

**INSTRUCTIONS**

1. Please review the attached Accountant's Report Instructions and Minimum Procedures. The *Real Estate Services Act*, Regulation and Rules can be found on the Real Estate Council's website at [www.recbc.ca/licensee/legislation.html](http://www.recbc.ca/licensee/legislation.html).
2. Please print clearly.
3. If there is insufficient space on the form, please provide the requested information in an attachment.
4. This Accountant's Report, along with the brokerage's financial statements and brokerage activity report must be filed with the Real Estate Council within 120 days after the end of each fiscal year end of the brokerage.

PART A				
<i>To be completed by the brokerage before forwarding this report to the reporting accountant</i>				
The following information is given with respect to _____ for the fiscal year <span style="display: block; text-align: center; font-size: small;">(legal name of brokerage)</span> commencing on _____ and ending on _____ <span style="display: block; text-align: center; font-size: x-small;">(first day of the brokerage's fiscal year MM/DD/YYYY) (last day of the brokerage's fiscal year MM/DD/YYYY)</span>				
<b>All savings institutions accounts of the brokerage opened, closed or maintained during the fiscal year. (Use attachment if required)</b>				
Name and branch location of savings institution	Account #	Type of Account <small>(brokerage trust, commission, strata operating and contingency reserve, general, etc.)</small>	Date of opening during fiscal year <small>MM/DD/YYYY</small>	Date of closing during fiscal year <small>MM/DD/YYYY</small>
Address of the brokerage and, if applicable, of all branch offices of the brokerage that operated at any time during the fiscal year:				

## PART B

### To be completed by the reporting accountant

1. Based on my/our examination and subject to any qualifications or exceptions noted in number 4, I/we report that in my/our opinion the brokerage has, for the fiscal year:
  - a) maintained books, accounts and other records in connection with their business as a brokerage as required by Part 3 [*Trust Accounts and Other Financial Matters*] of the Real Estate Services Act, Part 3 [*Trust Accounts and Other Financial Matters*] of the Real Estate Services Regulation, Part 5 Division 3 Section 15 [*Commissions and Other Remuneration*], Part 7 [*Brokerage Accounts and Financial Requirements*] and Part 8 Division 1 [*Brokerage Records-Financial Records*] and Division 3 [*General Recordkeeping*] of the Rules;
  - b) maintained in its brokerage trust accounts and commission trust accounts sufficient funds to discharge its gross trust liabilities as disclosed in its accounts; and,
  - c) prepared a monthly trust reconciliation for all month ends that occurred in the fiscal year.
  
2. Based on my/our review of the unaudited financial statements for the fiscal year, which were prepared by \_\_\_\_\_ and our Review Engagement Report (or Notice to Reader if authorized) dated \_\_\_\_\_, and subject to any qualifications or exceptions noted in number 4, we report the following:
  - a) Per the Financial Statements:  
 Current assets: \$ \_\_\_\_\_ Total assets: \$ \_\_\_\_\_  
(exclusive of goodwill, incorporation costs and other intangibles)  
 Current liabilities: \$ \_\_\_\_\_ Total liabilities: \$ \_\_\_\_\_  
 Except as noted in number 4 below,
    - b) no changes in accounting principles used by the brokerage have been brought to my/our attention,
    - c) no contingent liabilities in connection with this brokerage have been brought to my/our attention, and
    - d) there are no material subsequent events that have come to my/our attention that would result in an exception.
  
3. I/We have also reviewed the monthly trust reconciliations for all month ends that occurred after the end of the fiscal year but before the date of completion of field work.
  
