

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<b>APS 10</b> Issued June 1997, Reissued Dec 2003  <span style="background-color: green; color: red; padding: 2px;"><b>Trust Accounts</b></span>		<b>Draft APES 310</b> February 2009  <span style="background-color: cyan; color: blue; padding: 2px;"><b>Client Monies</b></span>	<b>Comments</b>
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Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p><b>Part I</b></p>		
<p><b>Introduction</b></p>	<p><b>1. Scope and Application</b></p>	
<p>1.1. The Boards of CPA Australia and The Institute of Chartered Accountants in Australia (the Institute) issue the following Statement on Trust Accounts.</p>	<p>1.1 Accounting Professional &amp; Ethical Standards Board Limited (APESB) issues the Standard APES 310 <i>Client Monies (the Standard)</i>, which is effective from 1 January 2010.</p>	<p>Follows APESB drafting conventions.</p>
<p>1.2. For the purposes of this Statement and subject to paragraphs 34.2 and 34.3, the annual reporting period ends on 31st March in any year. This Statement is operative from the 1st April 2004, but may be applied to earlier reporting periods.</p>	<p>1.2 APES 310 sets the Standards for Members in Public Practice who holds, receives or disburses Client Monies. The mandatory requirements of this Standard are in <b>bold-type</b> (black lettering), preceded or followed by discussion or explanations in normal type (grey lettering).</p>	<p>Follows APESB drafting conventions.</p>
<p>1.3. This Statement supercedes Professional Statement APS 10 Client Money and the Maintenance and Audit of a Member's Trust Account issued June 1997 and amended in December 1999.</p>	<p>1.3 <b>Members in Public Practice in Australia shall follow the mandatory requirements of APES 310 when they hold, receive or disburse Client Monies.</b></p>	<p>Follows APESB drafting conventions.</p>
	<p>1.4 <b>Members in Public Practice outside of Australia shall follow the mandatory requirements of APES 310 to the extent to which they are not prevented from so doing by specific requirements of local laws and regulations.</b></p>	<p>Follows APESB drafting conventions.</p>
	<p>1.5 <b>Members in Public Practice shall be familiar with relevant Professional Standards and guidance notes when providing Professional Services. All Members shall comply with the fundamental principles outlined in the Code.</b></p>	<p>Follows APESB drafting conventions.</p>
<p>1.4. This Statement is confined to the professional responsibilities of a Member as distinct from any responsibilities which may be imposed by law.</p>	<p>1.6 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.</p>	<p>Follows APESB drafting conventions.</p>

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	<p>1.7 All references to Professional Standards and guidance notes are references to those provisions as amended from time to time.</p>	<p>Follows APESB drafting conventions.</p>
	<p>1.8 In applying APES 310 Members in Public Practice should be guided not merely by the words but also by the spirit of the Standard and the Code.</p>	<p>Follows APESB drafting conventions.</p>
<p>2. This Statement applies to all Members of CPA Australia/the Institute who hold or receive Trust Money. This Statement also applies to all Members' practice entities, as defined at paragraph 3(i) of the Code of Professional Conduct, and to any nominee or nominee company thereof.</p>	<p>1.9 This Standard is directed towards Members in Public Practice. However, Members in Business should apply this Standard to the extent practicable when they hold, receive or disburse Client Monies.</p>	<p>Similar to APES 315, allows a Member in Business to use if required.</p>
<p>3. For Trust Account (s) maintained by a Member and required by law to be audited or subject to regular inspection by the relevant statutory authority pursuant to:-</p> <ul style="list-style-type: none"> <li>(a) Trust Accounts Act (Qld) 1973;</li> <li>(b) Corporations Act 2001, in respect of investment advisor, liquidator, administrator, receiver, receiver and manager, scheme manager or such other appointed controller of property; or</li> <li>(c) Bankruptcy Act 1966, in respect of registered trustee in bankruptcy or such other appointed controller of property;</li> </ul> <p>a separate audit is not required for CPA Australia or the Institute. The Auditor is, however, bound to report in accordance with paragraph 41 of this Statement.</p>	<p>1.10 For Trust Account(s) maintained by Members in Public Practice and required by law to be audited or subject to regular inspection by the relevant statutory authority pursuant to:-</p> <ul style="list-style-type: none"> <li>(a) Trust Accounts Act (Qld) 1973;</li> <li>(b) Corporations Act 2001, in respect of investment advisor, liquidator, administrator, receiver, receiver and manager, scheme manager or such other appointed controller of property; or</li> <li>(c) Bankruptcy Act 1966, in respect of registered trustee in bankruptcy or such other appointed controller of property;</li> </ul> <p>a separate audit is not required for the Professional Bodies. The Auditor is, however, bound to report in accordance with paragraph 12.3 of this Standard.</p>	<p>No substantive change.</p>
<p>4. This Statement requires a Member who holds or receives Trust Money:</p> <ul style="list-style-type: none"> <li>(a) to establish and continue to maintain Trust Bank Account(s) and Trust Account(s) and to keep Trust</li> </ul>		<p>The requirements are now covered by paragraphs 4.3 and 11.1 of APES 310.</p>

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<p>Account Records secure;</p> <p>(b) to ensure there are adequate internal control safeguards and procedures in place; and</p> <p>(c) to cause the Trust Account(s) and Trust Account Records to be audited annually in accordance with this Statement and Australian Auditing Standards, unless exemptions apply pursuant to paragraph 3 of this Statement.</p>		
<p><b>Disciplinary Proceedings</b></p>		
<p>5. The Standards set out in this Statement are mandatory. Any breach may be dealt with in accordance with the disciplinary procedures of CPA Australia/the Institute.</p>		<p>Paragraphs 1.3-1.5 of APES 310 have a similar effect to paragraph 5 of APS 10.</p>
<p><b>Definitions</b></p>	<p><b>2. Definitions</b></p>	
<p>6. For the purposes of this <b>Statement</b></p>	<p>For the purpose of this <b>Standard</b>:</p>	
	<p><b>Auditing and Assurance Standards</b> mean:</p> <p>a) in relation to reports for reporting periods and engagements commencing on or after July 2006:</p> <ul style="list-style-type: none"> <li>i. the AUASB standards, as described in ASA 100 <i>Preamble to AUASB Standards</i> and the <i>Foreword to AUASB Pronouncements</i>, issued by the AUASB, and operative from the date specified in each standard; and</li> <li>ii. those standards issued by the AuASB which have not been revised and reissued (whether as standards or as guidance) by the AUASB, to the extent that they are not inconsistent with the AUASB standards, and</li> </ul>	<p>As per other APES standards (i.e. APES 210).</p>

