



**Proposed Standard: APES 310 Client Monies and Auditing Trust Accounts (Formerly APS 10)**

**[Alternate Title: A Member in Public Practice's Trust Accounts, Client Bank Accounts and Audit Obligations]**

Prepared and issued by **Accounting Professional & Ethical Standards Board Limited**

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## **Commenting on this Exposure Draft**

Comments on this Exposure Draft should be forwarded so as to arrive by **31 May 2010**.

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A copy of all submissions will be placed on public record on the APESB website:

[www.apesb.org.au](http://www.apesb.org.au).

## **Obtaining a copy of this Exposure Draft**

This Exposure Draft is available on the APESB website: [www.apesb.org.au](http://www.apesb.org.au). Alternatively, any individual or organisation may obtain one printed copy of this exposure draft without charge until **31 May 2010** by contacting:

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## Reasons for issuing Exposure Draft XX/10

Accounting Professional & Ethical Standards Board Limited (APESB) proposes to issue the Standard APES 310 *Client Monies and Auditing Trust Accounts* setting out mandatory requirements and guidance for Members in Public Practice who holds, receives or disburses Client Monies. Additionally, APES 310 stipulates the professional obligations of a Member in Public Practice who audits another Member in Public Practice's Trust Account(s). The proposed standard will replace the existing APS 10 *Trust Accounts*.

## Key requirements and guidance in ED XX/10

The proposed APES 310 includes mandatory requirements and guidance in respect of:

- Fundamental responsibilities of Members in Public Practice;
- General principles;
- Opening Trust Account(s);
- Client Bank Account(s);
- Holding or receiving Client Monies;
- Operation of Trust Account(s);
- Disbursement of Client Monies;
- Trust Account Records;
- Audit of a Member in Public Practice's Trust Account(s); and
- Professional obligations of a Member in Public Practice who conducts audits of another Member in Public Practice's Trust Accounts.

## Proposed operative date

It is intended that this Standard will be operative from 1 January 2011.

## Request for comments

Comments are invited on this Exposure Draft of APES 310 *Client Monies and Auditing Trust Accounts* by **31 May 2010**. APESB would prefer that respondents express a clear overall opinion on whether the proposed Standard, as a whole, is supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on any matter. APESB regards both critical and supportive comments as essential to a balanced view of the proposed Standard.

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD  
LIMITED



**APES 310**  
**Client Monies and Auditing Trust Accounts**

(Issued XXXX 2010)

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## 1 Scope and application

- 1.1 Accounting Professional & Ethical Standards Board Limited (APESB) issues professional standard APES 310 *Client Monies and Auditing Trust Accounts (the Standard)*, which is effective from 1 January 2011.
- 1.2 APES 310 sets the standards for Members in Public Practice who hold, receive or disburse Client Monies or where they conduct an audit of another Member in Public Practice's Trust Accounts. The mandatory requirements of this Standard are in **bold-type** (black lettering), preceded or followed by discussion or explanations in normal type (grey lettering).
- 1.3 **Members in Public Practice in Australia shall follow the mandatory requirements of APES 310 when they hold, receive or disburse Client Monies or when they conduct an audit of another Member in Public Practice's Trust Accounts.**
- 1.4 **Members in Public Practice practising 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/or regulations.**
- 1.5 **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.**
- 1.6 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.7 All references to Professional Standards and guidance notes and legislation are references to those provisions as amended from time to time.
- 1.8 In applying the requirements outlined in 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.
- 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.

## 2 Definitions

For the purpose of this Standard:

**Auditing and Assurance Standards** means:

- In relation to reports for reporting periods commencing on or after 1 July 2006:
  - the AUASB standards, defined in the *Foreword to AUASB Pronouncements*, issued by the AUASB, and operative from the date specified in each standard; and
  - those standards issued by the AuASB which have not yet 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.
- In relation to reports for reporting periods 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.

