

### **Specific requirements for Members and Auditors in dual signatory situations**

This paper sets out the general activities and requirements in APES 310 *Client Monies* that apply in a dual signatory situation. The list contains activities that will generally need to be undertaken assuming there are no exceptional circumstances.

#### **Member in Public Practice who deal with Client Monies**

The Member in Public Practice is required to deal with Client Monies in accordance with the client's instructions and the specific requirements of APES 310 (paras 4.7 and 6.18). These requirements include:

- Obtaining client authorisation, through an engagement letter, for access to client information (para 7.4);
- Compliance with access or security controls associated with the bank account (paras 4.5 and 4.7(c));
- Transacting client monies within specified deadlines (paras 6.1 and 6.14);
- Recording details of transactions undertaken (paras 6.8 and 6.16, and Section 7);
- Issuing statements to clients within specified deadlines (paras 6.9 and 6.10) and
- Having an annual assurance engagement conducted to verify compliance with the standard (paragraph 8.1)

The issues raised by stakeholders indicated that additional guidance could be provided to Members in Public Practice to outline the documentation required to prove compliance with APES 310.

#### **Member in Public Practice who are auditors of Client Monies**

The ***Auditor of Client Monies*** is required by paragraph 8.3 to complete a limited assurance engagement on a Member's compliance with the requirements of APES 310. Therefore, the engagement to be conducted should be a compliance audit (performed in accordance with ASAE 3100 *Compliance Engagements*), as opposed to a financial statement audit. The likely procedures that would be conducted in a compliance audit could include reviewing:

- engagement letters and other evidence of client instructions;
- access of client bank accounts by the Member (APES 310 para 4.7(c));
- supporting documents (including documents to support disbursements per APES 310 para 6.16); and
- bank transfer records.

The Member in Public Practice is required to have evidence that would support each of the likely procedures to be performed by the Auditor of Client Monies. Technical Staff believe that in practice the auditor may be treating this audit in a similar manner to a financial statement audit and thus requesting for more audit evidence than what is required. The issues raised by stakeholders in relation to the difficulty faced by Auditors of Client Monies in accessing client records could be addressed through the education of Auditors of Client Monies about compliance engagements.