4. Qualifications or exceptions, if any: \_\_\_\_\_  
(use attachment if insufficient space)

### Reporting accountant's information

Name of accountant	Professional designation
Name of accounting firm	Accounting firm address
Accounting firm phone number (include area code)	Date of completion of field work MM/DD/YYYY
Signature of accountant	Date of signing MM/DD/YYYY

## PART C

**To be completed by both a managing broker of the brokerage and a director, officer, partner or sole proprietor of the brokerage.**

**I/WE HEREBY CERTIFY THAT:**

- a) All books, records, accounts and subordination agreements of this brokerage, plus any correspondence between this brokerage and the Real Estate Council related to the fiscal year with regard to these books, records, accounts and subordination agreements have been disclosed to the accountant except as noted in (d) below.
- b) There have been no changes in capital structure, directors, officers, shareholders, partners or accountants of this brokerage since the date of the previous accountant's report filed except as noted in (d) below.
- c) I/We have reviewed this report and to the best of my/our knowledge believe it to be true and complete.
- d) Qualifications or exceptions, if any: \_\_\_\_\_  
*(use attachment if insufficient space)*

Name of brokerage	Name of managing broker
Signature of managing broker	Date MM/DD/YYYY
Name of director/officer, partner or sole proprietor	
Signature of director/officer, partner, or sole proprietor	Date MM/DD/YYYY

<b>Mailing Address</b> Real Estate Council of British Columbia 900-750 West Pender Street   Vancouver, BC Canada   V6C 2T8	<b>Enquiries</b> Tel: 604.683.9664   Toll-free: 1.877.683.9664   Fax: 604.683.9017 www.recbc.ca   info@recbc.ca
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## Instructions to Accountants

### 1. Independent Accountant to Conduct Specified Procedures

As an independent accountant, you have been asked to conduct the procedures specified below on the brokerage's books, records, and accounts maintained with reference to the trust accounting and other financial requirements as set out in the British Columbia *Real Estate Services Act* (appropriate sections attached). Section 1-1 of the Rules defines accountant as follows:

- (a) a person who is a member, or is a partnership whose partners are members, of
  - (i) a Provincial or Territorial Institute/Ordre of Chartered Accountants within Canada, or
  - (ii) The Certified General Accountants Association of British Columbia,
- (b) a person who is certified, under section 222 of the *Business Corporations Act*, by the Auditor Certification Board, or
- (c) as an alternative for a brokerage that is a reporting issuer within the meaning of the *Business Corporations Act*, a person who is authorized under the *Securities Act* to make an auditor's report.

### 2. General Requirements

The general requirements for filing an annual Accountant's Report are contained in section 7-7 of the Rules as follows:

"Section 7-7 Annual financial statements, accountant's report and brokerage activity report

- (1) A brokerage must, within 120 days after the end of each fiscal year of the brokerage, file with the Council
  - (a) financial statements for that fiscal year,
  - (b) an accountant's report respecting that fiscal year, completed in accordance with the bylaws, and
  - (c) a brokerage activity report respecting that fiscal year, completed in accordance with the bylaws.
- (2) The financial statements must
  - (a) be audited by an accountant, in the case of a brokerage that is a public company as defined in the *Business Corporations Act*, or
  - (b) in any other case, have been subject, at a minimum, to
    - (i) a review engagement by an accountant, or
    - (ii) if authorized under subsection (2.1), a notice to reader prepared by an accountant.
- (2.1) The Council may authorize a brokerage to file financial statements that have been subject to a notice to reader prepared by an accountant if all of the following conditions are met:
  - (a) for a minimum of 3 consecutive fiscal years immediately preceding the date of authorization, the brokerage has filed financial statements that comply with subsection (2) (a) or (b) (i) and has satisfied the other requirements of this section as applicable;
  - (b) during those 3 fiscal years there have been no significant trust account or general books and records exceptions
    - (i) reported in relation to the brokerage under section 4-9 [annual accountant's report] of the bylaws, or
    - (ii) discovered in relation to the brokerage in any review under section 7-6 [council review of accounts and other records] of these rules;
  - (c) the Council is satisfied that at the end of each of those 3 fiscal years the brokerage's current assets exceeded its current liabilities.
- (3) An accountant who
  - (a) audits, reviews the financial statements or prepares a notice to reader in relation to the financial statements, as contemplated by subsection (2) or (2.1), or
  - (b) completes the accountant's reportmust be independent of the brokerage and of any director, officer or partner of the brokerage or a related licensee of the brokerage.
- (4) The brokerage must
  - (a) disclose to an accountant referred to in subsection (3) every savings institution account that was opened, closed or maintained by the brokerage during the fiscal year,
  - (b) provide the accountant with access to all financial and other records of the brokerage for the fiscal year, and
  - (c) provide the accountant with any other information the accountant considers necessary to enable the accountant to conduct the audit, review the financial statements, prepare the notice to reader or complete the accountant's report, as required by this section.
- (5) The Council may withdraw an authorization given to a brokerage under subsection (2.1) if
  - (a) the brokerage does not file financial statements that comply with this section,
  - (b) a trust account or general books and records exception has been reported or discovered as described in subsection (2.1) (b) in relation to the brokerage, or
  - (c) the Council is not satisfied that the brokerage's current assets exceed its current liabilities at the end of any fiscal year.
- (6) Before withdrawing an authorization given to a brokerage under subsection (2.1), the council must give the brokerage notice of its intention to do so and the reasons.
- (7) As an alternative to filing an accountant's report under subsection (1) (b), a brokerage that did not hold or receive any public trust money during the fiscal year to which the financial statements relate may file with the Council a solemn declaration, completed in accordance with section 4-9.1 of the bylaws, respecting
  - (a) that fiscal year, or
  - (b) if the brokerage did not carry on business for the entire fiscal year, that part of the fiscal year for which the brokerage did carry on business."

