

ISSUES REGISTER FOR APESB PROFESSIONAL PRONOUNCEMENTS

Current as at 1 September 2019

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 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 (including Independence Standards)
Issues Register**

No.	Issue	Response	Current Status
110.1	Technical staff have identified an error in the numbering of paragraphs 120.13 A1, which should be 120.12 A2, and 120.12 A2, which should be 120.13 A1.	This issue has been noted.	APESB will incorporate this amendment into the next revision of the Code.
110.2	Technical Staff are aware that some jurisdictions are reconsidering what services a firm can provided to an audit client. The Independence requirements in APES 110 may need to be reviewed if a major jurisdiction prohibits auditors from performing non-assurance services for an audit client.	This issue has been noted.	APESB will monitor international developments to determine if changes are required to the Independence provisions of the Code.
110.3	Technical staff have identified amendments that are required to the definition of Administration in the Code to align with the amended definition in the revised APES 330 <i>Insolvency Services</i> (issued 30 August 2019).	This issue has been noted.	APESB will incorporate this amendment into the next revision of the Code.

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

No.	Issue	Response	Current Status
205.1	Technical Staff have identified the need to consider any potential implications of the AASB's differential reporting project on APES 205. The AASB's project and resulting changes will impact on the provisions in APES 205 relating to Members' financial reporting responsibilities and the references to AASB's conceptual framework.	These issues have been noted.	APESB have requested stakeholders to provide feedback on the matter in their response to the Exposure Draft 03/19 incorporating APES 205 issued 23 August 2019.
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' and 'Auditing and Assurance Standards'.	Issue identified as part of the revision of APES 310.	The relevant amendments are included in the Exposure Draft 03/19 incorporating APES 205 issued 23 August 2019.
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.	The relevant amendments are included in the Exposure Draft 03/19 incorporating APES 205 issued 23 August 2019.
205.4	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES 205 will be addressed as part of the revision of all APESB pronouncements in 2019.	The issue has been noted.	The relevant amendments are included in the Exposure Draft 03/19 incorporating APES 205 issued 23 August 2019.

APES 210 : Conformity with Auditing and Assurance Standards
Issues Register

No.	Issue	Response	Current Status
	No current issues		

APES 215 : Forensic Accounting Services
Issues Register

No.	Issue	Response	Current Status
	No current issues		

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
	No current issues		

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

No.	Issue	Response	Current Status
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 harbour 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 was raised in the Six Month Review of APES 230.	<p>APESB 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 subsequently reviewed submissions to the consultation paper and undertook further engagement with key stakeholders to inform this review.</p> <p>APESB favourably noted a recommendation from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry to extend the Best Interest Duty to credit activities.</p> <p>Technical staff are monitoring the implementation of laws and regulations by the government stemming from the findings of the Royal Commission.</p>
230.2	The Technical Staff review identified editorial amendments to the definition of 'Member in Public Practice'.	The required change was raised in the Six Month Review of APES 230.	APESB will incorporate the editorials in the next revision of APES 230.
230.3	Technical Staff have 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.	FASEA released their Code of Ethics in February 2019. APESB is currently analysing the impacts, if any, this will have on APES 230.

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

No.	Issue	Response	Current Status
230.4	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 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 subsequently reviewed submissions to the consultation paper and has undertaken further engagement with key stakeholders.</p> <p>Technical Staff are also monitoring the implementation of laws and regulations by the government stemming from the findings at the Royal Commission to ascertain the impact of the recommendations, if any, on APES 230.</p>
230.5	Technical Staff have identified the need to consider the potential implications on APES 230 of the findings from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.	This issue has been noted.	<p>APESB is in the process of analysing the final report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry to ascertain the impact of the recommendations on APES 230.</p> <p>Technical Staff are also monitoring the implementation of laws and regulations by the government stemming from the findings at the Royal Commission.</p>

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

No.	Issue	Response	Current Status
230.6	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES 230 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue was noted in the 2018 Annual Review of APES 230.	This matter will be considered in the next revision of APES 230.