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	<p>b) in relation to reports for reporting periods and engagements commencing prior to 1 July 2006, the auditing and assurance standards issued by the AuASB on behalf of CPA Australia and the Institute of Chartered Accountants in Australia.</p>	
	<p><b>AuASB</b> means the Auditing and Assurance Standards Board which issued Australian auditing and assurance standards up to 30 June 2004, under the auspices of the Australian Accounting Research Foundation, a joint venture of CPA Australia and the Institute of Chartered Accountants in Australia.</p>	<p>As per other APES standards (i.e. APES 210).</p>
	<p><b>AUASB</b> means the Australian statutory body called the Auditing and Assurance Standards Board established under section 227A of the <i>Australian Securities and Investments Commission Act 2001</i>.</p>	<p>As per other APES standards (i.e. APES 210).</p>
<p>Auditor means a Member of CPA Australia/the Institute, who holds a Public Practice Certificate/Certificate of Public Practice, who has adequate training, experience and competence in auditing and who is not disqualified under the provisions of paragraph 39 of this Statement.</p>	<p><b>Auditor</b> means a Member in Public Practice of one of the Professional Bodies who has adequate training, experience and competence in auditing and who can comply with independence in accordance with paragraph 12.2 of this Standard.</p>	<p>No substantive change.</p>
<p>Cheque means a bill of exchange drawn on a Financial Institution by the holder of a current account.</p>	<p><b>Cheque</b> means a bill of exchange drawn on a Financial Institution by the holder of a current account.</p>	<p>Carried forward from APS 10 (Current account to be changed to account?)</p>
<p>Client means an individual, firm or entity in respect of which Trust Money is held or received by a Member.</p>	<p><b>Client</b> means an individual, firm, entity or organisation to whom or to which Professional Services are provided by a Member in Public Practice in respect of engagements of either a recurring or demand nature.</p>	<p>As per APES 110 and other APES standards.</p>
	<p><b>Client Bank Account</b> means a Client's bank account held with a Financial Institution on which a Member in Public Practice, acting either solely or in conjunction with any one or more people, holds a signing authority.</p>	<p>New definition. Adapted from NZICA PS-2.</p>

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	<p><b>Client Money(ies)</b> means any Money (in whatever form) coming into a Member in Public Practice or Firm's control which is the property of a Client. "Control" means a situation where a Member acting either solely or in conjunction with any one or more people, can authorise the transacting of Client Monies. This excludes:</p> <ul style="list-style-type: none"> <li>(i) a cheque made payable to another person or entity, received by a Member in Public Practice or Firm for the sole purpose of forwarding to the payee if it is so forwarded promptly; or</li> <li>(ii) money administered under any insolvency legislation for which a separate bank account is established by the receiver or liquidator; or</li> <li>(iii) fees paid in advance for Professional Services agreed to be performed and clearly identified as such.</li> </ul>	<p>New definition. Adapted from NZICA PS-2.</p>
	<p><b>Close Family</b> means a parent, child or sibling, who is not an Immediate Family member.</p>	<p>As per APES 110.</p>
	<p><b>Code</b> means APES 110 <i>Code of Ethics for Professional Accountants</i>.</p>	<p>As per APES 110 and other APES standards.</p>
<p>Deficiency means a <b>lack of Trust Money in a Member's Trust Bank Account</b>, generally as disclosed by the Trust Account Records, <b>or lack of funds standing to the credit of a Client's account in the Member's Trust Account</b>, but does not include any deficiency which an Auditor is satisfied was caused solely by an error of a Financial Institution.</p>	<p><b>Deficiency</b> means a <b>deficit or shortfall of Client Monies in a Trust Account</b>, generally as disclosed by the Trust Account Records <b>maintained by the Member in Public Practice, or in the records of the Financial Institution at which the Trust Account is held</b>, but does not include any deficiency which an Auditor is satisfied was caused solely by an error of a Financial Institution</p>	<p>No substantive change.</p>
<p>Electronic Funds Transfer means a transaction initiated via a communications network which allows the electronic transfer of value from an account at a Financial Institution.</p>		<p>APS 10 definition not carried forward.</p>

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<p>Financial Institution means a bank, building society, credit union or such other financial entity <b>that provides banking facilities to the public.</b></p>	<p><b>Financial Institution</b> means a bank, building society, credit union or such other financial entity <b>that is regulated by the Australian Prudential Regulation Authority (APRA) in accordance with the Banking Act 1959.</b></p>	<p>Changes done similar to NZICA PS-2</p>
	<p><b>Firm</b> means (a) a sole practitioner, partnership, corporation or other entity of professional accountants;</p> <p>(b) an entity that controls such parties;</p> <p>(c) an entity controlled by such parties; or</p> <p>(d) an Auditor-General's office or department.</p>	<p>As per APES 110 and other APES standards.</p>
	<p><b>Immediate Family</b> means a spouse (or equivalent) or dependant.</p>	<p>As per APES 110.</p>
<p>Member means a member of <b>CPA Australia/the Institute.</b></p>	<p><b>Member</b> means a member of <b>a Professional Body that has adopted this Standard as applicable to their membership, as defined by that Professional Body.</b></p>	<p>As per APES 110 and other APES standards.</p>
	<p><b>Member in Business</b> means a Member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a Member contracted by such entities.</p>	<p>As per APES 110 and other APES standards.</p>
	<p><b>Member in Public Practice</b> means a Member, irrespective of functional classification (e.g. audit, tax or consulting) in a Firm that provides Professional Services. The term is also used to refer to a Firm of Members in Public Practice and means a practice entity as defined by the applicable Professional Body.</p>	<p>As per APES 110 and other APES standards.</p>
<p>Money means cash, foreign currency, any negotiable instrument and any security, the title to which is transferable by delivery, including delivery by Electronic Funds Transfer <b>but does not include Trade Dollars.</b></p>	<p><b>Money</b> means cash, foreign currency, any negotiable instrument and any security, the title to which is transferable by delivery, including delivery by electronic funds transfer.</p>	<p>No substantive changes except for Trade Dollars.</p>
<p>Personnel means <b>s</b> employees, officers, directors, contractors or agents.</p>	<p><b>Personnel</b> mean employees, officers, directors, contractors or agents.</p>	<p>No substantive change.</p>

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	<p><b>Professional Body (ies)</b> means the Institute of Chartered Accountants in Australia, CPA Australia and the National Institute of Accountants.</p>	<p>As per other APES standards.</p>
	<p><b>Professional Standards</b> means all standards issued by Accounting Professional &amp; Ethical Standards Board Limited and all professional and ethical requirements of the applicable Professional Body.</p>	<p>As per APES 110 and other APES standards.</p>
	<p><b>Professional Services</b> means services requiring accountancy or related skills performed by a Member in Public Practice including accounting, auditing, taxation, management consulting and financial management services.</p>	<p>As per APES 110 and other APES standards.</p>
<p>Trade Dollar(s) means an accounting unit with an assigned value used to record the value of goods and services traded between participants of a trade exchange eg. bartercard dollars, or credit units.</p>		<p>APS 10 definition not carried forward as use in practice is rare.</p>
<p>Trust Account means accounts for the receipt, disbursement, disposal or other dealing of Trust Money. The mere capacity to operate a Client's account with a Financial Institution, either alone or jointly, does not necessarily constitute the operation of a Trust Account.</p> <p>Trust Bank Account means any account with a Financial Institution utilised by the Member or Personnel for the receipt, disbursement, disposal or other dealing of Trust Money.</p>	<p><b>Trust Account</b> means an account or accounts established by the Member in Public Practice or the Firm with a Financial Institution which are kept for the sole purpose of receiving, holding deposits and the disbursement of Client Monies from the account. The mere capacity to operate a Client's bank account with a Financial Institution, either alone or jointly, does not necessarily constitute the operation of a Trust Account.</p>	<p>No substantive change.</p>
<p>Trust Account Records means documentation evidencing the receipt, disbursement, disposal or other dealing with Trust Money.</p>	<p><b>Trust Account Records</b> means documentation evidencing the receipt, holding, disbursement, disposal or otherwise dealing with Client Monies.</p>	<p>No substantive change.</p>
<p>Examples of Trust Account Records are described at paragraph 4.2 of GN3 - Operation of Trust Accounts.</p>		<p>APS 10 reference to GN 3 not carried forward.</p>
<p>Trust Money means;</p> <p>(a) any Money held or received on behalf of any person by the Member or any of the Member's Personnel, in the</p>		<p>APS 10 definition not carried forward.</p>

