

Meeting Highlights

25 JUNE 2020

1. Register of Interests

The Board noted Agenda Item 1 *Register of Interests*.

2. Proposed revisions to APES 305 Terms of Engagement

The Board noted Agenda Item 2 *Proposed revisions to APES 305 Terms of Engagement*.

The Board considered an update on the outsourcing project, including a proposed exposure draft for APES 305 *Terms of Engagement*, which proposes additional requirements and application material on the need to disclose to clients about the use of outsourcing and cloud computing. The Board considered that the proposed definition of cloud computing, which is used in APES GN 30 *Outsourced Services*, could be enhanced further.

Subject to the Board's approval of the revised definition of cloud computing (out of session), the Board approved the issuance of an exposure draft on APES 305 *Terms of Engagement* for a 90-day comment period.

3. Independence Guide and input to AUASB projects

The Board noted Agenda Item 3 *Independence Guide and input to AUASB projects*.

The Board discussed the recent issue of the Independence Guide – 5th edition.

The Board noted the APESB Technical Staff's input to AUASB's projects on conforming amendments to Auditing and Assurance Standards due to changes to APESB professional and ethical standards and the revision of GS 009 *Auditing Self-Managed Superannuation Funds*.

4. APES 110 Prohibitions

The Board noted Agenda Item 4 *APES 110 Prohibitions*.

The Board approved the issue of a Revised APES 110 Prohibitions document, which outlines key prohibitions in the Code relevant to Members in Public Practice and Firms for all Audit Clients.

5. Proposed revisions to Part 4B of the Code

The Board noted Agenda Item 5 *Proposed revisions to Part 4B of the Code*.

The Board discussed the proposed exposure draft, including the proposed revision to the definition of Assurance Engagement (as issued by the International Ethics Standards Board for Accountants (IESBA)).

The Board noted that the proposed IESBA definition of Assurance Engagement appears to work on a standalone basis within the proposed Part 4B amendments but is potentially confusing when it is incorporated within APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). As such, the Board agreed to retain the extant definition of Assurance Engagement with minor amendments to reflect changes for other definitions.

The Board approved the issue of the Exposure Draft *Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

6. International and other activities

The Board noted Agenda Item 6 *International and other activities*.

7. Update on Artificial Intelligence and Digital Technologies

The Board noted Agenda Item 7 *Artificial Intelligence and Digital Technologies Project*.

The Board discussed the project update and agreed that the initial proposed consultations should commence.

8. Update on Whistleblowing project

The Board noted Agenda Item 8 *Update on Whistleblowing project*.

The Board approved the development of an APESB Technical Staff Q&A document that focuses on whistleblowing and confidentiality. The Board will consider the draft Technical Staff Q&A document at the August 2020 Board Meeting.

9. Update on consultation regarding APES 230 Financial Planning Services

The Board noted Agenda Item 9 *Update on consultation regarding APES 230 Financial Planning Services*.

The Board discussed the update on the project to review APES 230 *Financial Planning Services*. The Board noted that the current COVID-19 pandemic had caused delays to the implementation of the Hayne Inquiry recommendations by the Federal Government and regulators.

The Board will consider a detailed analysis of APESB's current stakeholder consultation process at the November 2020 Board Meeting.

10. Update on the Parliamentary Inquiry into Audit Regulation

The Board noted Agenda Item 10 *Update on the Parliamentary Inquiry into Audit Regulation*.