**AuASB** 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.

**AUASB** means the Australian statutory body called the Auditing and Assurance Standards Board established under section 227A of the *Australian Securities and Investments Commission Act 2001*.

**Auditor** means a Member in Public Practice who holds a certificate of public practice of one of the Professional Bodies and who is independent in accordance with paragraph 12.2 of this Standard.

**Cheque** means a bill of exchange drawn on a Financial Institution by the holder of a current account.

**Client** 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.

**Client Bank Account** 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, hold a signing authority.

**Client Monies** means any Money (in whatever form) coming into the control of a Member 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:

- a Cheque made payable to someone other than the Client, received by a Member in Public Practice and forwarded promptly to the payee; or
- Monies administered under any insolvency legislation for which a separate bank account is opened by a receiver, liquidator or similar person; or
- fees paid in advance for Professional Services agreed to be performed and clearly identified as such.

**Close Family** means a parent, child or sibling, who is not an Immediate Family member.

**Code** means APES 110 *Code of Ethics for Professional Accountants*.

**Deficiency** means a deficit or shortfall of Client Monies in a Trust Account, as disclosed by the Trust Account Records maintained by a Member in Public Practice, or in the records of a Financial Institution at which the Trust Account is held. However, it does not include any deficiency which an Auditor is satisfied was caused solely by an error of a Financial Institution which has been subsequently rectified.

**Financial Institution** means a bank, building society, credit union or such other financial entity that is regulated by the Australian Prudential Regulation Authority (APRA) in accordance with the *Banking Act 1959*.

**Firm** means

- (a) a sole practitioner, partnership, corporation or other entity of professional accountants;
- (b) an entity that controls such parties;
- (c) an entity controlled by such parties; or
- (d) an Auditor-General's office or department.

**Immediate Family** means a spouse (or equivalent) or dependant.

**Member** means a member of a Professional Body that has adopted this Standard as applicable to their membership, as defined by that Professional Body.

**Member in Business** 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.

**Member in Public Practice** 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.

**Money** means cash, foreign currency, any negotiable instrument and any security, the title to which is transferable by delivery (for example, bills of exchange and promissory notes), including delivery by electronic funds transfer.

**Personnel** mean employees, officers, directors, contractors or agents.

**Professional Bodies** means the Institute of Chartered Accountants in Australia, CPA Australia and the National Institute of Accountants.

**Professional Standards** means all standards issued by Accounting Professional & Ethical Standards Board Limited and all professional and ethical requirements of the applicable Professional Body.

**Professional Services** means services requiring accountancy or related skills performed by a Member including accounting, auditing, taxation, management consulting and financial management services.

**Trust Account** means an account or accounts opened by a Member in Public Practice with a Financial Institution which are kept for the sole purpose of receiving, holding and disbursing Client Monies.

**Trust Account Records** means documentation evidencing the receiving, holding and disbursing, or otherwise dealing with Client Monies.

**Working Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday.

### **3 Fundamental responsibilities of Members in Public Practice**

- 3.1 A Member in Public Practice who holds, receives or disburses Client Monies or conducts an audit of another Member in Public Practice's Trust Accounts shall comply with Section 100 *Introduction and Fundamental Principles* of the Code and relevant law.
- 3.2 A Member in Public Practice who holds, receives or disburses Client Monies or conducts an audit of another Member in Public Practice's Trust Accounts shall comply with Section 220 *Conflicts of Interest* and Section 280 *Objectivity – All Services* of the Code.

#### **Public interest**

- 3.3 In accordance with Section 100 *Introduction and Fundamental Principles* of the Code, a Member in Public Practice shall observe and comply with the Member's public interest obligations when the Member provides Professional Services to a Client which comprise of holding, receiving or disbursing Client Monies or conducting an audit of another Member in Public Practice's Trust Accounts.

