

# APES 310 Client Monies

[Supersedes APES 310 Client Monies issued in November 2019]

Prepared and issued by  
Accounting Professional & Ethical Standards Board Limited

REVISED: XXXX 2023

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## 1. Scope and Application

- 1.1 The objectives of APES 310 *Client Monies* are to specify a **Member in Public Practice's** professional and ethical obligations when the **Member**:
- (a) **Deals with Client Monies** including:
- holding, receiving and disbursing **Client Monies** in a **Trust Account**;
  - holding, receiving and disbursing **Client Monies** in a **Client Bank Account**;
  - reporting on **Dealing with Client Monies**; and
  - obtaining an **Assurance Engagement** on the **Member's** compliance with this Standard; or
- (b) acts as an **Auditor of Client Monies** in terms of:
- compliance with applicable **Independence** requirements;
  - completing a professional appointment process;
  - compliance with applicable **Auditing and Assurance Standards**; and
  - reporting obligations to the applicable **Professional Body**.
- 1.2 Accounting Professional & Ethical Standards Board Limited (APESB) issues APES 310 *Client Monies* (**the Standard**), which is effective for **Engagements** commencing on or after 1 April 2024 and supersedes APES 310 issued in November 2019. Earlier adoption of this Standard is permitted.
- 1.3 APES 310 sets the standards for **Members in Public Practice** who **Deal with Client Monies** or who act as an **Auditor of Client Monies**. The mandatory requirements of this Standard are in **bold-type**, preceded or followed by discussion or explanations in normal type. APES 310 should be read in conjunction with other professional duties of **Members**, and any legal obligations that may apply.
- 1.4 **Members in Public Practice in Australia shall follow the mandatory requirements of APES 310 when they Deal with Client Monies or when they act as an Auditor of Client Monies.**
- 1.5 **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.**
- 1.6 This Standard does not apply where a **Member in Public Practice** is not acting in a **Client** relationship and is acting as a trustee, under a power of attorney, as a director or as an officeholder of an entity. When acting in the capacity of a trustee, an attorney, or an officeholder, the **Member** is required to comply with the obligations specified in the relevant trust deed, the power of attorney or their officeholder obligations.
- 1.7 This Standard does not apply in circumstances where a **Member in Public Practice** has no responsibility or authority to transact **Client Monies** and is only preparing or arranging banking transactions for subsequent **Client** approval.
- 1.8 **Members in Public Practice shall comply with all other applicable Professional Standards and be familiar with relevant guidance notes when providing Professional Services. All Members shall comply with the fundamental principles outlined in the Code.**
- 1.9 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.

- 1.10 All references to [Professional Standards](#), guidance notes and legislation are references to those provisions as amended from time to time.
- 1.11 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 this Standard and the [Code](#).
- 1.12 In this Standard, unless otherwise specified, words in the singular include the plural and vice versa, words of one gender include another gender, and words referring to persons include corporations or organisations, whether incorporated or not.

## 2. Definitions

Defined terms are shown in the body of the Standard in title case.

For the purpose of this Standard:

**Applicable Year-End Date** means a date, which once determined cannot be changed without the approval of the applicable [Professional Body](#). The Applicable Year-End Date must occur within 12 months of the month-end following the [Member in Public Practice](#) opening a [Trust Account](#) or the [Member](#) obtaining the authority to operate a [Client Bank Account](#).

**Assurance Engagement** means an [Engagement](#) in which a [Member in Public Practice](#) aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information.

This includes an [Engagement](#) in accordance with the *Framework for Assurance Engagements* issued by the [AUASB](#) or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.

(For guidance on Assurance Engagements, see the *Framework for Assurance Engagements* issued by the [AUASB](#). The *Framework for Assurance Engagements* describes the elements and objectives of an Assurance Engagement and identifies [Engagements](#) to which *Australian Auditing Standards* (ASAs), *Standards on Review Engagements* (ASREs) and *Standards on Assurance Engagements* (SAEs) apply.)

**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*.

**Auditing and Assurance Standards** means the [AUASB](#) standards, as described in *ASA 100 Preamble to AUASB Standards*, *ASA 101 Preamble to Australian Auditing Standards* and the *Foreword to AUASB Pronouncements*, issued by the [AUASB](#), and operative from the date specified in each standard.

**Auditor of Client Monies** means a [Member in Public Practice](#) who:

- (a) has been engaged to perform an [Assurance Engagement](#) of another [Member in Public Practice's](#) compliance with this Standard; and
- (b) holds a certificate of public practice of one of the [Professional Bodies](#).

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

**Client** means an individual, firm, entity or organisation to whom or to which [Professional Activities](#) 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** for which a **Member in Public Practice**, acting either solely or in conjunction with one or more people, holds a signing authority.

**Client Monies** means any **Monies** (in whatever form) coming into the **Control** of a **Member in Public Practice** or any of the **Member's Personnel** which are the property of a **Client** and includes **Monies** to which the **Member** or the **Member's Personnel** have no present entitlement.

**Code** means APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**Control** means where a **Member in Public Practice** or any of the **Member's Personnel**, acting either solely or in conjunction with one or more people, can authorise the transacting of **Client Monies**.

**Deals (or Dealing) with Client Monies** means to hold, receive or disburse **Client Monies** by any means including cash, cheques or electronic funds transfers.

**Deficiency** means a deficit or shortfall of **Client Monies**, as disclosed by **Records** maintained by a **Member in Public Practice**, or in the records of a **Financial Institution** at which an account is held. However, it does not include:

- (a) any Deficiency which the **Auditor of Client Monies** is satisfied was caused solely by an error of a **Financial Institution** which has been subsequently rectified; and
- (b) any **Client** approved use of an overdraft facility attached to a **Client Bank Account**.

**Engagement** means an agreement, whether written or otherwise, between a **Member in Public Practice** and a **Client** relating to the provision of **Professional Services** by a **Member in Public Practice**. However, consultations with a prospective **Client** prior to such agreement are not part of an Engagement.