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<p>course of or in connection with offering or performing public accounting services, including financial planning, investment advisory and taxation services; and (b) where the Member or the Member's Personnel have no present entitlement to such Money.</p>		
<p>Examples of Trust Money are described at paragraph 2.2 of GN3- Operation of Trust Accounts. Examples of what Trust Money does not include, are discussed at paragraph 2.3 of GN3 - Operation of Trust Accounts.</p>		<p>Cross reference to GN 3 not carried forward.</p>
<p>Working Day means a day that is not a Saturday, Sunday, public holiday or bank holiday.</p>	<p><b>Working Day</b> means a day that is not a Saturday, Sunday, public holiday or bank holiday.</p>	<p>No substantive change.</p>
<p>Interpretation 7.1. Any references to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instruments issued under it. 7.2. Words appearing in italics are defined in this Statement. 7.3. Statements appearing in bold type are mandatory. 7.4. For assistance and further guidance in the application of this Standard, members are referred to the Guidance Notes in the Members' Handbook at GN3 - Operation of Trust Accounts.</p>		<p>APS 10 paragraph not carried forward.</p>
<p><b>Part II The Standards</b></p>	<p><b>3. Fundamental Responsibilities of Members</b></p>	<p>Principles based requirements</p>
	<p><b>Public Interest</b> <b>3.1 In accordance with Section 100 <i>Introduction and Fundamental Principles</i> of the Code, a Member in Public Practice shall observe and comply with the Member's public interest obligations when the Member holds, receives or disburses Client Monies.</b></p>	<p>Similar to other APES standards.</p>

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	<p>3.2 A Member in Public Practice shall comply with Section 220 <i>Conflict of Interest and Section 280 Objectivity – All Services</i> in the Code.</p> <p>3.3 A Member in Public Practice shall comply with Section 270 <i>Custody of Client Assets</i> of the Code when the Member holds, receives or disburses Client Monies.</p>	<p>Similar to other APES standards.</p> <p>In accordance with APESB drafting conventions providing a cross reference to the code.</p>
	<p><b>Professional competence and due care</b></p>	
	<p>3.4 A Member in Public Practice who holds, receives or disburses Client Monies shall maintain professional competence and due care in the performance of the Member's work in accordance with Section 130 <i>Professional Competence and Due Care</i> of the Code.</p>	<p>In accordance with APESB drafting conventions providing a cross reference to the code.</p>
	<p><b>4. Objectives and general principles</b></p>	<p>Principles based requirements</p>
	<p>4.1 The overriding objective of a Member in Public Practice when holding, receiving or disbursing Client Monies or when operating Client Bank Accounts, is to protect the Client's interests. This objective must be achieved by the Member from the time Client Monies are received by the Member until such time as they are either returned to the Client or otherwise dealt with in accordance with the Client's authority.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 10.</p>
	<p>4.2 A Member in Public Practice shall be accountable for all Client Monies that is transacted through the Trust Account and keep Client Monies separate from all other Money of the Member or the Firm. The Member shall hold or apply Client Monies exclusively for that Client, to be paid to that Client or as the Client directs.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 11.</p>
	<p>4.3 A Member in Public Practice shall design and implement appropriate internal control safeguards and procedures in respect of the operations of the</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph</p>

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	<p>Trust Accounts. The Member shall take all reasonable steps to ensure that the system of internal control implemented by the Member will achieve the following objectives:</p> <p>(a) Client Monies are properly safeguarded and accounted for; and/or</p> <p>(b) Client Bank Accounts are properly safeguarded against unauthorized access/use to the extent the Member or the Firm controls the operation of those accounts.</p>	63.
	<p>4.4 Subject to paragraph 1.10, a Member in Public Practice shall take all reasonable steps to ensure that the Trust Accounts are audited annually in accordance with this Standard.</p>	[Also covered in paragraph 11.1 of APES 310. Delete?]
	<p>4.5 Subject to paragraph 9.7, a Member in Public Practice shall not obtain any benefit(s) from holding, receiving or disbursing Client Monies or operating Client Bank Accounts, including benefits deriving from the deposit and/or investment of Client Monies, without prior written authority from the Client.</p>	New paragraph. Adapted from NZICA PS-2 paragraph 20.
	<p>4.6 A Member in Public Practice who is acting as a trustee or under a power of attorney shall comply with their legal and fiduciary duties as trustee or attorney in respect of Client Monies, and shall apply this Standard to the extent practicable.</p>	New paragraph. Adapted from NZICA PS-2 paragraph 21.
	<p>4.7 A Member in Public Practice who wishes to accept a power of attorney on behalf of a Client shall take all reasonable steps to ensure that the powers of the Member are expressed as being subject to the Member's obligations to comply with Professional Standards.</p>	New paragraph. Adapted from NZICA PS-2 paragraph 22.
	<p>4.8 A Member in Public Practice who assumes the duties of a trustee, whether deriving from the trust deed or from the nature of the trust, will or is likely</p>	New paragraph. Adapted from NZICA PS-2 paragraph 24.

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	<p>to place the Member in a position of conflict with the Member's obligations to comply with Professional Standards, to the extent they would otherwise ordinarily apply, the Member shall:</p> <p>(a) decline the appointment as trustee; or</p> <p>(b) if the Member is already appointed as trustee, take all reasonable steps to ensure there will be no breach of the Member's obligations to comply with Professional Standards.</p>	
	<p>4.9 A Member in Public Practice shall not:</p> <p>(a) receive or pay into a Trust Account or Client Bank Account; or</p> <p>(b) withdraw or pay out of a Trust Account or Client Bank Account any Money if the Member has reason to believe it was obtained from, or is to be used for, illegal activities or that receiving or dealing with the Money is otherwise unlawful.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 25.</p>
	<p>4.10 A Member in Public Practice when holding, receiving or disbursing Client Monies in accordance with the Client's instructions and/or operating Client Bank Accounts shall not be involved in money laundering transactions or in the utilisation of the proceeds of crime or terrorist financing.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 26 and APS 10 paragraph 46.1.</p>
<p><b>Establishment of Trust Bank Account(s)</b></p> <p>13.1. A Member who receives Trust Money shall establish and maintain a Trust Bank Account. A separate Trust Bank Account shall be established and maintained for a Client if so directed by the Client. The name of each Trust Bank Account must include the words Trust Account.</p>	<p><b>5. Establishment of Trust Bank Account(s)</b></p> <p>5.1 A Member in Public Practice shall establish a Trust Account at a Financial Institution to transact Client Monies.</p>	<p>Paragraph 5.1 and 5.3 of APES 310 has similar effect to paragraph 13.1 of APS 10.</p>
	<p>5.2 A Member in Public Practice shall take all reasonable steps to establish the identity of the Client and the source of the Client Monies prior to agreeing to be</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 27.</p>

