

Professional Standard 4

Auction Client Funds Handling

Version 0.6 – March 2026 (Draft)

Auctioneers & Valuers Association of Australia
Reference: 4.27.2

Introduction

The Auctioneers and Valuers Association of Australia (AVAA) is committed to strengthening professionalism, integrity, and public confidence across the auction and valuation sectors. This *AVAA Professional Standard* forms part of a broader framework designed to support consistent practice, ethical conduct, and accountability across the diverse services provided by members.

Professional standards play an important role in defining expectations for those who hold themselves out as skilled practitioners. They establish clear principles for conduct, competence, and responsibility, helping practitioners, clients, and regulators understand the level of professionalism that should reasonably be expected in the marketplace.

The handling of client funds is a critical responsibility for auction businesses. Money received from buyers, vendors, or other parties must be safeguarded, properly accounted for, and held separately from business funds to maintain trust and protect the interests of clients.

This Standard establishes clear principles for the handling of auction client funds, including the requirement to operate a trust account and maintain proper financial records. Independent auditing and transparent accounting practices help protect clients, strengthen professional accountability, and reinforce confidence in the integrity of auction businesses.

This standard has been developed through consultation with practitioners and informed by regulatory frameworks, industry experience, and evolving client and government expectations. It is intended to provide practical guidance while reinforcing the importance of transparency, diligence, and professional judgement in everyday practice.

Those holding CAAU and CVAU credentials apply this *AVAA Professional Standard* to demonstrate a commitment to continuous improvement and professional accountability. In doing so, they contribute to a stronger and trusted sector where auctioneers and valuers are recognised not only for their expertise but also for the integrity and reliability of their work.

Troy R Williams FAIM MAICD
AVAA Chief Executive

March 2026



Title —

AVAA Professional Standard 6 – Auction Client Funds Handling

Purpose —

The purpose of this Professional Standard is to establish minimum professional requirements for the handling of auction client funds. The Standard promotes transparency, financial integrity, and protection of client money by requiring appropriate trust account arrangements, sound accounting practices, and independent oversight of funds held on behalf of vendors, buyers, or other parties.

Scope —

This Standard sets out requirements for the handling of auction client funds, including the establishment and operation of trust accounts, the segregation of client money from business funds, the maintenance of appropriate accounting records, the authorisation and disbursement of funds, and the requirement for periodic reconciliation and annual independent audit of trust accounts.

Client funds held on behalf of others must be kept separate from business funds and managed through designated trust accounts to ensure they are used only for their intended purpose.

Application —

This Professional Standard applies to all individuals who hold the CAAu professional credential and AVAA Corporate Members that conduct auctions.

Standard —

1. Requirement for Trust Account

- 1.1 An auction business that receives or holds client funds must maintain a designated trust account with an authorised deposit-taking institution.
- 1.2 Trust accounts exist to ensure that money held on behalf of clients remains separate from the business's own funds and is used only for its intended purpose.
- 1.3 Client funds must be deposited into the trust account as soon as reasonably practicable after receipt.
- 1.4 Client funds must be held separately from the operating accounts of the auction business and must not be used for business expenses or operational purposes.

2 Trust Account Principles

- 2.1 Client funds held in trust must only be used for the purpose for which they were received and in accordance with the instructions of the client or the terms of the relevant transaction.
- 2.2 Client funds must be held separately from the business funds of the auction business and must not be used for operational expenses or other purposes unrelated to the relevant transaction.



- 2.3 Withdrawals or disbursements from a trust account must only occur where the withdrawal is authorised and consistent with the instructions of the client or the terms of the transaction.
- 2.4 A responsible person within the auction business must authorise all withdrawals from the trust account.

3. Trust Account Administration

- 3.1 Auction businesses must maintain accurate and complete accounting records for all client funds received, held, or disbursed.
- 3.2 Trust account records must clearly identify:
 - a. the client to whom the funds relate.
 - b. the amount received.
 - c. the date of receipt.
 - d. the purpose of the funds.
 - e. the date and authority for any withdrawal or disbursement.
- 3.3 Auction businesses must implement procedures that ensure:
 - a. prompt receipting of client funds.
 - b. accurate recording of transactions.
 - c. clear separation between trust funds and business funds.
 - d. regular reconciliation of trust account balances.
- 3.4 Trust account records must be maintained in a manner that enables the clear identification and tracing of all client funds.

4. Annual Audit Requirement

- 4.1 An auction business that maintains a trust account must arrange for the account to be audited annually by an appropriately qualified independent auditor.
- 4.2 The purpose of the audit is to verify that client funds have been handled correctly and that trust accounting records have been maintained in accordance with applicable professional and regulatory requirements.
- 4.3 Trust account audits are widely required in regulated industries that handle client funds, with annual independent auditing serving as a key safeguard for clients and the integrity of professional financial management.

5. Compliance

- 5.1 Members must maintain sufficient records to demonstrate compliance with this Standard.
- 5.2 AVAA may request evidence of compliance (e.g. an independent auditors report) as part of its professional standards oversight or membership review processes.

6. Non-Compliance

- 6.1 Failure to comply with this Professional Standard may result in action by AVAA, which may include:
 - a. requests for remedial action.
 - b. suspension of professional credentials.
 - c. removal of the CAAu designation or membership where appropriate.



Status & Review —

AVAA Board Approval: Not Approve (Draft)
Periodic Review Due: 5 Years after approval

PUBLIC COMMENT
DRAFT





The Auctioneers and Valuers Association of Australia (AVAA) is the leading national body representing professional auctioneers and valuers across a diverse range of specialties, including fine art, antiques, collectables, goods, vehicles, plant, and equipment.

Our Vision

As the peak body for auctioneers and valuers in Australia, AVAA upholds the highest professional and ethical standards through education, advocacy, and leadership.

Our Mission

To support and represent Australia's auctioneers and valuers through rigorous standards, ethical leadership, quality education, and credible advocacy, ensuring trust, professionalism, and future-readiness in a changing world.

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