**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, through ownership, management or other means;
- (c) An entity controlled by such parties, through ownership, management or other means; or
- (d) An Auditor-General's office or department.

**Independence** comprises:

- (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity, and exercise objectivity and professional scepticism.
- (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a **Firm's**, or an **Engagement** team member's, integrity, objectivity or professional scepticism has been compromised.

**Limited Assurance Engagement** means an **Assurance Engagement** in which the **Member in Public Practice** reduces **Engagement** risk to a level that is acceptable in the circumstances of the **Engagement**, but where that risk is greater than for a **Reasonable Assurance Engagement**, as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the **Member's** attention to cause the **Member** to believe the compliance requirements have not been met, in all material respects. The nature, timing and extent of

procedures performed in a Limited Assurance Engagement is limited compared with that necessary in a [Reasonable Assurance Engagement](#) but is planned to obtain a level of assurance that is, in the [Member's](#) professional judgement, meaningful. To be meaningful, the level of assurance obtained by the [Member](#) is likely to enhance the intended users' confidence about the compliance outcome to a degree that is clearly more than inconsequential.

**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 Public Practice** means a [Member](#), irrespective of functional classification (for example, audit, tax or consulting) in a [Firm](#) that provides [Professional Services](#). This term is also used to refer to a [Firm](#) of Members in Public Practice and means a practice entity and a participant in that practice entity as defined by the applicable [Professional Body](#).

**Monies** 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** means employees, officers, directors, contractors or agents.

**Professional Activity** means an activity requiring accountancy or related skills undertaken by a [Member](#), including accounting, auditing, tax, management consulting, and financial management.

**Professional Bodies** means Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

**Professional Services** means [Professional Activities](#) performed for [Clients](#).

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

**Reasonable Assurance Engagement** means an [Assurance Engagement](#) in which the [Member in Public Practice](#) reduces [Engagement](#) risk to an acceptably low level in the circumstances of the [Engagement](#) as the basis for the [Member's](#) conclusion. The [Member's](#) conclusion is expressed in a form that conveys the [Member's](#) opinion on the outcome of the evaluation of the compliance activities against compliance requirements.

**Records** means hardcopy and/or electronic documentation evidencing the [Dealing with Client Monies](#) via a [Trust Account](#) or a [Client Bank Account](#), or otherwise [Dealing with Client Monies](#) in accordance with a [Client's](#) instructions.

**Signatory** means a [Member in Public Practice](#) or any other person who has the ability to authorise the transacting of [Client Monies](#) either solely or in conjunction with one or more people.

**Terms of Engagement** means the terms and conditions that are agreed between the [Client](#) and the [Member in Public Practice](#) for the [Engagement](#).

**Trust Account** means an account opened by a [Member in Public Practice](#), or by another party on behalf of the [Member](#), with a [Financial Institution](#) which is kept for the sole purpose of [Dealing with Client Monies](#). A Trust Account can be in the form of:

- (a) one or more accounts dealing with [Monies](#) of one [Client](#); or
- (b) one or more accounts dealing with [Monies](#) of multiple [Clients](#).

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

- 3.1 A **Member in Public Practice** who **Deals with Client Monies** or acts as an **Auditor of Client Monies** shall comply with Part 1 *Complying with the Code, Fundamental Principles and Conceptual Framework* of the **Code** and relevant law and regulations.
- 3.2 A **Member in Public Practice** who **Deals with Client Monies** or acts as an **Auditor of Client Monies** shall comply with Section 310 *Conflicts of Interest* of the **Code**.

#### **Public interest**

- 3.3 In accordance with Section 100 *Complying with the Code* of the **Code**, a **Member in Public Practice** shall observe and comply with the **Member's** public interest obligations when the **Member Deals with Client Monies** or acts as an **Auditor of Client Monies**.

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

- 3.4 A **Member in Public Practice** who **Deals with Client Monies** or acts as an **Auditor of Client Monies** shall maintain professional competence and take due care in the performance of the **Member's** work in accordance with Subsection 113 *Professional Competence and Due Care* of the **Code**.

#### **Confidentiality**

- 3.5 A **Member in Public Practice** who **Deals with Client Monies** or acts as an **Auditor of Client Monies** and acquires confidential information in the course of performing a **Professional Service** for a **Client** shall comply with Subsection 114 *Confidentiality* of the **Code**.

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

#### **4. General obligations**

- 4.1 A **Member in Public Practice** who **Deals with Client Monies** shall comply with Section 350 *Custody of Client Assets* of the **Code**.
- 4.2 Subject to paragraphs 4.11, 4.12, 5.24 and 6.9, a **Member in Public Practice** shall only **Deal with Client Monies** through a **Client Bank Account** or a **Trust Account** and only in accordance with the **Client's** agreement and/or instructions.
- 4.3 The **Client's** instructions referred to in paragraph 4.2 should be in writing. To address risks associated with instructions including those received by email or other electronic means, the **Member in Public Practice** should develop administrative protocols that address matters including but not limited to:
- The authenticity of the instructions;
  - Acceptable timeframes for execution of instructions; and
  - Contingency procedures to be followed when the **Member** is not available to authorise transactions on behalf of the **Client**.

*An example of an authority letter is set out in Appendix 1.*

- 4.4 Where a **Client** gives an oral instruction, a contemporaneous note should be made and kept on file by the **Member in Public Practice** recording the relevant details.