### 3. Required Form

The Accountant's Report form approved by the Council must be used. A copy of this form is provided and is also available on the Council's website [[www.recbc.ca](http://www.recbc.ca)]. Any other format WILL NOT be accepted (fax plus original to follow is acceptable).

### 4. Subordination Agreements

- (a) Obtain a copy of the subordination agreement(s) in place pursuant to the *Real Estate Services Act* from the brokerage if they have not been provided.
- (b) Compare the terms of the subordination agreement(s) against the disclosure on the financial statements for the brokerage.

### 5. Exceptions

In completing Section 4 of Part B "Exceptions" of the Accountant's Report, if the space provided is insufficient, attach a schedule of exceptions on your letterhead, signed and dated on each page. **Your working papers must FULLY document all your EXCEPTIONS.** If there are no exceptions, please state "none".

The sample size for the procedures is set out in the Table of Required Minimum Examination Guidelines. Your responsibility is to report to the Council all exceptions that you discover in the course of performing the procedures. It is the Council's responsibility to evaluate the exceptions that you report.

If there are numerous minor exceptions of a similar nature, it is necessary to report only on the general situation—and include the extent of exceptions of a similar nature, their dollar effect, and the number of times the situation arose. For trust debit balances of less than \$50, only the number of times the situation arose need be noted.

### EXAMPLES OF EXCEPTIONS

The requirements of a brokerage to maintain books, accounts and records are detailed in Part 3 [*Trust Accounts and Other Financial Matters*] of the *Real Estate Services Act*, Part 3 [*Trust Accounts and Other Financial Matters*] of the *Real Estate Services Regulation*, Part 5 Division 3 Section 15 [*Commissions and Other Remuneration*], Part 7 [*Brokerage Accounts and Financial Requirements*] and Part 8 Division 1 [*Brokerage Records-Financial Records*] and Division 3 [*General Recordkeeping*] of the Rules.

Common examples of exceptions to these requirements include:

#### 1) Maintaining Books, Accounts and Records

- a) Account records not posted promptly.
- b) Transfers between client subsidiary trust ledger accounts other than by way of cheque or other than in accordance with signing authority dictated by the bank mandate.
- c) Failure to account for all receipts to and disbursements from trust and general accounts.
- d) Failure to have a written service agreement in place, where applicable, authorizing withdrawals from trust.
- e) Trust deposit books, bank statements and cheques not designated as trust.
- f) Failure to maintain a list of trades in real estate, rental properties and strata corporations managed by the brokerage, during the reporting period.
- g) Failure to maintain a trade record sheet for each trade in real estate.
- h) Failure to authorize the savings institution to pay the interest earned in the brokerage trust account to the Real Estate Foundation.

