

## AGENDA PAPER

**Item Number:** 10.9  
**Date of Meeting:** 8 February 2010  
**Subject:** ED 0X/10 Client Monies and Auditing Trust Accounts

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**Action Required**

**For Information Only**

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### Purpose

To provide the Board with an update on the proposed Exposure Draft APES 310 *Client Monies and Auditing Trust Accounts*.

### Background

APS 10 *Trust Accounts* (APS 10) 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. To assist members with APS 10 compliance, the professional bodies also issued GN3 – Operation of Trust Accounts.

In May 2007, the APESB approved a project proposal for the re-development and rebranding of Miscellaneous Professional Statement APS 10 as APES 310 *Client Monies and Auditing Trust Accounts*. Following this, an exposure draft was prepared and presented in August 2007. The Board's initial view was that the proposed pronouncement contained mainly procedural matters and did not contain principles similar to other APESB pronouncements. As a result, the matter was then referred back to the professional bodies for further consideration.

The professional bodies reviewed this request and made several submissions during 2008 that stated that there are matters in APS 10 that can be drafted in a principles based manner which can be included 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.

As part of the APES 310 ED development process in 2009 technical staff prepared and presented to the Board a matrix of circumstances where a Member in Public Practice will transact in Client Monies and compared these requirements against the *Legal Professions Act 2004 (Vic)*. Additionally, a comparative review of the requirements of APES 310 ED against the existing APS 10 and NZICA's PS-2 *Client Monies* was presented at the September 2009 Board Meeting.

At the September 2009 Board Meeting, the Board agreed that a working party be formed to progress the development of the exposure draft. The attached revised draft reflects the work done by the working party to date.

### **Staff Recommendation**

The Board to provide preliminary comments and feedback on the revised version of APES 310 ED.

### **Materials Presented**

- Proposed APES 310 *Client Monies and Auditing of Trust Accounts*

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