- 4.5 A **Member in Public Practice** shall comply with access controls specified by the relevant **Financial Institution** when **Dealing with Client Monies**. The **Member** shall not use another person's or the **Client's** electronic banking password to access or transact **Client Monies**.
- 4.6 A **Member in Public Practice** shall be accountable for all **Client Monies** and keep **Client Monies** separate from all other **Monies** of the **Member**.
- 4.7 Subject to paragraph 4.8, a **Member in Public Practice** shall not obtain any benefit from **Dealing with Client Monies**, including benefits deriving from the deposit and/or investment of **Client Monies**, without prior written authority from the **Client**.
- 4.8 A **Member in Public Practice** shall only charge professional fees in respect of **Dealing with Client Monies** in accordance with Section 330 *Fees and Other Types of Remuneration* of the **Code**.
- 4.9 Subject to legislative requirements, a **Member in Public Practice** shall take reasonable steps to ensure that the **Client** authorises the **Member's Professional Body** to have access to the **Member's Records** in respect of **Client Monies** for the purposes of an inspection, quality review or disciplinary proceedings of the applicable **Professional Body**.
- 4.10 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 **Dealing with Client Monies**.
- 4.11 A **Member in Public Practice** shall not:
- (a) receive or pay into a **Trust Account** or a **Client Bank Account**; or
  - (b) disburse out of a **Trust Account** or a **Client Bank Account**,
- any **Monies** if the **Member** believes, on reasonable grounds, that they were obtained from, or are to be used for, illegal activities or that dealing with the **Monies** is otherwise unlawful.
- 4.12 When **Dealing with Client Monies**, a **Member in Public Practice** shall not be involved in any money laundering transactions or in the utilisation of the proceeds of crime or terrorist financing.
- 4.13 Where a **Member in Public Practice** encounters or becomes aware of instances of non-compliance or suspected non-compliance with laws and regulations (NOCLAR) when **Dealing with Client Monies**, the **Member** shall comply with Section 360 *Responding to Non-Compliance with Laws and Regulations* of the **Code**.

## 5. Specific obligations in relation to Trust Accounts

### Opening a Trust Account

- 5.1 A **Member in Public Practice** who **Deals with Client Monies** shall open a **Trust Account** at a **Financial Institution** in the name of the **Member** or the **Member's Firm** and include the term '**Trust Account**' in its title, unless the circumstances described in paragraph 5.2 apply or the **Member** has been authorised to operate a **Client Bank Account** in accordance with Section 6 of this Standard.
- 5.2 After undertaking reasonable efforts, if a **Member in Public Practice** is unable to open a **Trust Account** that meets the requirement in paragraph 5.1 to have the term '**Trust Account**' in the title, the **Member** may instead include the term '**client account**' in the title of the **Trust Account**.



- 5.3 Paragraph 5.1 does not apply where a **Member in Public Practice** who does not **Deal with Client Monies** receives **Client Monies** inadvertently or in error and dispatches them within **5 Business Days** to the **Client**, drawer or sender as appropriate.
- 5.4 A **Member in Public Practice** shall not open a **Trust Account** with a **Financial Institution** unless its terms and conditions relating to **Trust Accounts** require that:
- (a) all **Monies** standing to the credit of that account are 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 **Monies** in that account in respect of any sum owed to the **Financial Institution** on any other account; and
  - (b) any interest payable in respect of the account balance is credited to that account.
- 5.5 Where a **Financial Institution** cannot agree to the terms in paragraph 5.4, the **Member in Public Practice** shall open a **Trust Account** at a **Financial Institution** where the **Member** or the **Firm** does not hold any other bank accounts or credit facilities.<sup>SC6, SC7</sup>
- 5.6 A **Member in Public Practice** shall retain a copy of the terms and conditions of the **Financial Institution** relating to a **Trust Account** as part of the **Member's Records** and, where requested, provide a copy to the **Client** within **10 Business Days** of that request.
- 5.7 A **Member in Public Practice** shall inform the **Client** in writing:
- (a) no later than at the time of initial deposit into a **Trust Account**, the details of the **Financial Institution** at which the **Client Monies** are to be held; and
  - (b) within **10 Business Days**, if there is a change to the existing **Financial Institution** arrangements where the **Client Monies** are held.

#### Operation of a Trust Account

- 5.8 A **Member in Public Practice** shall implement appropriate internal controls and procedures in respect of the operation of a **Trust Account**. The **Member** shall take all reasonable steps to ensure that those internal controls achieve the following objectives:
- (a) **Client Monies** are dealt with in accordance with the **Client's** instructions and the requirements of this Standard; and
  - (b) a **Trust Account** is properly safeguarded and accounted for.
- 5.9 Only a **Member in Public Practice**, or any persons authorised in accordance with paragraph 5.10, shall operate the **Member's Trust Account**.
- 5.10 In circumstances where a **Member in Public Practice** is not available to authorise **Trust Account** transactions in a timely manner, the **Member** shall assign the responsibility to effect transactions, in writing, to:
- (a) another **Member in Public Practice**;
  - (b) a solicitor holding a current practising certificate;
  - (c) a suitably competent person employed by the **Member**; or
  - (d) a manager of a branch of a **Financial Institution**.
- 5.11 A **Member in Public Practice** shall bear any **Financial Institution**, statutory or other government charges in respect of a **Trust Account**.

- 5.12 A **Member in Public Practice** shall only 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 to the **Member's** general bank account; or
  - (b) to meet prescribed minimum requirements for an ongoing account balance of the **Financial Institution** or applicable laws and regulations.
- 5.13 Where any interest is earned on a **Trust Account**, the **Member in Public Practice** shall allocate interest on a reasonable basis to the credit of each relevant **Client**.
- 5.14 Where it is unreasonable to allocate interest to the credit of each **Client**, the **Member in Public Practice** should consider donating the interest to a charity as defined in the *Charities Act 2013*.