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	<p>engaged to hold, receive or disburse Client Monies.</p>	
	<p>5.3 A Member in Public Practice shall take all reasonable steps ensure that the Trust Account is established in the Member's or the Firm's name and includes the words "Trust Account" in its title. A Member shall establish and maintain a separate Trust Account where a Client requests the establishment of a separate account.</p>	<p>Paragraph 5.1 and 5.3 of APES 310 has similar effect to paragraph 13.1 of APS 10.</p>
<p>13.2. Whenever a Member opens a Trust Bank Account, appropriate notice of the nature of the account shall be given in clear terms to the Financial Institution. Such notice shall state that no right of set off is permitted in relation to the Trust Bank Account.</p>	<p>5.4 When a Member in Public Practice initially establishes a Trust Account the Member shall give written notice to the Financial Institution that:</p> <ul style="list-style-type: none"> <li>(a) all Money standing to the credit of that account is held by the Member or the Firm as Client Monies and that the Financial Institution is not entitled to combine the account with any other account or to exercise any right to set-off or counterclaim against Money in that account in respect of any sum owed to it on any other account; and</li> <li>(b) that any interest payable in respect of the account balance must be credited to that account; and</li> <li>(c) requesting that the Financial Institution acknowledge in writing that it accepts the terms of the notice, and confirm the understanding that Money held in the Trust Account are Client Monies and the property of Clients of the Member.</li> </ul>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 33.</p>
<p>14.1. Trust Money held or received by a Member shall be deposited to the credit of a Trust Bank Account, within two Working Days of receipt (the prescribed</p>	<p>5.5 A Member in Public Practice shall deposit Client Monies held or received to the credit of a Trust Account, within two Working Days of receipt.</p>	<p>No substantive change.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<p align="center"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p align="center"><b>Trust Accounts</b></p>	<p align="center"><b>Draft APES 310</b> February 2009</p> <p align="center"><b>Client Monies</b></p>	<p align="center"><b>Comments</b></p>
<p>14.2. Trust Money held or received by a Member in a form which is not capable of being deposited with a Financial Institution (for example promissory notes), shall be safeguarded against unauthorised use and recorded in a register.</p>	<p>5.6 A Member in Public Practice shall maintain an appropriate register of Client Monies and safeguard from unauthorised use when it is in a form that is not capable of being deposited in a Financial Institution.</p>	<p>No substantive change.</p>
	<p>5.7 A Member in Public Practice shall inform the Client of the Financial Institution at which the Client Money is held and provide the following information:</p> <ul style="list-style-type: none"> <li>(a) on initial deposit of the Client Money with the Member;</li> <li>(b) with the statement provided to the Client under paragraph 10.9 of this Standard; and</li> <li>(c) any changes of the Financial Institution where the Client Money is held.</li> </ul>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 35.</p>
<p>15.1. Trade Dollars held or received on behalf of a Client, although not Trust Money, should also be safeguarded against unauthorised use and recorded in a register.</p>		<p>APS 10 paragraph not carried forward.</p>
<p>15.2. Members are referred to paragraphs 3 and 5.3 of GN3 - Operation of Trust Accounts for more information on Trade Dollars.</p>		<p>Cross reference to GN 3 not carried forward.</p>
	<p><b>6. Client Bank Accounts</b></p> <p>6.1 A Member in Public Practice who is operating a Client Bank Account shall ensure, in respect of each Client Bank Account, that the Client's specific written authority to operate the Client's Bank Account is obtained, and acknowledged by the relevant Financial Institution, prior to exercising that authority.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 36.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<p align="center"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p align="center"><b>Trust Accounts</b></p>	<p align="center"><b>Draft APES 310</b> February 2009</p> <p align="center"><b>Client Monies</b></p>	<p align="center"><b>Comments</b></p>
<p><b>Receipt of Money</b></p> <p>8. Money held or received by a Member payable to a Client, or at the direction of a Client to a third party (for example, tax refund proceeds received as tax agent), in respect of which the Member has no authority to transfer, convert or assign, must be dispatched or refunded immediately to the Client or third party as appropriate, or otherwise dealt with in accordance with the Client's instructions.</p>	<p>7. <b>Receipt of Client Monies</b></p> <p>7.1 A Member in Public Practice holding or receiving Client Monies shall dispatch or refund the Money immediately to the Client or third party as appropriate, or otherwise deal with it in accordance with the Client's instructions.</p>	<p>No substantive change.</p>
<p>9.1. If a Member receives Money and the payee is no longer a Client, or the intended recipient is unknown to the Member, the Money must be forwarded to the payee. If the Member is in doubt as to the identity of the payee or intended recipient, or is unable, after reasonable enquiry, to contact the payee, or intended recipient, the Member shall return the Money to the drawer or sender as appropriate.</p>	<p>7.2 A Member in Public Practice receiving Client Monies where the payee is no longer a Client, or the intended recipient is unknown to the Member, shall forward the Money to the drawer or sender as appropriate.</p>	<p>No substantive change.</p>
<p>9.2. Members are directed to relevant State legislation on unclaimed Money for their obligations when unable to discharge Money to the Client, payee, drawer or sender as appropriate.</p>	<p>7.3 A Member in Public Practice is directed to relevant state legislation on unclaimed Money for their obligations when unable to discharge Money to the Client, payee, drawer or sender as appropriate.</p>	<p>No substantive change.</p>
<p>10. A Cheque payable to a Client does not constitute Trust Money until it is negotiated. A Member shall be deemed to have negotiated a Cheque when the Member has transferred, converted or assigned the Cheque to himself or another by delivery or endorsement for consideration or otherwise. Where such a transfer, conversion or assignment is completed without the authority of the owner of the Cheque, such actions may amount to a criminal act.</p>	<p>7.4 A Cheque payable to a Client does not constitute Client Monies until it is negotiated. A Member in Public Practice is deemed to have negotiated a Cheque when the Member has transferred, converted or assigned the Cheque to the Member or another by delivery or endorsement for consideration or otherwise.</p>	<p>No substantive change.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p>11. <b>Where</b> a Member <b>proposes to act</b> on a written authority to transfer, convert, assign Money on behalf of a Client, the proceeds of such transfer, conversion, assignment <b>must be</b> deposited to the credit of the Member's Trust Bank Account <b>as soon as it is reasonably practicable after receipt.</b></p>	<p>7.5 A Member <b>in Public Practice acting</b> on a written authority to transfer, convert, assign Money on behalf of a Client, <b>shall</b> deposit the proceeds of such transfer, conversion, assignments to the credit of the Member's Trust Account <b>in a timely manner.</b></p>	<p>No substantive change.</p>
	<p>7.6 A Member in Public Practice may invest Client Monies received on behalf of a Client, if the Client so directs, but only with the Client's prior written authority.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 40.</p>
	<p>7.7 A Member in Public Practice shall record the following information, as appropriate, when they receive Client Monies to a Trust Account, or Money received for deposit in a Client Bank Account:</p> <ul style="list-style-type: none"> <li>(a) the name of the person from whom the Money was received;</li> <li>(b) the amount of Money;</li> <li>(c) the Client for whom the Money is to be held;</li> <li>(d) the purpose for which the Money was received or other description of the Money;</li> <li>(e) the date on which the Money was received;</li> <li>(f) the form in which the Money was received, namely whether by Cheque, in cash, bank transfer or otherwise.</li> </ul>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 41.</p>
	<p>7.8 A Member in Public Practice who receives Client Money in the form of documents of title to the Money shall safeguard the Money against unauthorised use and record it in a register of documents of title.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 42.</p>
	<p>7.9 A Member in Public Practice shall ensure that a fully completed receipt containing the details specified in paragraph 7.7 is issued to acknowledge that the Member has received Client Monies to a Trust Account, or Money for deposit in a Client Bank</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 43.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p>12.1. Where Trust Money has been held or received by a Member, the Member shall establish and maintain a Trust Account and cause the Trust Account to be audited in accordance with this Statement and any relevant legislation.</p>	<p style="text-align: center;"><b>Account operated by the Member or the Firm.</b></p>	<p>APS 10 paragraph not carried forward.</p>
<p>12.2. Members are referred to paragraph 5 of GN3 - Operation of Trust Accounts for assistance in documenting receipt of Money from Clients.</p>		<p>Cross reference to GN 3 not carried forward.</p>
<p><b>Operation of Trust Bank Account(s)</b></p>	<p><b>8. Operation of Trust Account(s)</b></p>	
<p>16.1. Except as provided in paragraphs 17, 20 and 28 of this Statement, Trust Bank Account transactions can take place only with authority of the Client.</p>	<p>8.1 Subject to legal and professional obligations, a Member in Public Practice who holds, receives or disburses Client Monies shall take all reasonable steps to protect the Client's interests when operating Trust Accounts.</p>	<p>Principles based requirement</p>
<p>16.2. The Member is required to take reasonable steps to ensure that such authority permits CPA Australia/the Institute access to Trust Accounts, Trust Bank Accounts and Trust Account Records for the purposes of Trust Account inspection, quality review program or the disciplinary proceedings of CPA Australia/the Institute.</p>	<p>8.2 A Member in Public Practice shall take all reasonable steps to ensure that the Client authorises the Member's Professional Body access to all Trust Account Records for the purposes of Trust Accounts inspection, quality review program or the disciplinary proceedings of the Professional Bodies.</p>	<p>No substantive change</p>
<p>16.3. Members are referred to Appendix 1 of GN3 - Operation of Trust Accounts for a sample Trust Account authority letter.</p>		<p>Cross reference to GN 3 not carried forward.</p>
<p>17. Subject to paragraph 19.1, a Member shall not pay into a Trust Bank Account any Money other than Trust Money and, in any event, not without prior authority of the legal owner of the Money, or otherwise by operation of law.</p>	<p>8.3 A Member in Public Practice shall only transact Money through a Trust Account with the authority of the legal owner of the Money, or otherwise by operation of the law.</p>	<p>No substantive change</p>
<p>18. Subject to paragraph 19.1, various Financial Institution, statutory and other government charges on the Trust Bank Account shall be debited against</p>	<p>8.4 A Member in Public Practice shall debit various Financial Institutions, statutory and other government charges on the Trust Account against</p>	<p>No substantive change</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<p align="center"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p align="center"><b>Trust Accounts</b></p>	<p align="center"><b>Draft APES 310</b> February 2009</p> <p align="center"><b>Client Monies</b></p>	<p align="center"><b>Comments</b></p>
<p><b>the Member's General Bank Account and not the Trust Bank Account.</b></p>	<p><b>the Member's general bank account and not the Trust Account.</b></p>	
<p>19.1. A Member's own funds may be deposited to the Trust Bank Account:</p> <p>(a) to meet any charges made to the Trust Bank Account where the Financial Institution has debited such charges to the Trust Bank Account, in error, instead of the Member's General Bank Account; or</p> <p>(b) to meet a Financial Institution's prescribed minimum requirements for an ongoing account balance.</p> <p>19.2 Members are referred to paragraph 6 of the GN3 - Operation of Trust Accounts for more information on the "Operation of Trust Bank Account(s)".</p>	<p>8.5 A Member's own funds may be deposited to the Trust Account:</p> <p>(a) to meet any charges made to the Trust Account where the Financial Institution has debited such charges to the Trust Account, in error, instead of the Member's general bank account; or</p> <p>(b) to meet a Financial Institution's prescribed minimum requirements for an ongoing account balance.</p>	<p>No substantive change.</p> <p>Cross reference to GN 3 not carried forward.</p>
<p><b>Disbursement of Trust Money</b></p> <p>20. Trust Money can be withdrawn from the Trust Bank Account only on authority from the Client, or to make a payment to the Client, or in making a payment authorised otherwise by operation of law. Unless otherwise directed, such withdrawals shall be made within two Working Days ("the prescribed period").</p>	<p><b>9. Disbursement of Client Monies</b></p> <p>9.1 A Member in Public Practice shall ensure that Client Monies is only disbursed from the Trust Account based on the authority obtained from the Client, or as authorised by the operation of the law and that such withdrawals are done in a timely manner.</p>	<p>No substantive change.</p>
<p>21.1. A Cheque withdrawing Trust Money from a Trust Bank Account shall be signed by a Member or any two (2) persons jointly authorised in accordance with paragraph 22.</p>	<p>9.2 A Member in Public Practice, or any two persons jointly authorised in accordance with paragraph 9.5, shall sign a Cheque withdrawing Client Monies from a Trust Account.</p>	<p>No substantive changes.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

