

Review of Submissions – Specific Comments Table
Exposure Draft 03/19: Revision of APESB pronouncements in relation to proposed revisions to APES GN 30 *Outsourced Services*

Note: General comments relating to ED 03/19 and specific comments for other pronouncements in ED 03/19 are addressed in separate tables. This table excludes minor editorial changes.

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to guidance note?
1	3.7 and 5.3	CA ANZ	<p><i>Disclosure relating to outsourced services</i></p> <p>We understand that a member's client may wish to know where, and by whom, their work is being completed. Some clients are very concerned about the location and storage of their records. We believe that paragraphs 3.7 and 5.3 of GN 30 are sufficient. A member who complies with GN 30 will have considered the risks from outsourcing all or part of a client's work, including disclosure to the client. Furthermore, it is not appropriate to include mandatory requirements in a guidance note as guidance notes are to provide guidance or suggestions rather than to prescribe or create any new professional requirements. Should the Board feel a mandatory paragraph is required, and we do not believe one is, the appropriate place for this would be in APES 305 <i>Terms of Engagement</i> possibly at paragraph 4.7.</p>	No
2		CPAA	<p><i>Mandatory disclosures in GN 30 Outsourced Services</i></p> <p>CPA Australia recognises that the rate of growth in the use of outsourced services presents potential ethical issues with respect to transparency, particularly where and by whom the outsourced service is being conducted. Clients may have concerns regarding the security of their personal information and the quality controls that exist to maintain the standard of the engagement which is governed by Professional Standards in Australia. CPA Australia does not consider the placement of mandatory paragraphs in a Guidance Note to be the most suitable outcome. The APESB may wish to consider the following options:</p> <ul style="list-style-type: none"> • The inclusion of mandatory paragraph/s in APES 305 <i>Terms of Engagement</i>; • The inclusion of mandatory paragraph/s in APES 320 <i>Quality Control for Firms</i> and APES 325 <i>Risk Management for Firms</i>; • The creation of a new standard in both the 200 series and 300 series which acknowledges that outsourced services may be used by Members in Business as well as Members in Public Practice. 	No

RESPONDENTS

1	CA ANZ	Chartered Accountants Australia and New Zealand
2	CPAA	CPA Australia