

## **ISSUES REGISTER FOR APESB PROFESSIONAL PRONOUNCEMENTS**

**Current as at 11 July 2018**

### **Note to Stakeholders**

The following is a summary of issues raised by stakeholders in relation to APESB pronouncements. Issues have been compiled by standard or guidance note, with the intended response and current status. Members of the professional accounting bodies, firms, professional bodies and other stakeholders are encouraged to report to APESB via the APESB website ([www.apesb.org.au](http://www.apesb.org.au) then Standards & Guidance/Issues Register) any new issues that need to be addressed by APESB when a pronouncement is next updated or reviewed.

Issues are entered into the register when brought to the attention of APESB by external stakeholders or through identification during internal reviews of the standard or guidance note. The issue remains on the register until it has been resolved to the satisfaction of the Board.

APES 110 : Code of Ethics for Professional Accountants  
Issues Register

No.	Issue	Response	Current Status
110.1	A stakeholder has recommended the need for guidance regarding the interaction of the Code's requirements with those of the APRA Prudential Standards, in respect of the revised long association requirements. [As part of a submission to APESB's Long Association ED 01/17]	This issue has been noted.	This issue is being considered as part of the 2018 Code restructure project.

**APES 205 : Conformity with Accounting Standards  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
205.1	Technical Staff have identified the need to consider any potential implications of the AASB's differential reporting project on APES 205, including those provisions relating to Members' financial reporting responsibilities.	This issue has been noted.	This matter will be considered in the next revision of APES 205.
205.2	The Technical Staff have identified amendments required to the Definitions section in APES 205 due to the previous Auditing Standards (AUSs) being finally replaced by ASAs. This change affects the definitions of 'AuASB', 'Auditing and Assurance Guidance' and 'Auditing and Assurance Standards'.	Issue identified as part of the revision of APES 310.	APESB will incorporate these editorials into the next revision of the standard.
205.3	Technical Staff have identified the need to update the defined term, 'Statement of Accounting Concepts' by removing reference to the withdrawn SAC 2	This issue has been noted in the 2018 Annual Review of APES 205	This matter will be considered in the next revision of APES 205.
205.4	Technical staff have identified the need to revise extant material on AASB's differential reporting project to reflect the revision of the AASB's conceptual framework	This issue has been noted in the 2018 Annual Review of APES 205	This matter will be considered in the next revision of APES 205.

**APES 210 : Conformity with Auditing and Assurance Standards  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
210.1	The Technical Staff have identified amendments required to the Definitions section in APES 210 due to the previous Auditing Standards (AUSs) being finally replaced by ASAs. This change affects the definitions of 'AuASB', 'Auditing and Assurance Guidance' and 'Auditing and Assurance Standards'.	Issue identified as part of the revision of APES 310.	APESB will incorporate these editorials into the next revision of the standard.

**APES 215 : Forensic Accounting Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
215.1	Paragraph 3.1 of APES 215 currently requires Members to comply with Section 100 of the Code and relevant law. This paragraph could be updated to refer to both laws and regulations.	This issue was considered during the 2016 Annual Review of APES 215.	APESB will incorporate this amendment at the next revision of APES 215.
215.2	Technical Staff has identified the need to consider the implications of the NOCLAR provisions of the Code to APES 215.	This issue has been noted.	APESB will consider this matter in the next revision of APES 215.

APES 220 : Taxation Services  
Issues Register

No.	Issue	Response	Current Status
	No Current Issues		

APES 225 : Valuation Services  
Issues Register

No.	Issue	Response	Current Status
225.1	Stakeholder advice to include guidance on whether the valuer for each of the given examples in Appendix 1 should hold an AFSL	The issue will be considered as part of the next annual review of APES 225	APESB will consider this matter in the next annual review of APES 225