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<p>21.2. Electronic Funds Transfers from a Trust Bank Account shall be effected by, and adequately documented by, a Member or any two (2) persons jointly authorised in accordance with paragraph 22.</p> <p>The Trust Accounts Act 1973 (Qld) requires certain conditions to be satisfied before an Electronic Funds Transfer from a Trust Bank Account can take place.</p> <p>Members could be held personally liable for any fraudulent withdrawal of Client's Trust Money by Electronic Funds Transfer.</p>	<p>9.3 A Member in Public Practice shall ensure that the Member has appropriate documentation to transact electronic funds transfers from a Trust Account.</p> <p>9.4 The Trust Accounts Act 1973 (Qld) requires certain conditions to be satisfied before an electronic funds transfer from a Trust Account can take place. Members in Public Practice could be held personally liable for any fraudulent withdrawal of Client's Money by electronic funds transfer.</p>	<p>No substantive changes.</p>
<p>21.3. Members are referred to paragraph 7 of GN3 - Operation of Trust Accounts for more information on payments by Cheque and Electronic Funds Transfer.</p>		<p>Cross reference to GN 3 not carried forward.</p>
<p>22.1. Where:</p> <p>(a) the Member is a sole practitioner; or</p> <p>(b) a Member is unavailable to sign a Cheque; or</p> <p>(c) a Member is unavailable to effect the Electronic Funds Transfer with due expedition,</p> <p>a Member may delegate his or her authority to sign Trust Bank Account Cheques or to effect an Electronic Funds Transfer from a Trust Bank Account.</p> <p>22.2. The delegation of authority must be in writing and signed by the Member.</p>	<p>9.5 In certain circumstances, where the Member in Public Practice is not available to authorise Trust Account transactions in a timely manner, the Member shall delegate the Member's authority to effect transactions in writing to another Member in Public Practice or to two persons drawn from any of the following categories:</p> <p>(i) Solicitors holding a current practising certificate; or</p> <p>(ii) Personnel of the Member's practice; or</p> <p>(iii) Financial Institution managers; or</p> <p>(iv) A Member of another Professional Body in a multi disciplinary practice.</p>	<p>Key change is that where the delegation is to another Member, two signatories are not required.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p>22.3. The delegation of authority is to any two (2) of the following persons:</p> <ul style="list-style-type: none"> <li>(i) other Members; or</li> <li>(ii) solicitors holding a current practising certificate; or</li> <li>(iii) Personnel of the Member's practice; or</li> <li>(iv) Financial Institution managers; or</li> <li>(v) affiliates of the Member's practice, or Members of a CPA Australia multi disciplinary practice.</li> </ul> <p>22.4. Where a delegation of authority is made, the Member must ensure there are adequate internal control safeguards and procedures in place.</p>		
<p>23. Where a withdrawal is to be made from a Trust Bank Account by Cheque, the Trust Bank Account Cheque shall be marked "not negotiable".</p>	<p>9.6. A Member in Public Practice shall safeguard Trust Account Cheques and the Cheques issued by the Member shall be marked "not negotiable".</p>	<p>No substantive change.</p>
<p>24. Fees and disbursements due to the Member by the Client can be withdrawn from the Trust Bank Account only where the Client has agreed in writing to such withdrawal, after being notified in writing of the amount of such fees and disbursements.</p>	<p>9.7. A Member in Public Practice who wishes to withdraw professional fees and/or disbursements due from a Client from the Trust Account, shall notify the Client in writing and shall obtain the Client's written approval prior to such a withdrawal.</p>	<p>No substantive change.</p>
<p>25. Disbursements from the Trust Bank Account shall not exceed the balance standing to the credit of the particular Client.</p>	<p>9.8. A Member shall ensure that disbursements from the Trust Account do not exceed the balance standing to the credit of the particular Client</p>	<p>No substantive change.</p>
<p><b>Trust Account Records</b></p>	<p><b>10. Trust Account Records</b></p> <p>10.1 A Member in Public Practice shall maintain Trust Account Records to appropriately document the Trust Account transactions undertaken on behalf of Clients.</p>	<p>Principles based requirement, new paragraph.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