#### **Confidentiality**

- 3.4 In accordance with Section 140 *Confidentiality* of the Code, a Member in Public Practice who acquires confidential information in the course of professional work for a Client shall not use that information for any purpose other than the proper performance of the professional work for that Client.

#### **Professional competence and due care**

- 3.5 A Member in Public Practice who holds, receives or disburses Client Monies or conducts an audit of another Member in Public Practice's Trust Accounts shall maintain professional competence and exercise due care in the performance of the Member's work in accordance with Section 130 *Professional Competence and Due Care* of the Code.

## **Part A: Professional obligations of a Member in Public Practice who transacts Client Monies**

### **4 General principles**

- 4.1 A Member in Public Practice who holds, receives or disburses Client Monies shall comply with Section 270 *Custody of Client Assets* of the Code.
- 4.2 A Member in Public Practice who holds, receives or disburses Client Monies shall transact with Client Monies in accordance with the Client's instructions.
- 4.3 It is preferable that a Client's instructions are in writing. Where a Client gives an oral instruction, a contemporaneous note should be made and kept on file by the Member recording the relevant details.
- 4.4 A Member in Public Practice shall be accountable for all Client Monies that are transacted through a Trust Account and keep Client Monies separate from all other Money of the Member.



- 4.5 A Member in Public Practice shall implement appropriate internal controls and procedures in respect of the operation of Trust Accounts and Client Bank Accounts. The Member shall take all reasonable steps to ensure that those internal controls achieve the following objectives:**
- a) Client Monies are properly safeguarded and accounted for; and**
  - b) Client Bank Accounts are properly safeguarded against unauthorised access or use.**
- 4.6 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.**
- 4.7 A Member in Public Practice may charge professional fees that relate directly to holding, receiving or otherwise dealing in Client Monies and/or operating Client Bank Accounts.**
- 4.8 A Member in Public Practice who is acting as a trustee or under a power of attorney shall comply with the Member's legal and fiduciary duties as trustee or attorney in respect of Client Monies, and shall apply this Standard to the extent practicable.**
- 4.9 A Member in Public Practice shall not:**
- a) receive or pay into a Trust Account or Client Bank Account; or**
  - b) withdraw or pay out of a Trust Account or Client Bank Account**
- any Money if the Member believes on reasonable grounds that it was obtained from, or is to be used for, illegal activities or that receiving or dealing with the Money is otherwise unlawful.**
- 4.10 A Member in Public Practice when holding, receiving or disbursing Client Monies in accordance with a Client's instructions and/or operating Client Bank Accounts shall not be involved in any money laundering transactions or in the utilisation of the proceeds of crime or terrorist financing.**

## **5 Opening Trust Account(s)**

- 5.1 Subject to paragraph 7.6, a Member in Public Practice shall open a Trust Account at a Financial Institution to transact Client Monies.**
- 5.2 A Member in Public Practice shall document the process followed to establish the identity of a Client and the source of Client Monies prior to agreeing to hold, receive or disburse Client Monies.**
- 5.3 A Member in Public Practice shall ensure that a Trust Account is opened in the Member's or the Firm's name and includes the words "Trust Account" in its title. A Member shall open and maintain a separate Trust Account where a Client requests the establishment of a separate account.**
- 5.4 Where a Member in Public Practice opens a Trust Account, the Member shall give a written notice to the Financial Institution that:**
- (a) all Money standing to the credit of that account is held by the Member 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 the Financial Institution on any other account;**

- (b) any interest payable in respect of the account balance must be credited to that account; and
- (c) the Financial Institution acknowledge in writing that it accepts the terms of the notice, and confirm its understanding that Money held in the Trust Account are Client Monies and is the property of a Client(s) of the Member.

**[Note: Liaise with Bankers Association regarding format of written notice]**

**5.5 A Member in Public Practice shall deposit Client Monies received to the credit of a Trust Account, within 3 business days of receipt.**

**5.6 A Member in Public Practice shall inform the Client in writing:**

- (a) no later than at the time of initial deposit, the Financial Institution at which the Client Money is held; and
- (b) as soon as practicable (within 30 business days) if there is a change to the Financial Institution where the Client Money is held.