#### **Holding and receiving Client Monies**

- 5.15 Subject to paragraph 5.24, a **Member in Public Practice** shall deposit **Client Monies** into a **Trust Account** within 3 **Business Days** of receipt.
- 5.16 The 3 **Business Day** period referred to in paragraph 5.15 commences once the **Member in Public Practice** is reasonably able to identify the individual **Client** to whom the funds belong.
- 5.17 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** were received to be discharged.
- 5.18 A **Member in Public Practice** receiving **Client Monies** where the payee is no longer a **Client**, the intended recipient is unable to be identified or is unknown to the **Member**, shall return the **Monies** within 10 **Business Days** to the drawer or sender as appropriate.
- 5.19 Where a **Member in Public Practice** is unable to disburse **Client Monies** to the **Client**, payee, drawer or sender, the **Member** shall comply with relevant legislation in respect of unclaimed **Monies**.
- 5.20 Where the amount of unclaimed **Monies** falls below thresholds of relevant legislation, the **Member in Public Practice** should consider donating these funds to a charity as defined in the *Charities Act 2013*.
- 5.21 Where a **Member in Public Practice** has taken appropriate action in relation to paragraphs 5.18, 5.19 and 5.20, the **Member** should document the process undertaken.
- 5.22 A **Member in Public Practice** shall record the following information for **Client Monies** received:
- (a) the name of the person or entity from whom **Monies** were received;
  - (b) the amount of **Monies**;
  - (c) the **Client** for whose benefit **Monies** are held;
  - (d) the purpose for which **Monies** were received or other description of the **Monies**;
  - (e) the date on which **Monies** were received;
  - (f) the form in which **Monies** were received; and
  - (g) in relation to **Client Monies** of a kind referred to in paragraph 5.24, the location where the **Monies** are held.

- 5.23 A **Member in Public Practice** shall issue an acknowledgement to the **Client** within 21 **Business Days** or as otherwise agreed with the **Client** containing the details specified in paragraph 5.22 and stating that the **Member** has deposited the **Client Monies** into a **Trust Account**.
- 5.24 A **Member in Public Practice** who receives **Client Monies** that are not capable of being deposited into a **Financial Institution** shall safeguard the **Monies** against unauthorised use, record details in an appropriate register, and issue an acknowledgement to the **Client** within 21 **Business Days** containing the details specified in paragraph 5.22.
- 5.25 **Client Monies** that are not capable of being deposited into a **Financial Institution** may include promissory notes or a coin collection. In such circumstances, the requirements of paragraphs 4.1 and 5.24 apply.

#### Disbursement of Client Monies

- 5.26 A **Member in Public Practice** shall disburse **Client Monies** within 3 **Business Days** of receipt of instructions in respect of the disbursement or in accordance with the **Terms of Engagement**.
- 5.27 A **Member in Public Practice** shall ensure that appropriate **Records** are maintained to support disbursements from a **Trust Account**.
- 5.28 A **Member in Public Practice** who wishes to disburse **Monies** from a **Trust Account** relating to professional fees and/or expenses due from a **Client**, shall obtain the **Client's** written approval prior to such disbursement.
- 5.29 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**.

#### Documentation

- 5.30 A **Member in Public Practice** shall maintain **Records** to appropriately document transactions in respect of **Client Monies**.
- 5.31 A **Member in Public Practice** shall retain **Records** that:
- (a) enable transactions involving **Client Monies** to be audited;
  - (b) disclose the financial position of the **Member's Trust Account**; and
  - (c) clearly identify the transactions made on behalf of each **Client**.
- 5.32 Subject to legislative requirements, a **Member in Public Practice** shall retain and ensure that all documentation in respect of **Client Monies** is accessible for at least 7 years.
- 5.33 A **Member in Public Practice** shall keep **Records** in such a manner as to disclose clearly:
- (a) the details of all transactions involving **Client Monies**, including:
    - (i) details of all **Client Monies** paid direct to the **Client**, or to a third party nominated by the **Client**;
    - (ii) details of all cheques received and endorsed by the **Member** for disbursement to the **Client**, or to a third party nominated by the **Client**;
    - (iii) details of all electronic funds transfers of **Monies** received, and of **Monies** transferred direct to the **Client**, or to a third party nominated by the **Client**; and
    - (iv) details of any errors in transactions involving **Client Monies**;

- (b) the details and basis of calculation of all interest earned on **Client Monies** held in a **Trust Account** and that the interest has been applied by the **Member** in accordance with paragraph 5.13; and
- (c) the financial position of a **Member's Trust Account** and the **Client Monies** therein.

#### Reconciliations

5.34 A **Member in Public Practice** shall reconcile the **Trust Account Records** to the **Trust Account** at least every 25 **Business Days**. The **Member** shall take action to correct any difference or error identified during the reconciliation within 5 **Business Days** of such identification.

#### Reporting

5.35 A **Member in Public Practice** shall provide 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 any other person as directed by the **Client**:

- (a) upon completion of the matter requiring the maintenance of the **Trust Account**;
- (b) when a **Trust Account** is closed;
- (c) in respect of all transactions, at least annually unless the **Member** has:
  - (i) communicated in writing to the **Client** the details of the transactions on a regular periodic basis during the year; and
  - (ii) agreed with the **Client** to an alternative reporting period; or
- (d) in respect of any transaction, upon written request from the **Client**.

5.36 A **Member in Public Practice** shall issue the statements referred to in:

- (a) paragraphs 5.35(a) and 5.35(b) within 25 **Business Days**;
- (b) paragraph 5.35(c) within 30 **Business Days** of the **Applicable Year-End Date** or if the circumstances described in paragraphs 5.35(c)(i) and (ii) apply then an alternative reporting period not exceeding 90 **Business Days** from the **Applicable Year-End Date**; and
- (c) paragraph 5.35(d) within 5 **Business Days**.

## 6. Specific obligations in relation to Client Bank Accounts

#### Operation of a Client Bank Account

6.1 A **Member in Public Practice** shall implement appropriate internal controls and procedures in respect of the operation of a **Client Bank Account** with regards to the transactions for which the **Member** has responsibility or oversight. The **Member** shall take all reasonable steps to ensure that those internal controls achieve the following objectives:

- (a) **Client Monies** are dealt with in accordance with the **Client's** instructions and the requirements of this Standard; and
- (b) a **Client Bank Account** is properly safeguarded against unauthorised access or use.

#### Holding and receiving Client Monies

6.2 Subject to paragraph 6.9, a **Member in Public Practice** shall deposit **Client Monies** into the appropriate **Client Bank Account** within 3 **Business Days** of receipt.