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	<p>10.2 A Member in Public Practice shall document the process followed to establish the identity of the Client and the source of Client Monies held or received, including any legal advice obtained for that purpose.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 28.</p>
<p>26. Trust Money shall not be held in a Trust Bank Account for any period longer than is reasonably necessary to enable the purpose for which the Trust Money was held or received to be discharged.</p>	<p>10.3 A Member in Public Practice shall only hold Client Monies in a Trust Account for the period that is reasonably necessary to enable the purpose for which the Client Monies are held or received to be discharged.</p>	<p>No substantive change.</p>
<p>27.1 Where it seems likely that the Trust Money will remain to the credit of a Client's account for a significant period of time, the Member may, with authority of the Client, place such Money in an interest bearing account.</p> <p>27.2 Interest bearing accounts maintained on behalf of Clients shall be appropriately recorded and subject to audit.</p>	<p>10.4 A Member in Public Practice maintaining a Client authorised interest bearing accounts shall appropriately record all the transactions that occur in the account.</p>	<p>General principle of acting in the Client's best interest established in 4.1 of APES 310. No substantive change to record keeping.</p>
<p>28. Except as may be required by law, all interest earned on Trust Money shall be credited to the relevant Client's account and the Member shall observe any associated income tax compliance requirements.</p>	<p>10.5 Except as may be required by law, all interest earned on Client Monies shall be credited to the relevant Client's account and the Member in Public Practice shall observe any associated income tax compliance requirements.</p>	<p>No substantive change.</p>
<p>29.1. A Member shall fully and immediately disclose in writing to the Client any benefit accruing to the Member or the Client, eg, commission or other inducements, as a result of receiving, depositing or investing Trust Money.</p>	<p>10.6 A Member in Public Practice shall fully and immediately disclose in writing to the Client any benefit accruing to the Member or the Client, (e.g. commission or other inducements) as a result of receiving, depositing or investing Client Monies.</p>	<p>No substantive change.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

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<p>29.2. Members are referred to the Code of Professional Conduct, section D2, in respect of such disclosure.</p>	<p>10.7 Members in Public Practice are referred to Section 240 Fees and Other Types of Remuneration of the Code, in respect of disclosure of benefits</p>	<p>No substantive change.</p>
<p>30. A Member shall forthwith notify the Auditor upon becoming aware of any deficiency of Client Money occurring in the Trust Account and any deficiency in the Trust Bank Account.</p>	<p>10.8 A Member in Public Practice shall immediately notify the Auditor upon becoming aware of any deficiency of Client Money occurring in the Trust Account.</p>	<p>No substantive change.</p>
<p>31. A Member shall provide to each Client a Statement of Transactions, together with the opening and closing balances, on the Client's Trust Account at least annually:</p> <ul style="list-style-type: none"> <li>(a) within one month of the close of financial year ended 31 March of the Trust Account; or</li> <li>(b) upon completion of the matter requiring the maintenance of the Trust Account; and/or</li> <li>(c) upon written request from the Client.</li> </ul>	<p>10.9 A Member in Public Practice shall provide a Client a statement of transactions, together with the opening and closing balances, on the Client's Trust Account at least annually:</p> <ul style="list-style-type: none"> <li>(a) within one month of the end of financial year of the Trust Account (or an applicable alternative period); or</li> <li>(b) upon completion of the matter requiring the maintenance of the Trust Account;</li> <li>(c) upon written request from the Client; and</li> <li>(d) When the Trust Account is closed.</li> </ul>	<p>No substantive change. Adapted from NZICA PS-2 paragraph 61.</p>
	<p>10.10 A Member in Public Practice who operates a Client Bank Account shall prepare and issue on a timely basis, a statement containing details of the operation of the Client Bank Account, either to the Client or to such other person as the Client directs in writing. This statement shall be issued:</p> <ul style="list-style-type: none"> <li>(i) in respect of all transactions, at least annually; and</li> <li>(ii) in respect of any transaction, at any time upon request by the Client; and</li> <li>(iii) when any Client Bank Account is closed or if the Member or Firm's authority to operate a Client Bank Account is revoked.</li> </ul>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 62.</p>

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<p>32. A Member shall maintain such Trust Account Records of each Trust Account that enable:</p> <p>(a) the Trust Account to be conveniently and properly audited and to disclose at all times the true position in relation to Trust Money recorded therein; and</p> <p>(b) the Member, at any time, to establish clearly the Member's dealings with the Trust Account in general and the Trust Money of each individual Client in particular.</p>	<p>10.11 A Member in Public Practice shall maintain records of each Trust Account that enables the Trust Account(s) to be audited and disclosed at all times the true position of Client Monies and clearly identifies the Member's dealings with the Trust Account in general and the Client Monies of each individual Client.</p>	<p>No substantive change.</p>
<p>33.1 All Trust Account Records shall be retained for a period of five (5) years or such longer period as prescribed by legislation.</p> <p>33.2 Members are referred to paragraph 8 Trust Account Record Requirements of GN3 - Operation of Trust Accounts.</p>	<p>10.12 A Member in Public Practice shall retain all Trust Account Records for five years or longer period as prescribed by legislation.</p>	<p>No substantive change.</p> <p>Cross reference to GN 3 not carried forward.</p>
	<p>10.13 A Member in Public Practice shall keep Trust Account Records in such a manner as to disclose clearly:</p> <p>(a) the details of all transactions undertaken with regard to Client Monies, including:</p> <p>(i) details of all transactions undertaken in respect of Client Bank Accounts;</p> <p>(ii) details of all transactions undertaken in respect of the Member or Firm's Trust Accounts;</p> <p>(iii) details of all Client Monies paid direct to the Client, or to a third party on the Client's instructions, identifying that person;</p> <p>(iv) details of all Cheques received and endorsed by the Member or Firm for payment to the Client, or to a third party on the Client's instructions identifying that party;</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 64.</p>

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	<p>(v) details of all electronic transfers of Money received or made, and of Money transferred direct to the Client, or to a third party on the Client's instructions, identifying that party; details of any errors in transactions undertaken with regard to Client Monies;</p> <p>(b) the details of all interest earned on Client Monies and how the interest has been applied by the Member or Firm in accordance with paragraph 10.4; and</p> <p>(c) the position of the Member or Firm's Trust Accounts and the Client Monies therein at all times and to enable, when required, the same to be conveniently and properly audited.</p>	
	<p><b>10.14 A Member in Public Practice operating a Client Bank Account shall establish and maintain adequate records of the transactions it undertakes. The records shall include:</b></p> <p>(a) a register of signing authorities for all Client Bank Accounts the member or firm has received Client authority to operate; and</p> <p>(b) details of transactions as set out in paragraph 10.12(a) as applicable to the operation of Client Bank Accounts.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 65.</p>
	<p><b>10.15 In circumstances where the Client is transacting business through the bank account and receives statements directly from the Financial Institution, the Member in Public Practice shall provide details of transactions undertaken by the Member to the Client on a timely basis.</b></p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 66.</p>