**APES 230 : Financial Planning Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
230.1	<p>Members in Public Practice who provide credit advice are regulated under the <i>National Consumer Credit Protection Act</i> and not the <i>Corporations Act 2001</i>. APES 230 requires Members to act in the best interests of their Client, which is defined in the standard as Division 2 of Part 7.7A of the Corporations Act.</p> <p>While Members in Public Practice providing credit advice can comply with the general obligation to act in their Client's best interest, they cannot comply with the remaining obligations defined in Division 2. However, ASIC has stated in RG 175.239 that satisfying the safe harbor of Section 961B in Division 2 is not the only way to demonstrate an individual is acting in their Client's best interest.</p>	This matter has been raised in the Six Month Review of APES 230.	<p>APESB has released a consultation paper on the post-implementation review of APES 230, which included questions relating to application of best interest duty requirements.</p> <p>APESB is currently reviewing submissions to the consultation paper and is undertaking further engagement with key stakeholders to inform this review.</p>
230.2	The Technical Staff review identified editorial amendments to the definition of "Member in Public Practice".	The required change has been raised in the Six Month Review of APES 230.	APESB will incorporate the editorials in the next revision of APES 230.
230.3	Some stakeholders continue to raise issues in respect of the professional fees requirements in APES 230 and their effectiveness in practice.	The Board discussed this issue and determined to engage with key stakeholders to explore the issues.	<p>APESB has released a consultation paper on the post-implementation review of APES 230, which included questions relating to application of requirements relating to professional fees.</p> <p>APESB is currently reviewing submissions to the consultation paper and is undertaking further engagement with key stakeholders to inform this review.</p>
230.4	Technical Staff has identified the need to consider the potential implications on APES 230 of the planned Code of Ethics for professional planners to be developed by the Financial Adviser Standards and Ethics Authority (FASEA).	This issue has been noted.	APESB will monitor any developments by FASEA and will consider the impacts, if any, to APES 230.



**APES 305 : Terms of Engagement  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
305.1	<p>A stakeholder noted that section 4 of APES 305 could refer to legal requirements such as the Financial Services Guide.</p> <p>Technical Staff note that Members are required to include details of relevant legislation in paragraph 4.4(c). To ensure all legal requirements are captured this paragraph could be amended to include a specific reference to regulations.</p>	<p>This issue was raised and considered during the 2016 Annual Review of APES 305.</p>	<p>APESB will consider this amendment at the next revision of APES 305.</p>
305.2	<p>Paragraph 4.8 of APES 305 provides guidance on specifying fees and billing agreements in an Engagement Document. A stakeholder suggested that the guidance could be clarified by including references to how fees are calculated, and the need to disclose referral fees or commissions.</p>	<p>This issue was raised and considered during the 2016 Annual Review of APES 305.</p>	<p>APESB will consider this amendment at the next revision of APES 305.</p>
305.3	<p>Technical Staff identified that the definition of Engagement Document in APES 305 refers to it being in a written form. Paragraph 3.5 outlines that the terms of engagement can be in the form of an electronic communication. Including a definition of the term 'Writing' will assist in clarifying that written form may include electronic formats. The definition would be consistent with the definition of 'Writing' in APES 220 <i>Taxation Services</i>.</p>	<p>This issue was considered during the 2016 Annual Review of APES 305.</p>	<p>APESB will consider this amendment at the next revision of APES 305.</p>
305.4	<p>Technical Staff have identified the need to consider potential revisions to APES 305 relating to the NOCLAR provisions of the Code, including appropriate amendments to engagement letters to address NOCLAR provisions.</p>	<p>This issue has been noted.</p>	<p>APESB will consider this matter at the next revision of APES 305.</p>

**APES 310 : Dealing with Client Monies  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
310.1	A Stakeholder noted that there is no example of a limited assurance engagement report	The issue has been noted.  Members are able to utilise the example of a limited assurance engagement report in ASAE 3100 Compliance Engagements available <a href="#">here</a> if they require an example.	APESB will consider this issue in the next annual review of APES 310.

**APES 315 : Compilation of Financial Information  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
315.1	Technical Staff have identified the need to consider the implications of the NOCLAR provisions of the Code to APES 315, including the need to update the guidance relating to engagement letters for compilation engagements.	This issue has been noted.	APESB will consider this matter at the next revision of APES 315.

**APES 320 : Quality Control for Firms  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
320.1	<p>Technical Staff have noted that as part of its Audit Quality initiative, the IAASB is currently undertaking a project that aims to enhance ISQC1 and develop the proposed new standard ISQC2. ISQC1 remains as the standard for managing Quality Control at the Firm level. The proposed new standard ISQC2 is intended to strengthen the requirements and guidance in respect of engagement quality reviews, including clarifying the criteria for selecting engagement quality reviewers and their responsibilities.</p> <p>APES 320 conforms with ISQC1, with some changes to accommodate Australian legislation and environment and fit within the structure of APESB standards.</p>	This issue has been noted.	APESB will continue to monitor the progress of this IAASB project, and assess its implications on APES 320.

**APES 325 : Risk Management for Firms  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
325.1	Technical Staff has identified the need to consider the implication of the NOCLAR provisions of the Code to APES 325.	This issue has been noted.	APESB will consider this matter in the next revision of APES 325.

