. It's vital to make reference to that each chief should be enrolled utilizing their street number - you can't supply a mail center box address or a principal business environment address for any of your chiefs.*

1. **Strategies & Risk Management To Stay Compliant**

*Stage 1: Set up a system to recognize your commitments.*

*The initial step is building a structure that guarantees your association properly distinguishes and comprehends its duties, commitments and liabilities towards the public authority as well as workers, financial backers or any outsider accomplices. This incorporates executing a rhythm for checking for new or refreshed compliance commitments your association might have to oblige.*

*Stage 2: Direct a risk evaluation.*

*When you know your association's compliance commitments, you ought to lead a risk evaluation to recognize how the compliance commitments, on the off chance that not followed, could endanger your association. All in all, you'll need to evaluate the danger forced on your association on the off chance that you don't maintain a specific norm. As a component of this cycle, you will actually want to focus on your compliance endeavors and dispense assets likewise.*

*Stage 3: Consolidate approaches and techniques to guarantee compliance is met.*

*For any association, it is of most extreme significance that you defend your compliance endeavors by making strategies and methods, including any essential agreements, that ensure you are meeting your commitments as soon a possible. A piece of this step ought to dole out proprietorship and obligation to explicit representatives or groups to keep steady over the norms you want to comply with and furthermore to design and be prepared for any potential risks implied.*

*Stage 4: Report on your compliance risk the board endeavors.*

*Similarly, as with any administration cycle, it's essential to report on your association's compliance climate consistently. You'll need to audit that your commitments are being met as well as the cycles and strategies set up for meeting them to recognize what's working or any shortcomings that can be changed. Moreover, you'll need to track your compliance history with the end goal of inner or outer reviews.*

Scenario B

Write an email to Gavin Stead, your employee, communicating two different best practice requirements than chosen for the previous question.

**Dear Stead,**

**Following are the two best practices requirements that ensure the maximum compliance. Kindly review and provide your feedback. Thank You.**

* 1. **Set up a system to recognize your commitments.**

**The initial step is building a structure that guarantees your association properly distinguishes and comprehends its duties, commitments and liabilities towards the public authority as well as workers, financial backers or any outsider accomplices.**

* 1. **Direct a risk evaluation.**

**When you know your association's compliance commitments, you ought to lead a risk evaluation to recognize how the compliance commitments, on the off chance that not followed, could endanger your association.**

**Waiting for your feedback.**

# Module 2 Task 1

1. What is the purpose of a trust account?

**A primary justification for making a trust is to control who accepts your resources. You can relegate resources through a trust during your lifetime or at your demise (by means of your will). For example, you might need your trust asset to accommodate a relative's schooling or to assist with the acquisition of a first home.**

2. What are some other names given to Statutory Trust Accounts for your state? List at least 2.

**In-Trust-For (“ITF”) or. As-Trustee-For (“ATF”).**

3. Outline the legislation and the regulator with which a real estate agency trust account must comply within either NSW or Victoria.

**Licensees under the Property and Stock Specialists Act 2002 (the Act) should hold clients' subsidizes in a trust account.**

**Those assets can't be utilized for any reason other than for that client and should be dispensed as the client coordinates.**

**'General' trust accounts ought not be mistaken for 'Separate' trust accounts opened in the interest of seller/buyer or strata designs or laid out by the proprietors enterprise of a strata scheme as expected under the Strata Schemes Management Act 2015.**

* 1. Summarise both internal and external trust account audit requirements for either NSW or Victoria.

**Auditors should be qualified under segment 115 of the Property and Stock Specialists Act 2002. Enrolled audit organizations, approved organization auditors and individuals from an Expert Accounting Body holding a Public Practicing Declaration or Endorsement of Public Practice can lead the audit.**

5. Summarise the record-keeping requirements for trust accounts for either NSW or Victoria.

**Trust account recording-keeping**

* **Records should be finished, state-of-the-art and agreeable. Trust records ought to be kept in a total, ideal and accurate manner.**
* **Pick one configuration or the other.**
* **Put yourself in a position for audit and record keeping achievement.**
* **Work with your outer inspector.**
* **Keeping trust account records.**

6. In the event that the trust account has been overdrawn, compromised or discrepancies are identified, what is the best course of actions for the licensee in charge to take as per legislative/regulator requirements?