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<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
	<p>10.16 A Member in Public Practice shall reconcile on a monthly basis the Trust Account Records to the Trust Accounts. If any difference arises the difference shall be corrected immediately unless it arises solely as a result of a timing difference.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 67.</p>
	<p>10.17 A Member in Public Practice who operates a Client Bank Account shall ensure, except when the Client also transacts business through the Client Bank Account and receives statements directly from the Financial Institution, that the records for the Client Bank Account are reconciled on a monthly basis. If any difference arises the Member shall correct it immediately unless it arises solely as a result of a timing difference.</p>	<p>New paragraph. Adapted from NZICA PS-2 paragraph 68.</p>
<p><b>Audit of Trust Account(s)</b></p> <p>34.1. A Member shall cause the Trust Account and Trust Account Records to be audited annually for each period ending 31 March, within ninety (90) days of that date or such other date as determined by legislation or this Statement. Refer to Appendix 2 for Trust Account Audit Engagement letter.</p>	<p>11. <b>Audit of the Member's Trust Account(s)</b></p> <p>11.1 A Member in Public Practice shall ensure that the Trust Accounts are audited annually for each reporting period within ninety days of the applicable year end or other date as determined by legislation.</p>	<p>No substantive change.</p> <p>Engagement letter not included in APES 310 ED.</p>
<p>34.2. A Member shall cause the Trust Account and Trust Account Records to be audited within ninety (90) days of ceasing to operate a Trust Bank Account.</p>	<p>11.2 A Member in Public Practice shall ensure that the Trust Accounts are audited within ninety days of ceasing to operate a Trust Account.</p>	<p>No substantive change.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<p align="center"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p align="center"><b>Trust Accounts</b></p>	<p align="center"><b>Draft APES 310</b> February 2009</p> <p align="center"><b>Client Monies</b></p>	<p align="center"><b>Comments</b></p>
<p>34.3 Within 90 days after ceasing to carry on business in public practice, a sole practitioner shall furnish CPA Australia/the Institute with an audit report on the Trust Account prepared in accordance with this Statement and recording Trust Money still held on behalf of Clients</p>	<p>11.3 A Member in Public Practice that ceases public practice shall provide the relevant Professional Body, within ninety days, an audit report on the Trust Account(s) prepared in accordance with this Standard and record any Client Monies still held on behalf of Clients.</p>	<p>No substantive change.</p>
<p>35. A copy of any qualified Auditor's report shall be forwarded immediately by the Auditor to the Divisional Director/Regional Manager (or equivalent).</p>		<p>Paragraph 12.4 of APES 310 replaces paragraph 35 of APS 10.</p>
<p>36. In addition to inspections as part of Quality Control Reviews, CPA Australia/the Institute may, at any time, without providing reasons, undertake an inspection or audit of any Member's Trust Bank Account, Trust Account and Trust Account Records, including audit papers of an Auditor, as it deems appropriate and employ such person/s as are necessary to carry out such inspections or audit, at such cost to the Member as may be determined by Disciplinary Committees of CPA Australia/the Institute.</p>		<p>APS 10 paragraph not carried forward.</p>
<p>37. CPA Australia/the Institute may, in its absolute discretion, at any time and upon such conditions as it deems appropriate, exempt the Member from or vary the conditions of exemption relating to compliance with these Standards.</p>		<p>APS 10 paragraph not carried forward.</p>
<p>38. Subject to Paragraph 36, the cost of the audit of a Member's Trust Bank Account shall be borne by the Member operating the Trust Account and be payable from the Member's General Bank Account and not from the Trust Bank Account nor from the interest earned on Trust Money.</p>	<p>11.4 A Member in Public Practice operating a Trust Account shall bear the cost of the audit of the Member's Trust Account and pay the costs from the Member's general bank account and not from the Trust Account nor from the interest earned on Client Monies.</p>	<p>No substantive change.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p>39. An Auditor is disqualified from accepting or continuing with an audit of another Member's Trust Bank Account where:</p> <p>(a) the Auditor is, or at any time within two (2) years before appointment has been, an employee or partner of the Member; or</p> <p>(b) the Auditor has, or had at any time within two (2) years before appointment, any material financial interest in any enterprise, corporation or business with the Member pursuant to Professional Statement F.1 Professional Independence; or</p> <p>(c) the other Member audits the Member's Trust Bank Account; or</p> <p>(d) where it may be considered that independence may be or may appear to be impaired, pursuant to Professional Statement F.1 Professional Independence.</p>		<p>Paragraph 12.2 of APES 310 replaces paragraph 39 of APS 10.</p>
<p>40. The audit shall be performed in accordance with the Australian Auditing Standards and the report prepared in accordance with the form of Auditor's Report at Appendix 1 to this Statement</p>		<p>Paragraph 12.1 of APES 310 replaces paragraph 40 of APS 10.</p>
<p>41. The Auditor shall report to CPA Australia/the Institute upon becoming aware of:</p> <p>(a) any deficiency, other than those of a trivial nature, of Trust Money or in the Trust Bank Account; or</p> <p>(b) a failure by a Member to pay or deposit any Trust Money within the prescribed period, or</p>		<p>Paragraph 12.3 of APES 310 replaces paragraph 41 of APS 10.</p>

Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)

<p style="text-align: center;"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p style="text-align: center;"><b>Trust Accounts</b></p>	<p style="text-align: center;"><b>Draft APES 310</b> February 2009</p> <p style="text-align: center;"><b>Client Monies</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p>(c) to adequately account for Trust Money; or any matter arising in the course of the audit or otherwise that may be considered of significance to CPA Australia/the Institute regarding the Trust Account</p>		
<p>42. Working papers of the Auditor shall be retained for a period of five (5) years after the completion of the annual audit of the Member's Trust Account.</p>		<p>Paragraph 12.5 of APES 310 replaces paragraph 42 of APS 10.</p>
<p>43. A Member shall not:</p> <p>(a) refuse or fail to allow CPA Australia/the Institute or an Auditor access to the Trust Bank Account, Trust Account and Trust Account Records (including those of the Member's practice and files); or</p> <p>(b) refuse or fail to give any information or explanations as and when required; or</p> <p>(c) hinder, obstruct or delay CPA Australia/the Institute or an Auditor in the performance of their duties or powers pursuant to this Statement or as required by law.</p>	<p>11.5 A Member in Public Practice shall:</p> <p>(a) allow the Professional Bodies or an Auditor access to the Trust Account and Trust Account Records (including those of the Member's practice and files); or</p> <p>(b) give any information or explanations as and when required; or</p> <p>(c) not hinder, obstruct or delay the Professional Bodies or an Auditor in the performance of their duties or powers pursuant to this Standard or as required by law.</p>	<p>No substantive change.</p>
<p>44. Where a Member intends to remove the Auditor of the Trust Bank Account, the Member shall seek the approval of the Chief Executive Officer of CPA Australia/the Institute, or their delegate, to replace the Auditor and the Member shall provide an explanation of the reasons for the proposed change, together with the Auditor's consent to resign, or the Auditor's reasons opposing the removal.</p>	<p>11.6 A Member in Public Practice intending to remove the Auditor of the Trust Account, shall seek the approval of the respective Professional Body to replace the Auditor and provide an explanation of the reasons for the proposed change, together with the Auditor's consent to resign, or the Auditor's reasons opposing the removal.</p>	<p>No substantive change.</p>
<p>45. A new Auditor shall be appointed by the Member within 14 days of the resignation or removal of the previous Auditor,</p>	<p>11.7 A Member in Public Practice shall appoint a new Auditor within fourteen days of the resignation or removal of the previous Auditor.</p>	<p>No substantive change.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<p align="center"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p align="center"><b>Trust Accounts</b></p>	<p align="center"><b>Draft APES 310</b> February 2009</p> <p align="center"><b>Client Monies</b></p>	<p align="center"><b>Comments</b></p>
	<p><b>12. Professional obligations of the Auditor</b></p>	
	<p>12.1 <b>A Member in Public Practice who is conducting the audit of a Members Trust Account shall perform the audit in accordance with Auditing and Assurance Standards and this Standard. The Member shall prepare the Auditor's report in accordance with Appendix 1 to this Standard.</b></p>	<p>Paragraph 12.1 of APES 310 replaces paragraph 40 of APS 10.</p>
	<p>12.2 <b>A Member in Public Practice who is conducting the audit of the Trust Account shall:</b></p> <p><b>(a) comply with Section 290 Independence – Assurance Engagements of the Code; and</b></p> <p><b>(b) not accept or continue with an audit where the other Member in Public Practice audits the Auditor's Trust Accounts.</b></p>	<p>Paragraph 12.2 of APES 310 replaces paragraph 39 of APS 10.</p>
	<p>12.3 <b>A Member in Public Practice who is conducting the audit of a Members Trust Account shall report to the respective Professional Body of the Member upon becoming aware of:</b></p> <p><b>(a) any deficiency, other than those of a trivial nature, of Client Monies or in the Trust Account; or</b></p> <p><b>(b) a failure by a Member in Public Practice to pay or deposit any Client Monies within two days of receipt, or in the case of disbursements within two days of the funds becoming available; or</b></p> <p><b>(c) any matter arising in the course of the audit or</b></p>	<p>Paragraph 12.3 of APES 310 replaces paragraph 41 of APS 10.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

