

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED
MINUTES OF THE 5th MEETING OF THE COMPILATION OF FINANCIAL INFORMATION
TASKFORCE

24 October 2013 3.00 PM – 4.05 PM

Teleconference

1. Present and Apologies

Present

Mr Channa Wijesinghe (Chairman), Ms Dianne Azoor-Hughes, Mr Michael Cain, Mr Wayne Debernardi (Alternate to Ms Vicky Stylianou), Mr Amir Ghandar, Mr Paul Meredith and Mr Dennis Robertson

In Attendance

Mr Robert Nickel and Ms Margareth Lioe

Apology

Mr Stuart Black (APESB Board member)

2. Minutes of Previous Meeting

The minutes of the 4th Compilation of Financial Information Taskforce meeting held at ICAA, Sydney on 26 September 2013 were accepted with no amendments.

3. Discussion of the proposed revised APES 315

The taskforce discussed the following matters in respect of the proposed revised APES 315:

Section 2 – Definitions and Section 4 – Objectives of a Compilation Engagement

The taskforce noted the inconsistency between part (d) of the definition of Compilation Engagement and paragraph 4.4 of the proposed standard. The taskforce agreed to redraft paragraph 4.4 to align with the definition of Compilation Engagement.

Section 14 – Subsequent discovery of facts

Paragraph 14.3

The taskforce discussed the practicability issue of Members in Public Practice in ensuring that Clients have taken reasonable steps to inform the third party of the subsequent discovery of facts on the compilation. The taskforce was of the view that the rights to approach the third party lies with the Clients, as such Members are only responsible to advise Clients of their responsibility to inform users of any subsequent discovery of facts, not inform the users themselves. The taskforce agreed to amend paragraph 14.3 to clarify this obligation.

Paragraphs 14.5 and 14.6

The taskforce agreed on editorial amendments to clarify that Members need to determine whether 'appropriate' actions have been taken by Clients.

Appendix 2 – Examples of Compilation Report

The taskforce expressed some concern over the example compilation reports in APES 315 (which were directly adopted from the international ISRS 4410), that they may appear to an unsophisticated user as being similar to, and thus mistaken as, an audit report. The taskforce discussed a number of options to differentiate compilation reports from audit reports and agreed to add to all example reports the subheading "Assurance Disclaimer" to emphasise this point.

Appendix 3 – Example of Disclaimer Report

The taskforce agreed on minor editorial amendments to Appendix 3.

4. AICPA Developments and Way Forward

The Chairman informed the taskforce of AICPA's proposal to expose three standards on Compilation Engagements in late October or early November 2013. The Chairman recommended that it is advisable to wait until the release of these proposed standards in order for Technical Staff to make an assessment of uniformities or inconsistencies, if any, with APES 315 prior to finalising the proposed exposure draft.

APESB Technical Staff will make necessary amendments to the proposed revised APES 315 as discussed at this meeting and provide an APES 315 project update to the Board at the 4th November 2013 Board meeting.

5. Closing of Meeting

The meeting was closed at 4.05 PM.