- 6.3 A **Member in Public Practice** receiving **Client Monies** where the payee is no longer a **Client**, the intended recipient is unable to be identified or is unknown to the **Member**, shall return the **Monies** within **10 Business Days** to the drawer or sender as appropriate.
- 6.4 Where a **Member in Public Practice** is unable to disburse **Client Monies** to the **Client**, payee, drawer or sender as required by paragraph 6.3, the **Member** shall comply with relevant legislation in respect of unclaimed **Monies**.
- 6.5 Where the amount of unclaimed **Monies** falls below thresholds of relevant legislation, the **Member in Public Practice** should consider donating these funds to a charity as defined in the *Charities Act 2013*.
- 6.6 Where a **Member in Public Practice** has taken appropriate action in relation to paragraphs 6.3, 6.4 and 6.5, the **Member** should document the process undertaken.
- 6.7 A **Member in Public Practice** shall record the following information for **Client Monies** received for deposit into a **Client Bank Account**:
- (a) the name of the person or entity from whom **Monies** were received;
  - (b) the amount of **Monies**;
  - (c) the name of the **Client**;
  - (d) the purpose for which **Monies** were received or other description of the **Monies**;
  - (e) the date on which **Monies** were received; and
  - (f) the form in which **Monies** were received.
- 6.8 A **Member in Public Practice** shall issue an acknowledgement to the **Client** within **21 Business Days** or as otherwise agreed with the **Client** containing the details specified in paragraph 6.7 and stating that the **Member** has deposited the **Client Monies** into a **Client Bank Account**.
- 6.9 When a **Member in Public Practice** receives **Client Monies** that are not capable of being deposited into a **Client Bank Account**, the requirements of paragraphs 4.1 and 5.24 apply.

#### Disbursement of Client Monies from a Client Bank Account

- 6.10 A **Member in Public Practice** shall disburse **Client Monies** from a **Client Bank Account** within **3 Business Days** of receipt of instructions in respect of the disbursement or in accordance with the **Terms of Engagement**.
- 6.11 A **Member in Public Practice** shall ensure that appropriate **Records** are maintained to support disbursements from a **Client Bank Account** where the **Member**, either solely or in conjunction with one or more people, approved or was a **Signatory** to the disbursements.
- 6.12 A **Member in Public Practice** who wishes to disburse **Monies** from a **Client Bank Account** relating to professional fees and/or expenses due from a **Client**, shall obtain the **Client's** written approval prior to such disbursement.

#### Documentation

- 6.13 A **Member in Public Practice** shall maintain **Records** to appropriately document transactions involving **Client Monies** undertaken by the **Member** in **Client Bank Accounts**.
- 6.14 A **Member in Public Practice** shall retain **Records** that enable transactions undertaken by the **Member** in **Client Bank Accounts** to be audited.

- 6.15 Subject to legislative requirements, a **Member in Public Practice** shall retain and ensure that all documentation in respect of **Client Monies** is accessible for at least 7 years.
- 6.16 A **Member in Public Practice** shall keep **Records** in such a manner as to disclose clearly:
- (a) the details of all transactions involving **Client Monies** undertaken by the **Member** in **Client Bank Accounts**, including:
    - (i) details of all **Client Monies** deposited into a **Client Bank Account** by the **Member**;
    - (ii) details of all disbursements (including cheques and electronic funds transfers) where the **Member**, either solely or in conjunction with one or more people, approved or was a **Signatory** to the transaction;
    - (iii) details of all **Monies** received and transferred directly by the **Member** to a third party nominated by the **Client**; and
    - (iv) details of any errors in transactions of **Client Monies** undertaken by the **Member** in **Client Bank Accounts**;
  - (b) the **Signatories** for each **Client Bank Account** where the **Member** is also an authorised **Signatory**; and
  - (c) appropriate evidence of the **Client's** approval of transactions involving **Client Monies** undertaken by the **Member**.

#### Reconciliations

- 6.17 Where the responsibility to prepare a reconciliation of the **Client Bank Account** does not rest with the **Member in Public Practice**, the **Member** shall provide the **Client** with a record of transactions conducted by the **Member** in the **Client Bank Account** within 25 **Business Days** of the end of each month or as otherwise agreed with the **Client**.
- 6.18 A **Member in Public Practice** who operates a **Client Bank Account** and has the responsibility to reconcile the **Client Bank Account** shall ensure that the **Member's Records** for the **Client Bank Account** are reconciled to the **Financial Institution** statements at least every 25 **Business Days** or as otherwise agreed with the **Client**. The **Member** shall take action to correct any difference or error identified during the reconciliation within 5 **Business Days** of such identification.
- 6.19 The resolution of differences or errors referred to in paragraph 6.18 may require the **Member in Public Practice** to obtain additional information from the **Client**, their **Financial Institutions** or other parties.
- 6.20 Subsequent to the **Member in Public Practice** taking action in accordance with paragraph 6.18 with the relevant parties, the **Member** shall take corrective action within 5 **Business Days** of receipt of the outstanding information.

#### Reporting

- 6.21 Subject to paragraph 6.23, a **Member in Public Practice** shall provide a statement containing details of the **Member's** application of **Client Monies** either to the **Client** or to any other person as directed by the **Client**:
- (a) upon completion of the matter requiring the access to the **Client Bank Account**;
  - (b) when a **Client Bank Account** is closed or if the **Member's** authority to operate a **Client Bank Account** is revoked;
  - (c) in respect of all transactions conducted by the **Member**, at least annually unless the **Member** has:

- (i) communicated in writing to the **Client** the details of the transactions on a regular periodic basis during the year; and
- (ii) agreed with the **Client** to an alternative reporting period; or
- (d) in respect of any transaction, upon written request from the **Client**.

6.22 A **Member in Public Practice** shall issue the statements referred to in:

- (a) paragraphs 6.21(a) and 6.21(b) within 25 **Business Days**;
- (b) paragraph 6.21(c) within 30 **Business Days** of the **Applicable Year-End Date** or if the circumstances described in paragraphs 6.21(c)(i) and (ii) apply then an alternative reporting period not exceeding 90 **Business Days** from the **Applicable Year-End Date**; and
- (c) paragraph 6.21(d) within 5 **Business Days**.