APES 305 : Terms of Engagement
Issues Register

No.	Issue	Response	Current Status
	No current issues		

**APES 310 : Client Monies
Issues Register**

No.	Issue	Response	Current Status
310.1	A Stakeholder noted that the revised APES 310 does not have an example of a limited assurance engagement report.	<p>The issue has been noted.</p> <p>Currently members are able to utilise the example of a limited assurance engagement report in <i>ASAE 3100 Compliance Engagements</i> available here if they require an example.</p>	<p>The relevant amendment is included in the Exposure Draft 02/19 incorporating APES 310 issued 19 June 2019.</p> <p>The Board approved the revisions to APES 310 at their August 2019 Board Meeting. The revised APES 310 will be issued in due course.</p>
310.2	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements, including APES 310, and this will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted.	<p>The relevant amendments are included in the Exposure Draft 02/19 incorporating APES 310 issued 19 June 2019.</p> <p>The Board approved the revisions to APES 310 at their August 2019 Board Meeting. The revised APES 310 will be issued in due course.</p>

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

No.	Issue	Response	Current Status
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.	The relevant amendments are included in the Exposure Draft 03/19 incorporating APES 315 issued 23 August 2019.
315.2	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES 315 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted.	The relevant amendments are included in the Exposure Draft 03/19 incorporating APES 315 issued 23 August 2019.

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

No.	Issue	Response	Current Status
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 a proposed new standard (ISQM 1). ISQC1 remains as the standard for managing Quality Control at the Firm level. The proposed new standard (ISQM 2) 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 to fit within the structure of APESB standards.</p>	This issue has been noted.	<p>The IAASB issued Exposure Drafts on ISQM 1 and ISQM 2 in February 2019.</p> <p>APESB have made a submission to the IAASB in response to the Exposure Drafts, informed by various Stakeholder engagement activities.</p> <p>APESB will continue to monitor international developments in relation to ISQC 1 to determine relevant future changes to APES 320.</p>

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

No.	Issue	Response	Current Status
325.1	Technical Staff has identified the need to consider the impact of changes to ISQC 1 noted in Issue 320.1 to APES 325.	This issue has been noted.	APESB will monitor international developments in relation to ISQC 1 to determine if changes are required to APES 325.

APES 330 : Insolvency Services
Issues Register

No.	Issue	Response	Current Status
	No current issues		

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

No.	Issue	Response	Current Status
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.	<p>The relevant amendment was included in the Exposure Draft 01/19 incorporating APES 345 issued 1 March 2019.</p> <p>The Board approved the revisions to APES 345 at their June 2019 Board meeting. The revised APES 345 will be issued in due course.</p>
345.2	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES 345 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted.	<p>The relevant amendments were included in the Exposure Draft 01/19 incorporating APES 345 issued 1 March 2019.</p> <p>The Board approved the revisions to APES 345 at their June 2019 Board meeting. The revised APES 345 will be issued in due course.</p>

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

No.	Issue	Response	Current Status
350.1	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' and 'Auditing and Assurance Standards'.	Issue identified as part of the revision of APES 310.	<p>The relevant amendment is included in the Exposure Draft 01/19 incorporating APES 350 issued 1 March 2019.</p> <p>The Board approved the revisions to APES 350 at their June 2019 Board meeting. The revised APES 350 will be issued in due course.</p>
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	<p>The relevant amendment is included in the Exposure Draft 01/19 incorporating APES 350 issued 1 March 2019.</p> <p>The Board approved the revisions to APES 350 at their June 2019 Board meeting. The revised APES 350 will be issued in due course.</p>
350.3	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES 350 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted.	<p>The relevant amendments are included in the Exposure Draft 01/19 incorporating APES 350 issued 1 March 2019.</p> <p>The Board approved the revisions to APES 350 at their June 2019 Board meeting. The revised APES 350 will be issued in due course.</p>

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

No.	Issue	Response	Current Status
20.1	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES GN 20 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted in the 2018 Annual Review of APES GN 20.	<p>The relevant amendments were included in the Exposure Draft 01/19 incorporating APES GN 20 issued 1 March 2019.</p> <p>The Board approved the revisions to APES GN 20 at the June 2019 Board Meeting. The revised APES GN 20 will be released in December 2019 (as Guidance Notes are effective from their date of issue).</p>
20.2	APESB has determined to include an interpretation paragraph in Section 1 Scope and application of all pronouncements, that clarifies the use of similar words which should have equal application (i.e. singular includes plural, one gender includes another and words referring to persons includes corporations or organisations). APES GN 20 does not contain this interpretation paragraph.	This issue has been noted in the 2018 Annual Review of APES GN 20.	<p>The relevant amendments were included in the Exposure Draft 01/19 incorporating APES GN 20 issued 1 March 2019.</p> <p>The Board approved the revisions to APES GN 20 at the June 2019 Board Meeting. The revised APES GN 20 will be released in December 2019 (as Guidance Notes are effective from their date of issue).</p>
20.3	<p>Technical Staff's review of APES GN 20 has identified the need to process minor amendments that are editorial in nature, including enhancements to the Scope and application section to incorporate:</p> <ul style="list-style-type: none"> - A paragraph which sets out the Objectives for the guidance note (to be consistent with other APESB pronouncements); and - A cross-reference to APES GN 21 <i>Valuation Services for Financial Reporting</i>. 	These issues have been noted in the 2018 Annual Review of APES GN 20.	<p>The relevant amendments were included in the Exposure Draft 01/19 incorporating APES GN 20 issued 1 March 2019.</p> <p>The Board approved the revisions to APES GN 20 at the June 2019 Board Meeting. The revised APES GN 20 will be released in December 2019 (as Guidance Notes are effective from their date of issue).</p>