**APES 330 : Insolvency Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
330.1	<p>In February 2016, new legislation affecting insolvency services was issued - the <i>Insolvency Law Reform Act 2016</i> (Cth).</p> <p>The Act will become effective in two tranches in 2017 - from 1 March in respect of promoting competency and professionalism among insolvency practitioners, and from 1 September in respect of enhancing insolvency administration processes.</p> <p>Shortly APESB will need to review APES 330 to ensure the standard reflects the new legislation.</p>	This matter has been noted during the 2016 Annual Review of APES 330.	APESB is collaborating with key stakeholders in the review of APES 330 to ensure that it reflects the newly enacted legislation.
330.2	Paragraph 3.1 of the standard currently requires Members to comply with Section 100 of the Code and relevant law. This paragraph could be updated to refer to both laws and regulations to ensure consistency with other APESB standards.	This issue was noted during the 2016 Annual Review of APES 330.	This amendment will be addressed in the next revision of APES 330.
330.3	The definition of Professional Bodies in APES 330 needs to be updated to replace the reference to the Institute of Chartered Accountants Australia with Chartered Accountants Australia and New Zealand.	This issue was noted during the 2016 Annual Review of APES 330.	This amendment will be addressed in the next revision of APES 330.
330.4	Technical Staff have identified the need to consider the implication of the NOCLAR provisions of the Code to APES 330.	This issue has been noted.	This matter will be considered in the next revision of APES 320.

**APES 345 : Reporting on Prospective Financial Information Prepared in Connection with a Public Document  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
345.1	Technical Staff have identified the need to remove the duplicated word, 'action,' in Paragraph 8.5	This issue has been noted in the 2018 Annual Review of APES 345	APESB will incorporate this editorial into the next revision of the standard.

**APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
350.1	The Technical Staff have identified amendments required to the Definitions section in APES 350 due to the previous Auditing Standards (AUSs) being finally replaced by ASAs. This change affects the definitions of 'AuASB', 'Auditing and Assurance Guidance' and 'Auditing and Assurance Standards'.	Issue identified as part of the revision of APES 310.	APESB will incorporate these editorials into the next revision of the standard.
350.2	Technical Staff have identified the need to include a definition for the term, 'written,' to improve the technology neutrality of the Standard	Issue noted as part of the 2018 Annual Review of APES 350	This matter will be considered in the next revision of APES 350.



APES GN 20 : Scope and Extent of Work for Valuation Services  
Issues Register

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
	No current issues		

APES GN 21 : Valuation Services for Financial Reporting  
Issues Register

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
	No current issues		

**APES GN 30 : Outsourced Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
30.1	<p>A Professional Body has raised the issue of whether APES GN 30 is effective and used by Members in Public Practice in a proper manner.</p> <p>The Professional Body has suggested that APESB conduct a survey of its use and consider whether transforming it into a Standard would make it more effective.</p>	<p>This issue was noted and considered during the 2017 annual review of APES GN 30.</p>	<p>At its November 2017 meeting, the Board approved the project plan to undertake a review of APES GN 30 to assess its effectiveness and use by Members.</p>

APES GN 31 : Professional and Ethical Considerations relating to Low Doc Offering Sign-offs  
Issues Register

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
	No current issues		

**APES GN 40 : Ethical Conflicts in the Workplace - Considerations for Members in Business  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
40.1	<p>Technical Staff have noted the need to revise APES GN 40 to incorporate amendments relating to the NOCLAR standard and whistleblower protections legislation.</p> <p>APESB issued the NOCLAR amending standard in May 2017 and will become effective from 1 January 2018, with early adoption permitted.</p> <p>The Government intends to enact whistleblower protections legislation by mid-2018.</p>	<p>This issue was noted and considered during the 2017 annual review of APES GN 40.</p>	<p>At its August 2017 meeting, the APESB Board approved the proposal to undertake a project in 2018 for the revision of APES GN 40, to incorporate amendments in respect of the NOCLAR provisions of the Code and whistleblower protections legislation.</p> <p>As of July 2018, whistleblower legislation has not yet been legislated</p>

**APES GN 41 : Management representations  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Current Status</b>
41.1	<p>Technical Staff has noted the need to revise APES GN 41 to incorporate amendments relating to the NOCLAR standard.</p> <p>APESB issued the NOCLAR amending standard in May 2017 and will become effective from 1 January 2018, with early adoption permitted.</p>	<p>This issue was noted and considered during the 2017 annual review of APES GN 41.</p>	<p>At its November 2017 meeting, the APESB Board approved the proposal to undertake a project in 2018 for the revision of APES GN 41, to incorporate amendments in respect of the NOCLAR provisions of the Code and whistleblower protections legislation.</p>