6.23 A **Member in Public Practice** does not need to provide a statement to the **Client** on transactions undertaken by the **Member** in a **Client Bank Account** where the **Client**:

- (a) provided the supporting information for the transactions to the **Member**;
- (b) was a co-**Signatory** or co-approved the transactions of **Client Monies** with the **Member**; and
- (c) has agreed in writing that no further reporting is required.

## 7. Assurance Engagement on compliance with the Standard

7.1 Subject to paragraph 7.3, a **Member in Public Practice** who **Deals with Client Monies** shall appoint another **Member in Public Practice** as **Auditor of Client Monies** and shall ensure that an annual **Reasonable Assurance Engagement** of the **Member's** compliance with the requirements of this Standard is performed within 3 months of the **Applicable Year-End Date**.

7.2 The scope of the **Assurance Engagement** required under paragraph 7.1 is reduced to the extent that an **Assurance Engagement** undertaken under legislation covers some of the subject matter required by this Standard. Where the scope of the **Assurance Engagement** undertaken under legislation covers all of the subject matter required by this Standard, the **Member in Public Practice** is not required to engage an **Auditor of Client Monies**.

7.3 Where a **Member in Public Practice** who is **Dealing with Client Monies**:

- (a) does not have to maintain a **Trust Account** to comply with this Standard; and
- (b) can only co-authorise transactions in a **Client Bank Account** in conjunction with the **Client**, then the **Member** may engage an **Auditor of Client Monies** to perform a **Limited Assurance Engagement** to comply with paragraph 7.1.

7.4 Where the scope of the subject matter of the **Assurance Engagement** performed in accordance with legislation does not extend to all of the subject matter of an **Assurance Engagement** required by this Standard, the **Member in Public Practice** shall ensure that the **Auditor of Client Monies** appointed pursuant to paragraph 7.1 performs an applicable **Assurance Engagement** of the subject matter that is not covered by the legislative **Assurance Engagement**.

7.5 A **Member in Public Practice** whose compliance with this Standard is subject to an **Assurance Engagement** shall bear the cost of the **Engagement**.

- 7.6 A Member in Public Practice shall:**
- (a) obtain the **Client's** authorisation prior to releasing the **Client's** information to the **Auditor of Client Monies** or to the **Member's Professional Body**;
  - (b) allow the **Member's Professional Body** or the **Auditor of Client Monies** access to the **Member's Records**; and
  - (c) assist the **Member's Professional Body** or the **Auditor of Client Monies** in the performance of their duties.
- 7.7 **Client** authorisation required in accordance with paragraph 7.6(a) may be incorporated in the **Terms of Engagement**. The **Member in Public Practice** should explain the purpose of authorisation in accordance with paragraph 7.6(c) with reference to protection of the **Client's** interest and quality of the **Professional Service** offered by the **Member**. Where the **Member** has obtained authorisation orally, the **Member** should document the oral authorisation. Where the **Client** refuses to authorise the release of its information, the **Member** should disclose this to the **Auditor of Client Monies** and consider obtaining advice from the **Member's Professional Body** in respect of ensuring compliance with this Standard and the **Code**.
- 7.8 **A Member in Public Practice** shall notify the applicable **Professional Body** and the **Auditor of Client Monies** within **5 Business Days** of becoming aware of any **Deficiency of Client Monies** occurring in the **Trust Account**, the **Trust Account** ledgers for individual **Clients** or the **Client Bank Account** along with details of corrective action taken by the **Member**.
- 7.9 **A Member in Public Practice** shall appoint a replacement **Auditor of Client Monies** within **20 Business Days** of the resignation or removal of the existing **Auditor of Client Monies**. The **Member** shall notify the applicable **Professional Body** of the membership details of the new **Auditor of Client Monies** with **20 Business Days** of the appointment of the auditor.
- 7.10 The **Member in Public Practice** should consider obtaining a representation from the incoming **Auditor of Client Monies** to confirm that the auditor holds a current certificate of public practice and has no pending disciplinary matters.
- 7.11 **Where a Member in Public Practice** ceases public practice and:
- (a) another **Member in Public Practice** is willing to accept the transfer of obligations to transact **Client Monies** in accordance with this Standard, the **Member** ceasing public practice shall obtain the written consent of the **Client** prior to the transfer; or
  - (b) no other **Member in Public Practice** is willing to accept the transfer of obligations to transact **Client Monies** or written consent in accordance with paragraph 7.11(a) has not been obtained, the **Member** or their legal representative shall return **Client Monies** to the **Client**.
- 7.12 Where the circumstances described in paragraph 7.11 are applicable, a **Member in Public Practice** shall engage an **Auditor of Client Monies** to perform an **Assurance Engagement** of the **Member's** compliance with this Standard for the period where the **Member** was responsible for **Client Monies** which has not otherwise been subject to an **Assurance Engagement**.
- 7.13 **A Member in Public Practice** shall ensure that an **Assurance Engagement** of the **Member's** compliance with this Standard is performed within 3 months of ceasing to **Deal with Client Monies**.



## Part B: Professional obligations of an Auditor of Client Monies

### 8. Professional obligations of an Auditor of Client Monies

#### Professional Independence

- 8.1 An **Auditor of Client Monies** shall comply with Part 4B *Independence for Assurance Engagements Other than Audit and Review Engagements* of the **Code**.
- 8.2 An **Auditor of Client Monies** shall not undertake an **Assurance Engagement** of another **Member in Public Practice's** compliance with this Standard in circumstances where a reasonable and informed third party having knowledge of all relevant information, including safeguards applied, would determine that the **Independence** of the auditor is impaired as a result of a past, existing or proposed relationship.

