

Professional Conduct Committee – 20 April and 17 August 2021

Trust Account Audit Report – Member B

At a meeting of the Professional Conduct Committee (PCC) of Chartered Accountants Australia and New Zealand held in private on 20 April and 17 August 2021 by videoconference in respect of Member A, the PCC decided that the Disciplinary Tribunal would be likely to find that the Member's conduct did not comply with By-Law 40(2.1)(h).

With the written consent of Member B, the Committee made the following determinations:

- the Member receive a reprimand;
- the Member and her Practice Entity be required to submit to a quality review pursuant to the CA ANZ Regulations, at the Member's cost, to be completed by no later than 31 December 2021, with the results of such review to be made available to the PCC;
- the Member pay to CA ANZ the sum of \$2,185 by way of contribution towards the costs of investigating and dealing with the matters the subject of the complaint and the Case Conference; and
- the PCC will publish:
 - details of these sanctions on the website of CA ANZ; and
 - a notice in the digital and print magazine "Acuity", with a link to the published decision,

without disclosing the Member's name and locality.

The PCC considers that it is in the public interest for this sanction to be published in the terms set out in the proposed Consent Agreement but there are no special circumstances which warrant disclosing the name or locality of the Member.

Background

On 31 July 2020, the CA ANZ Professional Standards Team referred the Member to the PCC for failure to provide a copy of the 2019 trust account audit report as required. The requirement arose as a result of a quality review. The Member also failed to respond to CA ANZ's correspondence in relation to this matter.

Reasons

Paragraph 7.1 of APES 310 provides that, 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. Section 7.3 of APES 310 provides that 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.

Compliance with these requirements is an obligation of all members, and particularly important given they relate to client monies. As a result, the PCC takes very seriously any non-compliance with these requirements.

By providing an audit report for the year ended 30 June 2019 and a further audit report for the year ended 30 June 2020 (both qualified), the PCC considers that the Member has now complied with her obligations pursuant to APES 310. The 2019 report was due on 30 September 2019, and CA ANZ has been requesting that the Member comply with the relevant requirements since February 2020. This is a delay of approximately 22 months since the due date and approximately 17 months since the first communication from the CA ANZ Professional Standards Team. In addition, the Member's compliance was only after multiple reminders by CA ANZ and the requirements imposed by the PCC. Given the significant delay, and in several occasions the lack of response from the Member, the PCC considers that the Disciplinary Tribunal is likely to find that the Member was in breach of By-Law 40(2.1)(h) and APES 310 for that period".

**Professional Conduct Committee
Chartered Accountants Australia and New Zealand**

17 August 2021