## **6 Client Bank Accounts**

**6.1 A Member in Public Practice shall only operate a Client Bank Account in accordance with the Client's written instructions.**

## **7 Holding or receiving Client Monies**

**7.1 A Member in Public Practice holding or receiving Client Monies shall disburse or refund the Money as soon as practicable (within 5 business days) to the Client or third party as appropriate, or otherwise deal with the Monies in accordance with the Client's instructions.**

**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 as soon as practicable (within 10 business days) to the drawer or sender as appropriate.**

**7.3 A Member in Public Practice shall comply with the relevant state legislation in respect of unclaimed Money when the Member is unable to disburse the Money to the Client, payee, drawer or sender.**

**7.4 A Member in Public Practice shall record the following information for every amount of Client Monies received, or Money received for deposit into a Client Bank Account:**

- (a) the name of the person from whom the Money was received;
- (b) the amount of Money;
- (c) the Client for whose benefit the Money is held;
- (d) the purpose for which the Money was received or other description of the Money;
- (e) the date on which the Money was received;
- (f) the form in which the Money was received.

**7.5 A Member in Public Practice shall issue a completed receipt to the Client as soon as practicable (within 21 business days) or as otherwise agreed with the Client containing the details specified in paragraph 7.4 to acknowledge that the Member has deposited the Client Monies into a Trust Account or a Client Bank Account.**

**7.6 A Member in Public Practice who receives Client Money in a form that is not capable of being deposited in a Financial Institution shall safeguard the Money against unauthorised use and record it in an appropriate register.**

7.7 Client Money that is in a form that is not capable of being deposited into a Trust Account or a Client Bank Account may include Client assets such as a coin collection. In such circumstances the requirements of paragraphs 4.1 and 7.6 apply.

## **8 Operation of Trust Account(s)**

**8.1 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 law.**

**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, or the quality review program and disciplinary proceedings of the Professional Body.**

**8.3 A Member in Public Practice shall bear any Financial Institution, statutory or other government charges in respect of the Trust Account.**

8.4 A Member in Public Practice may deposit the Member's own funds to a Trust Account:

- (a) to meet any charges made to the Trust Account where the Financial Institution has made such charges to the Trust Account in error, instead of the Member's general bank account; or
- (b) to meet a Financial Institution's prescribed minimum requirements for an ongoing account balance.

## **9 Disbursement of Client Monies**

**9.1 A Member in Public Practice shall ensure that Client Monies are only disbursed from a Trust Account based on the written authority obtained from the Client, or as authorised by the operation of the law and that such withdrawals are transacted as soon as practicable (within 5 business days).**

**9.2 A Member in Public Practice, or any two persons jointly authorised in accordance with paragraph 9.4, shall operate the Member's Trust Account.**

**9.3 A Member in Public Practice shall ensure that the Member has appropriate documentation to transact electronic funds transfers from a Trust Account.**

**9.4 In circumstances where a Member in Public Practice is not available to authorise Trust Account transactions in a timely manner, the Member shall delegate in writing the Member's authority to effect transactions to another Member in Public Practice or to two persons drawn from any of the following categories:**

- (a) Solicitors holding a current practising certificate;
- (b) Suitably qualified Personnel of the Member's practice;
- (c) Financial Institution managers; or
- (d) A Member of another Professional Body in a multi disciplinary practice.

**9.5 A Member in Public Practice who wishes to withdraw professional fees and/or expenses due from a Client from a Trust Account shall obtain the Client's written approval prior to such a withdrawal.**

- 9.6 A Member in Public Practice shall not make a disbursement to or on behalf of a Client from a Trust Account that exceeds the amount of funds standing to the credit of that Client in the Trust Account.

