

AGENDA PAPER

Item Number: 17
Date of Meeting: 8-9 May 2013
Subject: Proposed Revised APES 310 *Dealing with Client Monies*

Action Required

For Information Only

Purpose

To provide the Board with an evaluation of the respondents' comments on the revision of APES 310 *Dealing with Client Monies* and to obtain the Board's approval to issue the Revised APES 310 *Dealing with Client Monies*.

Background

A six month review of APES 310 *Dealing with Client Monies* (the Standard) was performed in February 2012. This review highlighted a number of concerns identified by stakeholders. In response the Board directed Technical Staff to commence a project to revise the Standard to address the issues raised.

The Board noted the proposed revisions to APES 310 to address the issues noted in the six month review. Subsequently in November 2012 the Board determined to expose the proposed changes for public comment. Three submissions were received in response to the Exposure Draft for the Board's consideration.

Consideration of Issues

In response to the submissions received on the Exposure Draft, Technical Staff incorporated the following proposed amendments to the revised APES 310 as listed below:

- Amendment to paragraph 1.5 to clarify application of the Standard where a Member is acting as a trustee or under a power of attorney;
- Amendment to paragraph 6.9 to clarify that interest be allocated to the credit of the relevant Client;
- Amendment to paragraph 7.7 to remove reference to the guidance paragraph 7.9 and to clarify requirements in terms of application of Client Monies;
- Deleted guidance paragraph 7.9 as information has now been incorporated into paragraph 7.7(d);
- Amendment to paragraph 7.10 to clarify the requirement for the Member to determine where the responsibility to prepare a reconciliation lies;
- Addition of paragraph 7.11 to provide guidance on the time frame in which corrective action should be taken;
- Amendment to paragraph 8.1 to remove reference that makes the mandatory paragraph subject to guidance in paragraph 8.2; and

- A new guidance paragraph 8.6 has been included to provide guidance to Members in respect of obtaining the client's authorisation to release information.

Staff Recommendation

Subject to the Board's review comments and editorials, the Board approve the issue of the revised APES 310 *Dealing with Client Monies*.

Material Presented

- APES 310 *Dealing with Client Monies* (Marked Up);
- APES 310 *Dealing with Client Monies* (Clean);
- General Comments Table; and
- Specific Comments Table.

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Date: 1 May 2013