

AGENDA PAPER

Item Number: 10
Date of Meeting: 25 February 2013
Subject: Revision of APES 215 *Forensic Accounting Services*

Action Required

For Information Only

Purpose and background

To provide the Board with an update on the current status of the APES 215 revision project.

Background

The Accounting Professional and Ethical Standards Board (APESB) issued the Standard APES 215 *Forensic Accounting Services* in December 2008 with an effective date of 1 July 2009. APES 215 replaced APS 11 *Statement of Forensic Accounting Standards* and GN 2 *Forensic Accounting*. The Annual Review of APES 215 performed in 2010 identified a number of minor editorial matters that need to be incorporated in the next revision of APES 215.

At the November 2010 Board Meeting, the Board directed Technical Staff to commence a project to develop two new appendices for inclusion in APES 215. The first appendix will contain a decision tree for Members to determine whether they are providing a Forensic Accounting Service, and then if this is the case, assist in determining the type of Forensic Accounting Service. The second appendix will provide a number of scenarios and demonstrate the application of APES 215 to determine, based on the facts and circumstances presented, whether the Member is providing an Expert Witness Service, Consulting Expert Service, Lay Witness or Investigation Service.

At the February 2012 Board Meeting, the Board discussed the proposed revisions to APES 215 and instructed the taskforce to make further amendments including the development of a guidance paragraph on working papers and development of a Lay Witness example.

The exposure draft for the revised APES 215 ED 02-12 was issued for public comment in June 2012. APESB received 9 submissions from the Institute of Chartered Accountants Australia, CPA Australia, Ernst & Young, Australia New Zealand Policing Advisory Agency, Deloitte, McGrathNicol, Victoria Police, Gregory O'Neil (CPA) and ASIC (confidential).

Consideration of issues

The following key issues were identified through respondents' submissions:

- Expert Witness;
- Evidence;
- Role of the decision maker;
- Opinion vs. Non-opinion evidence;
- Non-Expert Witness Report; and
- Amendments to the examples in the appendices.

The majority of the concerns were raised through the ASIC Staff submission therefore Technical Staff organised a meeting between ASIC Staff and the Taskforce in order to resolve the key issues.

Material Presented

Attachment 9(a)	Meeting with ASIC (Confidential)
Attachment 9(b)	Proposed Revised APES 215 <i>Forensic Accounting Services</i> (Marked Up);
Attachment 9(c)	Proposed Revised APES 215 <i>Forensic Accounting Services</i> (Clean Version);
Attachment 9(d)	General Comments Table;
Attachment 9(e)	Specific Comments Table;
Attachment 9(f)	Draft Taskforce Meeting Minutes; and
Attachment 9(g)	ASIC Specific Comments Table (Confidential).

Staff Recommendation

The Board note progress on the APES 215 Revision Project and the Taskforce's analysis of submissions received on the ED.

Authors: Channa Wijesinghe
Rob Nickel

Date: 19 February 2013