**APES GN 21 : Valuation Services for Financial Reporting
Issues Register**

No.	Issue	Response	Current Status
21.1	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES GN 21 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted in the 2018 Annual Review of APES GN 21.	<p>The relevant amendments were included in the Exposure Draft 01/19 incorporating APES GN 21 issued 1 March 2019.</p> <p>The Board approved the revisions to APES GN 21 at the June 2019 Board Meeting.</p> <p>The revised APES GN 21 will be issued in December 2019 (as Guidance Notes are effective from their date of issue).</p>

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

No.	Issue	Response	Current Status
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> <p>In accordance with the project plan, APESB sought engagement from a wide range of stakeholders. The majority of stakeholders preferred to retain APES GN 30 as a guidance note.</p> <p>At its August 2019 meeting, the Board considered whether there should be a mandatory requirement to inform clients of the nature of any services outsourced and, if applicable, the jurisdiction in which the outsourced service is performed.</p> <p>A request for specific comments in relation to this matter has been included in the Exposure Draft 03/19 incorporating APES GN 30 issued 23 August 2019.</p>
30.2	<p>As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES GN 30 will be addressed as part of the revision of all APESB pronouncements in 2019.</p>	<p>This issue has been noted.</p>	<p>The relevant amendments are included in the Exposure Draft 03/19 incorporating APES GN 30 issued 23 August 2019.</p>

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

No.	Issue	Response	Current Status
31.1	As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES GN 31 will be addressed as part of the revision of all APESB pronouncements in 2019.	This issue has been noted in the 2018 Annual Review of APES GN 31.	<p>The relevant amendments were included in the Exposure Draft 01/19 incorporating APES GN 31 issued 1 March 2019.</p> <p>The Board approved the revisions to APES GN 31 at the June 2019 Board meeting.</p> <p>The revised APES GN 31 will be issued in December 2019 (as Guidance Notes are effective from their date of issue).</p>

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

No.	Issue	Response	Current Status
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 protection 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>The new whistleblower legislation came into effect 1 July 2019</p> <p>APESB incorporated the relevant amendments in the Exposure Draft 02/19 incorporating APES GN 40 issued 19 June 2019.</p> <p>The Board approved the revisions to APES GN 40 at the August 2019 Board meeting. The revised APES GN 40 will be issued in December 2019 (as Guidance Notes are effective from their date of issue).</p>
40.2	<p>As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES GN 40 will be addressed as part of the revision of all APESB pronouncements in 2019.</p>	<p>This issue has been noted.</p>	<p>The relevant amendments were included in the Exposure Draft 02/19 incorporating APES GN 40 issued 1 March 2019.</p> <p>The Board approved the revisions to APES GN 40 at the August 2019 Board meeting.</p> <p>The revised APES GN 40 will be issued in December 2019 (as Guidance Notes are effective from their date of issue).</p>

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

No.	Issue	Response	Current Status
41.1	<p>Technical Staff have 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> <p>The new whistleblower legislation came into effect from 1 July 2019.</p> <p>The relevant amendments were included in the Exposure Draft 02/19 incorporating APES GN 41 issued 19 June 2019.</p> <p>The Board approved the revisions to APES GN 41 at the August 2019 Board meeting. The revised APES GN 41 will be issued in December 2019 (as Guidance Notes are effective from their date of issue).</p>
41.2	<p>As part of the Code restructure project, pervasive changes were made to the overall structure of the Code of Ethics. This has consequences for cross-references to the Code in all APESB pronouncements. The consequential amendments to APES GN 41 will be addressed as part of the revision of all APESB pronouncements in 2019.</p>	<p>This issue has been noted in the 2018 Annual Review of APES GN 41.</p>	<p>The relevant amendments were included in the Exposure Draft 02/19 incorporating APES GN 41 issued 19 June 2019.</p> <p>The Board approved the revisions to APES GN 41 at the August 2019 Board meeting. The revised APES GN 41 will be issued in December 2019 (as Guidance Notes are effective from their date of issue).</p>