## **10 Trust Account Records**

- 10.1 A Member in Public Practice shall maintain Trust Account Records to appropriately document the Trust Account transactions undertaken on behalf of Clients.
- 10.2 A Member in Public Practice shall only hold Client Monies in a Trust Account for the period necessary to enable the purpose for which the Client Monies are held or received to be discharged.
- 10.3 A Member in Public Practice maintaining a Client authorised interest bearing account shall appropriately record all transactions that occur in that account.
- 10.4 A Member in Public Practice shall ensure that all interest earned on Client Monies shall be credited to the relevant Client's account.
- 10.5 A Member in Public Practice shall maintain records of each Trust Account that:
- (a) enables the Trust Account(s) to be audited;
  - (b) discloses the true position of Client Monies; and
  - (c) clearly identifies the Member's dealings with the Trust Account and the Client Monies of each individual Client.
- 10.6 A Member in Public Practice shall retain all Trust Account Records for at least seven years or longer period as prescribed by legislation.
- 10.7 A Member in Public Practice shall keep Trust Account Records in such a manner as to disclose clearly:
- (a) the details of all transactions undertaken with regard to Client Monies, including:
    - (i) details of all transactions undertaken in respect of Client Bank Accounts;
    - (ii) details of all transactions undertaken in respect of the Member's Trust Accounts;
    - (iii) details of all Client Monies paid direct to the Client, or to a third party on the Client's instructions, identifying that person;
    - (iv) details of all Cheques received and endorsed by the Member for payment to the Client, or to a third party on the Client's instructions identifying that party;
    - (v) details of all electronic funds 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;
    - (vi) details of any errors in transactions undertaken with regard to Client Monies;
  - (b) the details of all interest earned on Client Monies and whether the interest has been applied by the Member in accordance with paragraph 10.4; and
  - (c) the position of the Member's Trust Accounts and the Client Monies therein.

- 10.8 A Member in Public Practice who operates a Client Bank Account shall establish and maintain adequate records of the transactions undertaken including:**
- (a) a register of signing authorities for all Client Bank Accounts the Member has received Client authority to operate; and**
  - (b) details of transactions as set out in paragraph 10.7(a) as applicable to the operation of Client Bank Accounts.**
- 10.9 In circumstances where a Client transacts business through a Financial Institution 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 (within 25 business days) or as otherwise agreed with the Client.**
- 10.10 A Member in Public Practice shall reconcile the Trust Account Records to the Trust Accounts on a periodic basis. The Member shall correct any differences or errors on a timely basis (within 5 business days).**
- 10.11 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 to the Financial Institution statements on a periodic basis. The Member shall correct any difference or errors on a timely basis (within 5 business days).**
- 10.12 A Member in Public Practice shall provide a Client with a statement containing details of the Member's application of Client Monies and any interest earned on Client Monies, either to the Client or to such other person as directed by the Client:**
- (a) in respect of all transactions, at least annually;**
  - (b) upon completion of the matter requiring the maintenance of the Trust Account;**
  - (c) in respect of any transaction, upon written request from the Client; or**
  - (d) when a Trust Account is closed.**
- 10.13 A Member in Public Practice who operates a Client Bank Account shall issue a statement containing details of the operation of the Client Bank Account, either to the Client or to such other person as directed by the Client:**
- (a) in respect of all transactions, at least annually;**
  - (b) in respect of any transaction, at any time upon request by the Client; and**
  - (c) when any Client Bank Account is closed or if the Member's authority to operate a Client Bank Account is revoked.**
- 10.14 The statements required to be issued in accordance with:**
- (a) paragraphs 10.12(a) and 10.13(a) should be provided within 60 business days;**
  - (b) paragraphs 10.12(b), 10.12(d), and 10.13(c) should be provided within 25 business days;**
  - (c) paragraphs 10.12(c) and 10.13(b) should be provided within 5 business days.**