#### 2) Maintaining Sufficient Trust Funds to Discharge Gross Trust Liabilities

- a) Withdrawing trust funds for remuneration for licensees before the trading services transaction has closed, or in anticipation of the terms outlined in the service agreement, i.e. for rental or strata management, in advance at the beginning of the month.
- b) Overdrawing specific principal's trust ledger balances.
- c) Trust money deposited late or into the general bank account
- d) Bank service charges drawn against the pooled trust account.
- e) Excess funds on deposit in the trust account i.e. a float or a balance of funds retained in the pooled trust account pursuant to section 7-9(5) of the Rules.

#### 3) Preparing Monthly Trust Reconciliations

- a) Monthly bank and trust liability reconciliations not prepared in a timely fashion and, in any case, no later than 5 weeks after the monthly accounting cut-off date for the account, prepared late or not prepared properly.
- b) Necessary corrections not made when first discovered (which should be when the monthly trust reconciliation is prepared).
- c) Reconciling differences carried over from one reconciliation date to the next (indicating a failure to prepare the reconciliations properly on a monthly basis).

### Other Reporting Matters

Where you are unable to report as required, under Part B, you should clearly set forth, in the qualifications or exceptions section, details of those matters on which you are unable to report and the reasons for this.

Your report and explanatory letter, if any, are delivered to the Council by the managing broker. Therefore, the contents of your report and explanatory letter, if any, will be known to the managing broker. Where differences of opinion exist between you and the managing broker, the managing broker has the option of writing a letter to the Council in response. You should review your report and comments, if any, with the managing broker.

# **Accountant's Minimum Procedures**

The engagement to complete Part B of the Accountant's Report is for the fiscal year end of the brokerage and will be limited to the procedures specified below, except where those procedures are extended as directed to you in writing. **Any such additional procedures shall be attached to this letter and become part of the engagement.** The **Table of Required Minimum Examination Sample Sizes** sets out the sample size for your procedures. In completing the **Accountant's Report**, the accountant will select a month within the fiscal year. The month selected (hereinafter referred to in this report as the "selected month") will be reported to the Council and used for the purpose of completing the following procedures and the **Accountant's Report**. The procedures to be performed are as follows:.

## **Preliminary Procedures**

- 1) Read Part 3 [*Trust Accounts and Other Financial Matters*] of the *Real Estate Services Act*, Part 3 [*Trust Accounts and Other Financial Matters*] of the *Real Estate Services Regulation*, Part 5 Division 3 Section 15 [*Commissions and Other Remuneration*], Part 7 [*Brokerage Accounts and Financial Requirements*] and Part 8 Division 1 [*Brokerage Records-Financial Records*] and Division 3 [*General Recordkeeping*] of the Rules.
- 2) Confirm with managing broker that the brokerage's accounting policies remain unchanged since the previous year end and report as a qualification or exception under Part B if they have changed and what the change is.
- 3) Confirm with managing broker that the brokerage does not have any contingent liabilities and report as a qualification or exception under Part B if there are any contingent liabilities.
- 4) Confirm the brokerage's compliance with section 26 of the *Real Estate Services Act* by obtaining a list of all of the brokerage's trust accounts showing they are maintained at a savings institution in the Province of British Columbia.
- 5) Obtain a copy of the annual documentation from the brokerage to its savings institution(s) designating its trust accounts for deposit insurance protection (usually a trust liability reconciliation must be provided to the savings institution).
- 6) Confirm the brokerage's compliance with section 29 of the *Real Estate Services Act* by scanning a sample of the monthly bank statement(s) for instances where the brokerage has been credited by a savings institution with interest on money held in a brokerage trust account. Where this has happened, obtain a copy of the correspondence from the brokerage to the savings institution requesting the savings institution to (a) hold the interest in trust for the Real Estate Foundation, and (b) pay the interest to the foundation in accordance with the regulations. [Refer to sample letter in Brokerage Standards Manual - [http://www.recbc.ca/licensee/bsm.html#\\_Toc214329855](http://www.recbc.ca/licensee/bsm.html#_Toc214329855) ]