**The Real Estate and Business Agents Act 1978 (the Act) and the Real Estate and Business Agents (General) Guidelines 1979 (the Guidelines) require the severe upkeep of a proper arrangement of trust account records that show whenever the condition of a real estate agent's trust account.**

7. Name and explain two bookkeeping principles/practices.

**The primary principle of bookkeeping is to record on an everyday premise the monetary transactions and data relating to a business. The bookkeeping principles guarantee that the individual monetary transactions are cutting-edge and extensive. Likewise, to give data from which accounts are to be ready.**

# Module 2 Task 2

1 List some real estate operations or actions when using a trust account for both:

- Property Management &- Property Sales

**One of the biggest warnings during a property management organization audit includes improper treatment of trust reserves. To properly (and legitimately) handle proprietor and occupant reserves, a property manager should comprehend the essential principles of trust accounting.**

**Trust accounting guidelines for property managers are state explicit, so it is vital you counsel your state and neighborhood prerequisites to be agreeable.**

2 Go online and analyse trust accounting software for real estate.

Discuss a suitable software package below and give at least 2 reasons as to how it meets legislative requirements.

**REI Master real estate trust accounting programming is great for running all parts of your property management business. The strong real estate trust accounting programming highlights incorporate the easiest bank reconciliation and end of month available, definite reviews and support management, permanent, occasion and business trust accounting, far reaching CRM, SMS, MS PPT and MS Word, systems, agendas and considerably more.**

**REI Master real estate trust accounting programming is reasonable from the smallest to largest of businesses and is backed up by our popular assistance and on going turn of events. Browse the above menu for more data about REI Master real estate trust accounting programming.**

3 Outline the legislative requirements for opening and closing trust accounts.

**Whenever you have affirmed you are qualified to receive trust cash, sign in to the web and apply to fluctuate your practicing authentication. You should sit tight for you PC to be given prior to opening a trust account at a bank.**

**An endorsed agent may likewise receive trust cash for legitimate expenses for at least one counselors.**

**While closing a trust account, regulation practices and endorsed lawyer's representatives should guarantee that any finances held in the legal deposit account are moved into their trust account.**

4 Develop a risk management plan for operating and managing the trust account for Connect Skills Real Estate.

Use the form attached to the question (AT2 - Part B - Risk Management Plan Template V1.0) and insert at least 4 risks.

|  |  |  |
| --- | --- | --- |
| **Risk #** | **Risk Name** | **Risk Rating** |
| 1 | Financial Fraud | High |
| 2 | Identity Theft | High |
| 3 | Loss of Information | Moderately High |
| 4 | Malicious Intrusion | Moderately High |

5 Create a policy and procedures document for managing and operating the trust account for Connect Skills Real Estate.

Use the template provided Policy & Procedure - Trust Account - Template - Student V1.0, which is attached to the question.

**Purpose**

**The purpose of this policy is to explain procedures related to Managing and Operating Trust Accounts.**

**Policy &** **Procedures**

**Each state has quite certain standards about the management of trust accounts, including rules for such issues as:**

**High level charges - Expenses procured ahead of time can lead to huge issues whenever dealt with improperly. A few states preclude lawyers from storing these assets into the general account, rather expecting that they stay in the company's trust account until the charge is procured. Different states permit lawyers to store progressed assets into their general accounts, even before the work is finished. Ensure you know the principles of your state and handle progressed charges appropriately.**

**Procured charges - Some bar affiliations expect lawyers to eliminate assets from the trust account when acquired. Leaving them in the account might be seen as coexisting of assets. Regardless of whether the assets have been procured, specialists say that it is awful business to cover bills or make any kinds of office-related installments from the trust account. Contingent upon your locale, these acts might try and prompt a moral infringement.**

**Account interest - Interest procured on a client trust account likewise conveys a few restrictions on use. Interest on Legal counselor Trust Accounts (IOLTA) guidelines mandate that interest procured on a trust account be shipped off the state bar affiliation, for the most part for the arrangement of lawful administrations to low-pay occupants. Ensure you grasp the IOLTA strategies in your state and properly set up your IOLTA accounts.**

# Module 2 Task 3

**Introduction**

This report is to analyse & review the reconciliation statement made by Rod the Auditor.

Relevant legislative requirement/s applying to each shortfall

* Acquire the trust bank statement(s).
* Scratch off completely arranged checks, different withdrawals and receipts that have been handled for that month. Note any errors in the sums contrasted with the payment and receipts diaries. Most accounting programming packages include a reconciliation module to assist you with this cycle.
* Distinguish any makes sure that you have given, yet have not cleared the monetary establishment, from your trust payment diary. List the extraordinary checks including actually take a look at number, date of issue, sum, payee, and client record reference. Complete the posting of remarkable checks; these are your exceptional checks to note on your trust account reconciliation.
* Distinguish any stores that don't show up on the bank proclamation that you recorded in your trust receipts diary. List the exceptional stores, by date and the sum that are not recorded on the bank explanation; these are your remarkable stores to note on your trust account reconciliation.
* List any mistakes as well as posting blunders independently by date of event and give a short clarification; duplicate any supporting records and attach to your reconciliation.
* Work out your reconciled trust bank balance by subtracting the remarkable checks, and adding the extraordinary stores from the consummation balance on the trust bank explanation. Bank balance + remarkable stores - extraordinary checks = reconciled trust account balance.
* Contrast the reconciled trust bank offset with your complete client trust posting. These equilibriums ought to concur.