## **11 Audit of a Member in Public Practice's Trust Account(s)**

- 11.1 Subject to paragraph 11.2, a Member in Public Practice shall ensure that the Member's Trust Accounts are audited annually by another Member in Public Practice within 90 calendar days of the applicable year end or other date as prescribed by legislation.**
- 11.2 Paragraph 11.1 does not apply to a Member in Public Practice in circumstances where the Trust Accounts are audited in accordance with *Trust Accounts Act 1973* (Qld) or similar legislative requirements.
- 11.3 A Member in Public Practice whose Trust Accounts are being audited shall bear the cost of the audit.**
- 11.4 A Member in Public Practice shall:**
- (a) allow the Member's Professional Body or an Auditor access to Trust Account Records; and**
  - (b) assist the Member's Professional Body or an Auditor in the performance of their duties.**
- 11.5 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 explanations for the reasons for the proposed change, together with the Auditor's consent to resign, or the Auditor's reasons opposing the removal.**
- 11.6 A Member in Public Practice shall appoint a new Auditor within 14 calendar days of the resignation or removal of the previous Auditor.**
- 11.7 Where a Member in Public Practice:**
- (a) ceases public practice, the professional obligations to transact Client Monies in accordance with this Standard can be transferred to another Member of the Firm upon written consent of the respective Client(s). The Member shall provide the relevant Professional Body an audit report of the Trust Account(s) prepared in accordance with this Standard for the period the Member was responsible for the Trust Account; or**
  - (b) ceases public practice and either the Firm also ceases public practice or written consent in accordance with paragraph 11.7(a) has not been given by the Client(s), the Member shall return Client Monies to the respective Client(s), and provide the relevant Professional Body an audit report on the Trust Account(s) prepared in accordance with this Standard.**
- 11.8 A Member in Public Practice shall ensure that the Trust Accounts are audited within 90 calendar days of ceasing to operate a Trust Account.**

## **Part B: Professional obligations of a Member in Public Practice who conducts audits of another Member in Public Practice's Trust Accounts**

### **12 Professional obligations of the Auditor**

- 12.1** Subject to any legal requirements or restrictions, a Member in Public Practice who conducts an audit of another Member's Trust Account shall perform the audit in accordance with *Standard on Assurance Engagements ASAE 3100 Compliance Engagements*. The objective of a compliance engagement is to enable the Member to express a conclusion on whether the Member in Public Practice who is subject to the audit has complied in all material respects, with the requirements as measured by suitable criteria. In this context, the requirements of this Standard are the suitable criteria. The Member shall prepare the Auditor's report in accordance with Appendix 1 to this Standard.
- 12.2** A Member in Public Practice shall comply with Section 290 *Independence – Assurance Engagements* of the Code.
- 12.3** A Member in Public Practice who conducts an audit of a Member's Trust Account shall report to the respective Professional Body of the Member who is subject to the audit upon becoming aware of:
- (a) any deficiency of Client Monies;
  - (b) a failure by a Member who is subject to the audit to pay or deposit any Client Monies within 3 business days of receipt, or in the case of disbursements within 5 business days of the funds becoming available;
  - (c) any matter arising in the course of the audit or otherwise that may be considered of significance to the applicable Professional Body; or
  - (d) any error reflected in a statement issued by a Financial Institution.
  - (e) circumstances where the Trust Account is not maintained in accordance with this Standard.

**[Note: Should reporting of issues (excluding deficiency of client monies) be confined to more serious breaches?]**

- 12.4** A Member in Public Practice who is acting as a Auditor of another Member's Trust Account shall retain the relevant working papers for a period of at least seven years or longer as prescribed by legislation.

#### ***Conformity with International Pronouncements***

The International Ethics Standard Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES 310.

## **Appendix 1 - Auditor's Report**

[Opinion to be modelled on ASAE 3100 *Compliance Engagements*]