#### Professional appointment

- 8.3 A **Member in Public Practice** who is approached by another **Member in Public Practice** to accept an **Auditor of Client Monies** role shall determine whether there are any reasons, professional or otherwise, for not accepting the **Engagement**. A **Member** shall, after receiving permission from the other **Member in Public Practice**, request in writing from the existing auditor any known information which the **Member** needs to be aware of before deciding to accept the **Engagement**.
- 8.4 A **Member in Public Practice** who provides **Professional Services** as an **Auditor of Client Monies** shall include in the **Terms of Engagement** the option to notify the relevant **Professional Body** of the auditee about any concerns that might arise in relation to the auditor's appointment, resignation or removal.

#### Auditing and Assurance Standards

- 8.5 Subject to any legal requirements, an **Auditor of Client Monies** shall perform an applicable **Assurance Engagement** in accordance with **Auditing and Assurance Standards**.
- 8.6 An **Auditor of Client Monies** shall prepare the **Assurance Engagement** report in accordance with **Auditing and Assurance Standards**.
- 8.7 Appendices 2 and 3 to this Standard contain examples of a **Reasonable Assurance Engagement** report and a **Limited Assurance Engagement** report, respectively.

#### Reporting obligations to Professional Bodies

- 8.8 If the issued **Assurance Engagement** report contains a modified opinion, the **Auditor of Client Monies** shall lodge the report with the applicable **Professional Body** within 15 **Business Days** of completion of the applicable **Assurance Engagement**.
- 8.9 An **Auditor of Client Monies** shall report any **Deficiency** of **Client Monies** to the auditee's **Professional Body** within 5 **Business Days** upon becoming aware of the **Deficiency**.
- 8.10 An **Auditor of Client Monies** shall report to the auditee's **Professional Body** within 10 **Business Days** of becoming aware of any material:
- (a) failure by a **Member in Public Practice** to comply with paragraphs 5.15, 5.26, 6.2 or 6.10 of this Standard;
  - (b) uncorrected error reflected in a statement issued by a **Financial Institution**; or

(c) circumstances where **Client Monies** have not been transacted or maintained in accordance with this Standard.

8.11 An **Auditor of Client Monies** who has resigned or is being removed from their role should consider notifying the auditee's **Professional Body** if the auditor has any concerns about the circumstances that led to the resignation or removal, particularly if it relates to professional misconduct of the auditee.

#### **Documentation**

8.12 Subject to legislative requirements, an **Auditor of Client Monies** shall retain relevant working papers for a period of at least 7 years.

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

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

## Appendix 1

### Example of a Trust Account authority letter

Paragraph 4.2 of APES 310 *Client Monies* requires that **Client Monies** be dealt with by a **Member in Public Practice** only through a **Trust Account** or **Client Bank Account**, and only in accordance with a **Client's** instructions. Paragraph 4.3 states that it is preferable that those instructions be in writing. An example of a **Trust Account** authority letter for **Members in Public Practice** to obtain from **Clients** is provided below.

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[I/We] [*name of Client*] of [*address of Client*] hereby authorise [*Member's name or Firm's name*] of [*address*] to pay immediately any client monies received by [them/him/her] on my account in respect to the engagement referred to below into a trust account operated by [them/him/her] for the receipt of client monies with [*name and address of the Financial Institution where the Trust Account is held*].

[*Describe the nature of the Engagement to be performed by the Member in Public Practice, as outlined in the Terms of Engagement.*]

[I/We] further authorise [*Member's name or Firm's name*] in consideration of the completion of the engagement and after being notified in writing of the amount of such fee for the work involved in the engagement referred to above, to deduct from the client monies so held the amount of the account rendered and to:

- (a) forward the balance of the account to me/us;
- (b) invest the same with ..... for the period ....., or
- (c) other (specify).

[I/We] acknowledge that any interest earned on a trust account operated by [*Member's name or Firm's name*] will be allocated on a reasonable basis to my account.

[I/We] acknowledge that where [*Member's name or Firm's name*] is unable to disburse client monies to my account, the drawer or sender, the member will disburse these funds in accordance with the relevant legislation and APES 310 *Client Monies* in respect of unclaimed monies.

[I/We] acknowledge that the records maintained by [*Member's name or Firm's name*] in relation to your dealing with client monies are subject to an annual assurance engagement and authorise the duly appointed auditor to access those records.

[I/We] further authorise [*name of Member's Professional Body*] to access the records held by [*Member's name or Firm's name*] for the purposes of any inspection, quality review or disciplinary proceedings by [*name of Member's Professional Body*].

This authority is strictly limited to the engagement referred to in the body of this document.

Signed [by the **Client**]\_\_\_\_\_

Date\_\_\_\_\_

## Appendix 2

### Example of a Reasonable Assurance Engagement Report<sup>1</sup>

To [the applicable *Professional Body*]

**Independent Assurance Report on the compliance of [*Member or Firm*] with the requirements of APES 310 *Client Monies***

#### ***Opinion***

We have undertaken a reasonable assurance engagement on the [*Member or Firm's*] compliance, in all material respects, with the requirements of APES 310 *Client Monies* (APES 310) for the [year ended .../.../.....].

(A) Unqualified

In our opinion, [*Member or Firm*] has complied, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....].

OR

(B) Qualified

In our opinion, except for the matter(s) described in the Basis for Qualified Opinion paragraph, [*Member or Firm*] has complied, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....].

#### ***Basis for Opinion***

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* (ASAE 3100) and APES 310. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OR

#### ***Basis for Qualified Opinion***

We identified [*provide details of exceptions*] in relation to [*Member or Firm*]'s non-compliance with the requirements of APES 310. This has the effect of [*specify detail(s) and related period*] as required. We were unable to satisfy ourselves as to [*Member or Firm*]'s compliance with the requirements of APES 310 in respect of [this/these] matter(s), therefore qualify our opinion in this regard.

#### ***The Responsibility of [*Member or Firm*] for compliance with APES 310***

[*Member or Firm*] is responsible for compliance with the requirements of APES 310. This responsibility includes establishing and maintaining internal controls relevant to compliance with the requirements of APES 310, including identification of risks that threaten the requirements of APES 310 being met, controls which will mitigate those risks and monitoring of ongoing compliance.