Strategies for shortfall that should be remedied prior to the reconciliation statement being signed off

Businesses keep a money book to record different transactions. Likewise, as a record to cross-really look at bank explanation. The method involved with contrasting both the records is Reconciliation. It actually takes a look at the mistakes and states them in BRS (Bank Reconciliation Explanation). Furthermore, reconciliation happens consistently to keep up with the harmony between the two records. Besides, reconciliation draws out the potential distinction that benefit a firm when precluded. There are many things that surface in a company's money record which requirements repairing. Reconciliation accomplishes that work for it. So let us concentrate on arrangement of bank reconciliation articulation exhaustively.

# Module 4 Task 1\*

1. **Name two pieces of commonwealth and state or territory legislation that impact on agency business planning.**

* The Rules of Conduct - Property and Stock Agents Regulation 2014
* Rules of conduct - Property and Stock Agents Act 2002 (the Act) focuses on raising the level of professionalism of all property agents.

1. **What would be the best way to find out about any local government regulations impacting on real estate practice or agency operations?**

It is important to refer to local legislations, legal advisors to identify if any local regulations are impacting the practice or operations of agency.

1. **List 3 different benefits of business planning**

* Increased clarity that helps in further decision making
* Helps in generating funds and finances
* Provides a comprehensive blueprint that saves resources.

1. **Explain two different ethical considerations when planning a property agency.**

The real estate agencies promote the most elevated level of ethics in business practice to advance and protect the option to possess, use, trade, and move genuine property. Specialists inside the business actually must know ethical principles, comprehend the reason why they're significant, and submit to them. It's fundamental that specialists keep away from segregation in land exchanges along with any demonstration of distortion, misrepresentation, or deliberate demonstration of misdirection, otherwise called extortion. Unethical practice is denied in all parts of land work on, including promoting, property divulgence, posting arrangements, promptings, the holding of sincere cash, and agreement assistance.

1. **List 2 sources or services where you can find out information about the current property market and business environment.**

* Local newspapers;
* Local yellow papers for property listings.

1. **Explain what a feasibility study is.**

A feasibility study in land is the examination you lead prior to undertaking improvement to see whether it is practical. At the point when you are doing a feasibility study, you take a gander at the proposed area for the turn of events and the circumstances influencing the venture. Furthermore, you additionally need to study the climate of the given area for the improvement to recognize both interior and outside factors overwhelming the task. The feasibility study helps to distinguish every one of the parts of the land project that need to meet up assuming you are to succeed. Assuming you neglect to perceive any important component, you risk creating inaccurate expectations that can bring your venture down.

1. **Explain what a risk management plan is and note what a strategic risk is.**

Risk management is a continuous action that will go on over the lifetime of the venture. This cycle incorporates proceeded with exercises of risk recognizable proof, risk evaluation, making arrangements for recently distinguished risks, checking trigger circumstances and alternate courses of action, and risk investigating a normal premise.

Strategic risks are the potential threats a business might cause in light of choices made at the strategic level. These remember disappointments for business strategy or a marketable strategy as they connect with either inward or outside powers. Inward occasions that could cause the disappointment of a business strategy incorporate unfortunate correspondence, low income, a fruitless consolidation, or an adjustment of senior management.

1. **Explain what an operation plan is.**

An operational plan is a pragmatic report which frames the vital exercises and focuses on an association will embrace during a timeframe, normally one year. It is frequently connected to financing arrangements as well as being connected by and large to the association's strategic plan.

1. **What is a financial plan?**

A financial plan reports a person's drawn-out financial objectives and comes up with a strategy for accomplishing them. The plan ought to be thorough yet additionally profoundly individualized, to mirror the singular's private and family circumstances, risk resistance, and future assumptions.

1. **Explain what an assumption means in terms of business planning.**

Assumptions are thoughts that are presumed to be valid prior to taking choices. Assumptions are likewise made in organizations for fostering a strategy, planning and deciding. These guesses are for the most part normalized as exposure of vulnerability and risk.