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	<p align="center">otherwise that may be considered of significance to the Professional Bodies regarding the Trust Account.</p>	
	<p>12.4 A Member in Public Practice who is conducting the audit of the Trust Account shall forward a copy of the Auditor's report immediately to the Professional Body of the Member who is subject to the Trust Account audit in circumstances where the Trust Account is not maintained in accordance with this Standard.</p>	<p>Paragraph 12.4 of APES 310 replaces paragraph 35 of APS 10.</p>
	<p>12.5 A Member in Public Practice who is acting as a Auditor of a Member's Trust Account shall retain the relevant working papers for a period of seven years or longer as prescribed by legislation.</p>	<p>Paragraph 12.5 of APES 310 replaces paragraph 42 of APS 10.</p>
<p><b>Money laundering</b></p> <p>46.1. It is an offence at law for Members to be involved in money laundering transactions or in the utilisation of the proceeds of a crime.</p> <p>46.2. Persons and organisations engaged in crime may seek to use Member's Trust Bank Accounts to disguise the criminal origins of funds. Institute Members are referred to Guidance Notes N2 Money Laundering Guidelines and are required to report suspect money laundering activities to the appropriate authorities or otherwise seek advice from the Institute's Divisional General Manager, Standards &amp; Public Affairs. CPA Australia members may seek advice from CPA Australia's Divisional Director or Ethics/Professional Conduct Officers in each State.</p>		<p>Now covered in a principal based manner in 4.10.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

<p align="center"><b>APS 10</b> Issued June 1997, Reissued Dec 2003</p> <p align="center"><b>Trust Accounts</b></p>	<p align="center"><b>Draft APES 310</b> February 2009</p> <p align="center"><b>Client Monies</b></p>	<p align="center"><b>Comments</b></p>
	<p><b>Conformity with International Pronouncements</b></p> <p>The International Ethics Standard Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES 310.</p>	<p>Follows APESB drafting conventions.</p>
<p>Appendix 1 - Auditor's report</p> <p>To (The Member)</p> <p>Scope</p> <p>I have audited the trust accounting records and other trust account records of the trust account(s) maintained by (name of Member or firm etc) in respect of the period ..... to ..... 20XX.</p> <p>It is noted that due to the inherent limitations of an audit there is always a possibility that the audit may not detect a material breach of trust account requirements.</p> <p>The Name(s) of the Account(s) is/are (Account Name(s))</p> <p>My audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether (name of Member or firm etc) has/have complied with APS 10 - Trust Accounts. My procedures included an examination, on a test basis, of the transaction of (each of) the Trust Account(s). The audit opinion expressed in this report has been formed on the above basis.</p> <p>Audit Opinion</p> <p>In my opinion (name of Member or firm etc) has/have complied with the standards in APS 10 - Trust Accounts for the period ..... to ..... 20XX.</p> <p>OR</p> <p>Qualified Audit Opinion</p> <p>In my opinion (name of Member or firm etc) has/have not complied with the standards in APS 10 - Trust Accounts for the period ..... to ..... 20XX. The following breaches were</p>	<p>[To be completed]</p>	<p>Outstanding.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

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<p>detected by me in respect of the period covered by my audit: Date: ..... Address: ..... Auditor: .....</p>		
<p>Appendix 2 - Trust account audit engagement letter</p> <p>[Date] [Client Name and Address] Audit of Trust Account - (Name of Account) Scope You have requested that I/we audit your trust account as of and for the year ending 31 March ..... I am/We are pleased to confirm my/our acceptance and my/our understanding of this engagement by means of this letter. The audit will be conducted with the objective of expressing an opinion on whether or not the trust account complies with the requirements contained in APS 10 - Trust Accounts. I/We will conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounting and other records of the trust account are free of material misstatement. The procedures will include a review, on a test basis, of the internal controls over the operation of the trust account and relevant accounting information. In addition to expressing our opinion as to whether the trust account has been maintained in accordance with the requirements of APS 10 - Trust Accounts, we expect to provide you with a separate letter concerning any material weaknesses in the internal control structure that come to my/our notice. I/We remind you that it is your responsibility to maintain an adequate system of internal control, to maintain proper accounting records and to ensure that the conditions of APS 10 - Trust Accounts are complied with throughout the year. Quality Control</p>		<p>APS 10 Appendix 2 not carried forward.</p>

**Comparison between APS 10 (December 2003) and Draft APES 310 (February 2009)**

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<p>The conduct of my/our audit in accordance with Australian Auditing Standards means that information acquired by me/us in the course of the audit is subject to strict confidentiality requirements. Information will not be disclosed to other parties except as required or allowed for by law or professional standards, or with your express consent. The audit files may, however, be subject to review as part of the quality control review program of The Institute of Chartered Accountants/CPA Australia which monitors compliance with professional standards by its Members. I/We advise you that by signing this letter you acknowledge that, if requested, my/our audit files relating to this audit will be made available under this program. Should this occur, I/we will advise you. The same strict confidentiality requirements apply under this program as apply to me/us as your auditor.</p> <p>Fees I/We look forward to full co-operation with your staff and trust that they will make available whatever records, documentation and other information that are requested in connection with the audit. My/Our fees, are based on the time required to perform the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.</p> <p>Other This letter will be effective for future years unless it is terminated, amended or superseded. Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for your trust account audit.</p> <p>Yours faithfully, (signed) ..... [Name and title] ..... [Date]</p>		

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<p>Acknowledgement of ..... CA/FCA/CPA/FCPA (signed) ..... [Name and Title] ..... [Date]</p>		