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<sup>1</sup> This example *Reasonable Assurance Engagement* report should be amended as appropriate, such as where the *Assurance Engagement* is subject to legislative requirements. Refer to Appendix 3 for an example of a *Limited Assurance Engagement* report.

### ***Our Independence and Quality Management***

We have complied with the independence and relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements (ASQM 1)*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Assurance Practitioners Responsibility***

Our responsibility is to express an opinion on [*Member or Firm*]'s compliance, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....]. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, [*Member or Firm*] has complied, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....].

An assurance engagement to report on [*Member or Firm*]'s compliance with APES 310 involves performing procedures to obtain evidence about the compliance activities and controls implemented to meet the requirements of APES 310. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the requirements of APES 310.

### ***Inherent Limitations***

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with requirements of APES 310 may occur and not be detected. A reasonable assurance engagement as at [year ended .../.../.....] does not provide assurance on whether compliance with the requirements of APES 310 will continue in the future.

### ***Restricted Use***

This report has been prepared for use by [*the applicable Professional Body*] in accordance with the requirements of APES 310. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than [*the applicable Professional Body*], or for any purpose other than that for which it is prepared.

Address [*Member or Firm*]

Date [*Member designation and Member number*]

## Appendix 3

### Example of a Limited Assurance Engagement Report<sup>2</sup>

To [the applicable *Professional Body*]

**Independent Assurance Report on the compliance of [*Member or Firm*] with the requirements of APES 310 *Client Monies***

#### **Conclusion**

We have undertaken a limited assurance engagement on the [*Member or Firm*]'s compliance, in all material respects, with the requirements of APES 310 *Client Monies* (APES 310) for the [year ended .../.../.....].

(A) Unqualified

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that [*Member or Firm*] does not comply, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....].

OR

(B) Qualified

Based on the procedures we have performed and the evidence we have obtained, except for the matter(s) described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that [*Member or Firm*] has not complied, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....].

#### **Basis for Conclusion**

We conducted our engagement in accordance with Standard on Assurance Engagement ASAE 3100 *Compliance Engagements* (ASAE 3100) and APES 310. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OR

#### **Basis for Qualified Conclusion**

We identified [*provide details of exceptions*] in relation to [*Member or Firm*]'s non-compliance with the requirements of APES 310. This has the effect of [*specify detail(s) and related period*] as required. We were unable to satisfy ourselves as to [*Member or Firm*]'s compliance with the requirements of APES 310 in respect of [this/these] matter(s), therefore qualify our opinion in this regard.

#### **The Responsibility of [*Member or Firm*] for compliance with APES 310**

[*Member or Firm*] is responsible for compliance with the requirements of APES 310. This responsibility includes establishing and maintaining internal controls relevant to compliance with the requirements of APES 310, including identification of risks that threaten the requirements of APES 310 being met, controls which will mitigate those risks and monitoring of ongoing compliance.

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<sup>2</sup> This example *Limited Assurance Engagement* report should be amended as appropriate, such as where the *Assurance Engagement* is subject to legislative requirements.

### ***Our Independence and Quality Management***

We have complied with the independence and relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* (ASQM 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Assurance Practitioner's Responsibility***

Our responsibility is to express a limited assurance conclusion on [*Member or Firm*]'s compliance, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....]. ASAE 3100 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that [*Member or Firm*] has not complied, in all material respects, with the requirements of APES 310 for the [year ended .../.../.....].

A limited assurance engagement to report on [*Member or Firm*]'s compliance with APES 310 involves performing limited procedures to obtain evidence about the compliance activities and controls implemented to meet the requirements of APES 310. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the requirements of APES 310 is likely to arise.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the requirements of APES 310.

### ***Inherent Limitations***

Because of the inherent limitations of a limited assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the requirements of APES 310 may occur and not be detected. A limited assurance engagement as at [year ended .../.../.....] does not provide assurance on whether compliance with the requirements of APES 310 will continue in the future.

### ***Restricted Use***

This report has been prepared for use by [*the applicable Professional Body*] in accordance with the requirements of APES 310. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than [*the applicable Professional Body*], or for any purpose other than that for which it is prepared.

Address [*Member or Firm*]

Date [*Member designation and Member number*]

## Appendix 4

### Summary of revisions to the previous APES 310 (Issued in November 2019)

APES 310 *Client Monies* was originally issued in December 2010 and revised in July 2013, May 2018 and November 2019 (extant APES 310). APES 310 has been revised by APESB in XXXX 202X. A summary of the revisions is given in the table below.

**Table of revisions**

Paragraph affected	How affected
1.2	Amended
2 – Definition of Assurance Engagement	Amended
4.2	Amended
5.1	Amended
5.2	Added
5.3 to 5.4 – Paragraphs 5.2 to 5.3 of extant APES 310	Relocated
5.5	Added
5.6 to 5.8 – Paragraphs 5.4 to 5.6 of extant APES 310	Relocated
5.9 – Paragraph 5.7 of extant APES 310	Amended and relocated
5.10 to 5.14 – Paragraphs 5.8 to 5.12 of extant APES 310	Relocated
5.15 to 5.16 – Paragraphs 5.13 to 5.14 of extant APES 310	Amended and relocated
5.17 to 5.20 – Paragraphs 5.15 to 5.18 of extant APES 310	Relocated
5.21 to 5.25 – Paragraphs 5.19 to 5.23 of extant APES 310	Amended and relocated
5.26 to 5.32 – Paragraphs 5.24 to 5.30 of extant APES 310	Relocated
5.33 – Paragraph 5.31 of extant APES 310	Amended and relocated
5.34 to 5.35 – Paragraphs 5.32 to 5.33 of extant APES 310	Relocated
5.36 – Paragraph 5.34 of extant APES 310	Amended and relocated
6.9	Amended
8.10	Amended
Appendix 2	Amended
Appendix 3	Amended

\* Refer Technical Update 202X/XX