## **Reconciliation Procedures for Trading and Rental Management Services**

- 1) Obtain from the managing broker a list of all savings institution accounts, including pooled and separate trust accounts (bank accounts, term deposits, G.I.C. s, etc.) in existence during the reporting period.
- 2) Confirm all trust account balances agree to trust liability and asset reconciliations as at reporting period end.
- 3) For the "selected month," check that a monthly reconciliation has been prepared for each trust account, including pooled trust accounts, no later than 5 weeks after the end of the month being reconciled during the fiscal year and subsequent months preceding the completion of field work by the accountant by confirming it has been dated and signed as prepared and reviewed.
- 4) For the "selected month" where there is a negative balance in a trust account, obtain documentation from brokerage that they took immediate steps to eliminate the negative balance. Where the brokerage was unable to eliminate the negative balance within 10 days, obtain a copy of the letter from the brokerage notifying the Real Estate Council.
- 5) For the "selected month," re-perform the trust depository account reconciliation and compare gross trust liabilities to the total of the reconciled trust assets.
  - a) Report all deficiencies to the Council and obtain an explanation from the brokerage, where appropriate.
  - b) Check that the reconciliation was prepared no later than 5 weeks after the monthly accounting cut-off date for the account by confirming it has been dated and signed as prepared and reviewed.
  - c) Scan the subsidiary trust ledgers for unclaimed amounts and compare these amounts to the supporting documentation.
  - d) Scan all brokerage trust account depository statements for overdraft or other unusual entries.

Note: The Council amended section 4-9 of its Bylaws to eliminate the requirement for commission trust accounts to be included in the scope for the annual Accountant's Report. This amendment took effect January 1, 2006 and applies to Accountant's Reports filed for the 2006 reporting year onwards.

## **Reconciliation Procedures for Strata Management Services**

- 1) Obtain from the managing broker a list of all savings institution accounts, including pooled and separately designated trust accounts (bank accounts, term deposits, G.I.C.s, etc.) in existence during the reporting period.
- 2) For the "selected month" confirm that the brokerage maintains at least one separate trust account in the name of the strata corporation. If the brokerage is to hold contingency reserve fund money or special levy money on behalf of the strata corporation, at least one separate trust account in the name of the strata corporation for the contingency reserve fund money, the special levy money or both, is maintained.
- 3) Confirm that trust depository account balances agree to trust reconciliations as at reporting period end and throughout the reporting period.
- 4) For the "selected month" check that a monthly reconciliation has been prepared for each trust account, including pooled trust accounts, no later than 5 weeks after each month end during the fiscal year and subsequent months preceding the completion of field work by the accountant by confirming it has been dated and signed as prepared and reviewed.
- 5) For the "selected month," where there is a negative balance in a trust account, obtain documentation from brokerage that they took immediate steps to eliminate the negative balance. Where the brokerage was unable to eliminate the negative balance within 10 days, obtain a copy of the letter from the brokerage notifying the Real Estate Council.
- 6) For the "selected month" and a sample (refer to Table of Required Minimum Examination Sample Sizes) of strata corporations, re-perform the monthly trust depository reconciliations for each strata corporation selected.
  - a) Obtain an explanation from the brokerage for exceptions and report all exceptions to the Council.
  - b) Check that all reconciliations were prepared no later than 5 weeks after the monthly accounting cut-off date for the account by confirming it has been dated and signed as prepared and reviewed.

- c) Scan the brokerage trust depository statements for overdraft or other unusual entries.

### **Compliance Procedures for Trading Services**

- 1) For trust receipts, in the "selected month":
  - a) for all pooled and separate trust accounts, verify the timeliness and the accuracy of postings and allocations of deposits to deposit slips, cash books, subsidiary trust ledgers, trust liabilities and trading service file details;
  - b) for a sample of trading service files, agree the details to the banking records, subsidiary trust ledger and trust liability.
- 2) For trust disbursements, in the "selected month":
  - a) for all pooled and separate trust accounts, verify the timeliness and accuracy of postings and allocations of trust disbursements to banking records, cash books, subsidiary trust ledgers, trust liabilities and trading service file details;
  - b) for a sample of trading service files, agree the details to the banking records, subsidiary trust ledgers and trust liabilities;
  - c) confirm with the savings institution(s) that the signatories for the trust account are in accordance with Part 7-4(1) of the Rules (at least one related managing broker must be a signing authority on each trust account maintained by the brokerage).
- 3) For the "selected month," check that the remuneration for licensee transfer occurs after completion of the related transaction and the amount agrees to the written service agreement and is in accordance with sections 30 and 31 of the Real Estate Services Act.
- 4) Scan the subsidiary trust ledger for debit balances and for entries arising from other than banking transactions.
- 5) For the "selected month," check the arithmetical accuracy of the additions and balancing of ledgers.
- 6) In the "selected month," for the sample of trading service files, check the numerical sequence of the files to account for all numbers.

