

AGENDA PAPER

Item Number: 11.2
Date of Meeting: 11th November 2008
Subject: Proposed APES 310 *Member's Trust Accounts*

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Purpose

To obtain feedback from the Board on whether the approach taken by technical staff in drafting APES 310 *Member's Trust Accounts* is appropriate.

Background

APS 10 *Trust Accounts* was issued in December 2003 by the National Councils of the Institute of Chartered Accountants in Australia and the Australian Society of Certified Practising Accountants (CPA Australia) to establish the responsibility of members who hold or receive Trust Money. Further in December 2003, to assist members with APS 10 compliance, the Institute of Chartered Accountants in Australia and CPA Australia jointly issued GN3 – Operation of Trust Accounts.

In May 2007, the Board approved a project proposal for the re-development and rebranding of Miscellaneous Professional Statement APS 10 as APES 310 *Member's Trust Accounts*. Following this, an exposure draft was prepared and presented in August 2007. The Board's view was that the pronouncement contained mainly procedural matters and did not contain principles similar to other APESB pronouncements. As a result, the matter was then referred to the professional bodies for further consideration. The professional bodies responded to the Board and stated that there are matters in APS 10 that can be stated in a principles based manner and that should belong in a professional standard. The Board then instructed the technical staff to redraft APS 10 in a principles based manner for the consideration of the Board.

Consideration of Issues

Technical staff have now redrafted the predecessor APS 10 in a principles based manner for the consideration of the Board.

Staff Recommendation

The Board to provide feedback on whether the approach taken by technical staff is appropriate.

Material Presented

- Proposed APES 310 *Member's Trust Accounts*

Author: Channa Wijesinghe

Date: 31 October 2008