

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

MINUTES OF 1st MEETING OF THE APES 320 TASKFORCE

13 August 2012 2:00 – 3:15pm

Teleconference

1. Present and Apologies

Present

Mr Channa Wijesinghe (Chairman), Mr Reece Agland, Ms Sue Curtis, Ms Claire Locke, Ms Jacqueline Maroney, Mr Steve Miklos, Mr Colin Parker, Mr Phil Priest and Dr Eva Tsahuridu

In Attendance

Mr Bob Sendt, Mr Robert Nickel and Ms Margareth Lioe

2. Background to the APES 320 revision project

The Chairman welcomed all Taskforce members and requested for an introduction from each member. The Chairman then informed the Taskforce members of the need and background to the revised APES 320 project. APES 320 was initially released in 2006 and on the basis of ISQC 1, requires Firms to establish and maintain a system of quality control at the Firm level. However, ISQC 1 is developed within the framework of Assurance Services, while APES 320 is intended to be applicable to all areas of professional services.

This creates a strong case for APESB to develop a Quality Control Standard whose primary focus is the non-assurance service lines. The Taskforce members were further informed of the process taken to arrive at the first draft of the revised APES 320. Paragraphs specific to Assurance Engagements were removed and the remaining paragraphs were modified to address non-assurance services.

Taskforce discussion on the need for a separate APES 320

A Taskforce member raised concerns on whether a separate standard addressing non-assurance services will enhance the public interest. The Taskforce member stated that unlike the impact of enforcement of a separate standard on bigger firms, additional burdens and requirements may be imposed on SMPs due to their limited scope and resources. Another Taskforce member further supported this view that the larger firms have ample resources allocated to each department to support quality control matters. Additional independence, reporting and documentation requirements on non-assurance services may be implied to SMPs.

In addition, the majority of the Taskforce were of the view that assuming there is a need to progress with the APES 320 project, it is essential to ensure that the original APES 320 is in line with AUASB's ASQC 1 which addresses assurance practices. A Taskforce member suggested the need of a generic standard that applies to firms performing non-assurance services, with additional paragraphs to address assurance services.

3. Way Forward

APESB Technical Staff will develop a paper documenting various options in respect of the APES 320 revision taking into consideration the Taskforce's views. APESB Technical Staff will circulate this options paper to all Taskforce members for comment and thereafter present it to the Board and obtain the Board's direction on the way forward on this project.

4. Closing of Meeting

The meeting was closed at 3.15 PM.