### **Rental Property and Strata Management Services**

Some real estate brokerages provide rental property and/or strata management services. The **Preliminary** and the **Reconciliation** procedures noted above apply equally to these brokerages. Rental property and strata management fees are a form of licensee remuneration.

### **Compliance Procedures for Rental Property Management Services**

- 1) For trust receipts, for the "selected month":
  - a) for all pooled and separate trust accounts, verify the timeliness and the accuracy of postings and allocations of deposits to deposit slips, cash books, subsidiary trust ledger, trust liability and statements and information sent to the principal;
  - b) for a sample of rental properties managed, agree the details of information sent to the principal with the banking records, subsidiary trust ledger and trust liability.
- 2) For trust disbursements, in the "selected month":
  - a) for all pooled and separate trust accounts, verify the timeliness and the accuracy of postings and allocations of trust disbursements to banking records, cash books, subsidiary trust ledger, trust liability and source documentation;
  - b) for a sample of rental properties managed, agree the details of the information sent to the principal with the banking records, subsidiary trust ledger, trust liability and source documentation;
  - c) confirm with the savings institution(s) that the signatories for the trust account are in accordance with Part 7-4(1) of the Rules (at least one related managing broker must be a signing authority on each trust account maintained by the brokerage).
- 3) For the "selected month," check the rental property management fee withdrawn is correct and the withdrawal has been authorized in a written service agreement and is in accordance with sections 30 and 31 of the *Real Estate Services Act*.
- 4) Scan the subsidiary trust ledger for debit (negative) balances and for entries arising from other than banking transactions.
- 5) For the "selected month," check the arithmetical accuracy of the additions and balancing of ledgers.
- 6) Security Deposits:
  - a) document the brokerage's policy regarding security deposits;
  - b) where security deposits are retained by the brokerage, perform the procedures outlined in (1) and (2) above for security deposits received and returned;
  - c) where security deposits are not retained by the brokerage, for the "selected month," vouch the receipt and disbursement of the security deposit against terms of written service agreements.

### **Compliance Procedures for Strata Management Services**

- 1) For trust receipts, for the "selected month":
  - a) for separate trust accounts, verify the timeliness and the accuracy of postings and allocations of deposits to deposit slips, cash books, strata owner records and statements and information sent to the strata corporation;
  - b) for receipts of contingency reserve fund money or special levy money or both, vouch that it was paid within 7 days after the end of the month in which it was received, into an applicable trust account or to the strata corporation in accordance with Part 7-9(4) of the Rules;
  - c) for a sample of strata corporations managed, agree the details of information contained in financial statements sent to the strata council with the banking records, source documents, general and subsidiary ledgers maintained by the brokerage for the strata corporation.
- 2) For the pooled trust account for one or more strata corporations, verify the timeliness and accuracy of postings and allocations of deposits in accordance with Part 7-9(5) of the Rules.
- 3) For trust disbursements, for the "selected month":
  - a) for separate trust accounts, verify the timeliness and the accuracy of postings and allocations of trust disbursements to banking records, cash books, subsidiary trust ledger, trust liability, source documentation and to the information sent to the strata corporation;
  - b) for a sample of strata corporations managed
    - (i) agree the details of the information contained in financial statements sent to the strata corporation with the banking records, source documents, general and subsidiary ledgers maintained by the brokerage for the strata corporation; and,
    - (ii) confirm with the managing broker that the brokerage has arranged to provide a copy of the monthly statements received by the brokerage from the savings institution to the strata corporation within 30 days after the statement was issued in accordance with Part 7-9(7) of the Rules;
  - c) confirm with the savings institution(s) that the signatories for the trust account are in accordance with Part 7-4(1) and 7-9(6) of

- the Rules (at least one related managing broker must be a signing authority on each trust account maintained by the brokerage).
- 4) For a pooled trust account for one or more strata corporations, verify the timeliness and accuracy of postings and allocations of disbursements established under Part 7-9(5) of the Rules.
  - 5) For the “selected month,” check the strata management fee withdrawn is correct and the withdrawal has been authorized in a written service agreement and is in accordance with sections 30 and 31 of the *Real Estate Services Act*.
  - 6) Scan the cash ledger balances for debit (negative) balances (overdrawn balances) and for entries arising from other than banking transactions.
  - 7) For the “selected month,” check the arithmetical accuracy of the additions and balancing of ledgers.

### SELECTION OF THE SAMPLE MONTH

The “selected month” should, whenever possible, be representative of the operations of the brokerage during the year and must include a transaction. If there is only one month with a deposit, that month should be selected, even if there were no disbursements in that month.

If the report is being issued only as a result of the holding and disbursement of funds received in a previous fiscal period, then the sample month should be one where a disbursement was made and this fact stated in the additional comments to the report.

**Table of Required Minimum Examination Sample Sizes**  
(for use in completing the Accountant's Report)

### REAL ESTATE TRANSACTIONS – TRADING SERVICES

Estimated Monthly Real Estate Transactions	Required Examination Sample in Selected Month
0-50	Examine all transactions (to a maximum of 10)
51-200	Examine 20% of all transactions
Over 200	Examine 40 transactions

### REAL ESTATE TRANSACTIONS – RENTAL PROPERTY MANAGEMENT SERVICES

Number of Properties Managed In Selected Month	Required Examination Sample in Selected Month
0-50	Examine all properties to a maximum of ten (10)
Over 50	Examine 20% to a maximum of twenty (20)

In the selected month, properties that make up the required examination sample shown above should be selected from a range of property types. Use the following proportions as far as applicable properties allow:

Total Properties Examined in Selected Month should be made up of:	Properties with Client's Estimated Monthly Rental Income of:
40%	Under \$1,000
20%	\$1,001 to \$5,000
20%	\$5,001 to \$10,000
10%	\$10,001 to \$30,000
10%	Over \$30,000

### REAL ESTATE TRANSACTIONS – STRATA MANAGEMENT SERVICES

Number of Strata Corporations Managed In Selected Month	Required Examination Sample in Selected Month
0-30	Examine all properties to a maximum of ten (10)
Over 30	Examine 20% to a maximum of twenty (20)

In the selected month, properties that make up the required examination sample shown above should be selected from a range of property types. Use the following proportions as far as applicable properties allow:

Total Number of Strata Corporations Examined in Selected Month should be made up of:	Properties with Strata Corporation's Estimated Monthly Strata Fees Collected (Operating and Contingency Reserve Funds)of:
40%	Under \$7,000
20%	\$7,001 to \$18,000
20%	\$18,001 to \$35,000
10%	\$35,001 to \$50,000
10%	Over \$50,000

It may be useful to reference our website at [www.recbc.ca](http://www.recbc.ca) for information in the Professional Standards Manual and the Brokerage Standards Manual.



# **REAL ESTATE SERVICES ACT, REGULATION AND RULES**

Accountants should review the following sections of the *Real Estate Services Act*, Regulation and Rules available on the Real Estate Council's website at [www.recbc.ca/licensee/legislation.html](http://www.recbc.ca/licensee/legislation.html):

**Real Estate Services Act:** Sections 25, 26, 27, 28, 29, 30, 31, 32, 33

**Real Estate Services Regulation:** Sections 3.1, 3.2

**Rules:** Sections 1-1, 5-1, 5.1, 5-11, 5-12, 5-15, 5-15.1, Part 7, Part 8

Accountant's may also find the Brokerage Standards Manual (available at [www.recbc.ca/licensee/bsm.html](http://www.recbc.ca/licensee/bsm.html)) to be of assistance.