



ISSUES REGISTER FOR APESB PROFESSIONAL PRONOUNCEMENTS

Current as at February 2013

Note to Stakeholders

The following is a summary of issues raised by stakeholders in relation to professional and ethical standards. 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 needs to be addressed by APESB when a pronouncement is next updated or reviewed.

**APES 110 : Code of Ethics for Professional Accountants
Issues Register**

No.	Date	Issue	Response	Current Status
110.1	Aug-11	<p>Paragraph 290.142 of the Code states that the Firm's personnel may not be lent to an audit client for other than a short time and shall not provide non-assurance services of a certain type or assume management responsibilities. In NSW, the Auditor General has arrangements for secondments with audit clients and, in many cases, they may relate to roles such as those mentioned above and, while temporary, may last for up to two years. Such secondments are considered a part of public sector employment conditions which the Auditor General is obliged to support. Further, in the opinion of the Auditor General with appropriate safeguards in place, threats to independence can be reduced to an acceptable level.</p> <p>However, paragraph 290.142 provides that such arrangements will not be permitted at all. The Auditor General has suggested that an exception be made in the case of government bodies where temporary staff assignments are expected as part of the broader public sector employment conditions and appropriate safeguards can be put in place.</p>	<p>This issue was considered during the February 2012 six month review and the Board determined to consult with the NSW Audit Office on the matter.</p>	<p>The NSW Audit Office in consultation with ACAG developed a proposed paragraph AUST 290.142 and submitted it for the September 2012 Board meeting. The Board did not agree with the proposed paragraph. The Board determined to hold a meeting with the NSW Audit Office to communicate the Board's views. A meeting was held in October 2012 with the NSW Audit Office where the Board's views on this matter was communicated to the NSW Audit Office. This issue has been resolved.</p>

**APES 110 : Code of Ethics for Professional Accountants
Issues Register**

No.	Date	Issue	Response	Current Status
110.2	Aug-11	<p>Paragraph 290.139 of the Code indicates that in certain circumstances employment with an audit client will result in independence being compromised. The NSW Audit Office has stated that the Code does not explain what the impact of this would be and what safeguards or steps (if any) can be implemented so the independence of the audit is not affected.</p> <p>In the NSW public sector, there are instances when the equivalent of Key Audit Partners may take employment with audit clients. If the intent of the Code is to suggest that the only option in such circumstances is to relinquish the audit engagement, by law the Auditor General is unable to do this in the public sector.</p>	<p>This issue was considered during the February 2012 six month review and the Board determined to consult with the NSW Audit Office on the matter.</p>	<p>The NSW Audit Office in consultation with ACAG developed a proposed paragraph AUST 290.139 and submitted it for the September 2012 Board meeting. The Board directed staff to explore this issue further with ACAG and redraft the proposed AUST 290.139.</p> <p>A meeting was held in October 2012 with the NSW Audit Office where the Board's views on this matter was communicated to the NSW Audit Office.</p> <p>A further teleconference meeting was held with NSW Audit Office in January 2013. This matter is currently a work in progress.</p>

**APES 110 : Code of Ethics for Professional Accountants
Issues Register**

No.	Date	Issue	Response	Current Status
110.3	May-11	APES 110 deems a Firm to be a Network Firm if it satisfies any of the stated criteria in paragraphs 290.16 – 290.24. A stakeholder raised the issue that deeming as such means there is little point to the application of the reasonable and informed third party test contained in paragraph 290.15 and the consideration of particular facts and circumstances as suggested by paragraph 290.14. The stakeholder's key concern is the implications for a partner in a small firm that is deemed to be in a Network.	This issue was considered during the February 2012 six month review.	Feb 2012 - Issue stems from the definition contained in the International Code. As directed by the Board, technical staff have raised the issue with the IESBA and will maintain the issue on the Issues Register. The IESBA has issued guidance which considers different scenarios and whether a Firm is a Network Firm given the circumstances of each case.
110.4	Feb-12	A stakeholder raised concern in relation to use of the term 'dependent' in the definition of <i>Immediate Family</i> in APES 110. The Code defines <i>Immediate Family</i> as 'spouse (or equivalent) or dependent'. In this context, the noun 'dependant' should replace the adjective.	APESB will consider this during the annual review process in February 2013.	
110.5	Feb-12	A stakeholder identified a minor editorial comment on the fifth paragraph of AUST Preface to Sections 290 and 291 of the Code. The paragraph states 'not all applicable Corporations Act 2001 requirements have been address and...'. 'address' needs to be replaced with 'addressed'.	APESB will consider this during the annual review process in February 2013.	

**APES 110 : Code of Ethics for Professional Accountants
Issues Register**

No.	Date	Issue	Response	Current Status
110.6	Oct-12	During a meeting held with ACAG, the issue of what is a Public Interest Entity in the public sector was identified as an issue for further consideration.	APESB will consider this during the annual review process in February 2013.	
110.7	Jan-13	A stakeholder noted that APES 110 issued in 2006 contained paragraph 290.149 that excluded Members Voluntary Liquidation as a circumstance where an auditor could not be an officer of the Company. This was an Australian addition to the Code in 2006 and is not provided for in the previous or the 2009 version of the IESBA Code.	The paragraph referred to was an Australian addition to the Code. APESB will consider this during the annual review process in February 2013.	

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

No.	Date	Issue	Response	Current Status
205.1	Feb-13	In relation to paragraph 5.3 of APES 205 that discusses the legal requirement to depart from Accounting Standards, CPA Australia has raised the question of what happens if the law does not require a departure but allows it, as is the case with the proposed ACNC Act and joint or collective reporting.	In practice it was envisaged that only Auditor Generals would use the provisions in paragraph 5.3. The predecessor standard to APES 205 had similar provisions to cater for Auditor Generals. At the time this standard was developed ACAG made a submission to the Board that represented that there may be circumstances (although rare) where they may need to perform an audit in accordance with legislation and issue a report which may require a departure from the standards in order to conform with the legislation. CPA Australia will provide further information on this issue in due course.	This issue to be considered by the Board at the May 2013 meeting.

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

No.	Date	Issue	Response	Current Status
210.1	Feb-13	In relation to paragraph 4.2 of APES 210 that discusses the legal requirement to depart from Auditing and Assurance Standards, a stakeholder raised the question of what happens if the law does not require a departure but allows it, as is the case with the proposed ACNC Act and joint or collective reporting.	In practice it was envisaged that only Auditor Generals would use the provisions in paragraph 4.2. The predecessor standard to APES 210 had similar provisions to cater for Auditor Generals. At the time this standard were developed ACAG made a submission to the Board that represented that there may be circumstances (although rare) where they may need to perform an audit in accordance with legislation and issue a report which may require a departure from the standards in order to conform with the legislation. CPA Australia will provide further information on this issue in due course.	This issue to be noted as part of the annual review of APES 210 at the 25th February 2013 Board meeting.

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

No.	Date	Issue	Response	Current Status
215.1	Feb-10	The definition of "Court" to include "tribunals" after the word "administration" and change the term "investigation" to "investigations"	This issue was considered by the Board during the February 2010 annual review.	At its November 2010 Board meeting these minor editorial changes were approved. Relevant amendments were incorporated into ED 02/12 APES 215 which was issued in June 2012. A revised standard is expected to be issued in 2013.
215.2	Feb-10	Members acting as expert witnesses may express an opinion that is based on the work of another expert which is also an opinion. A stakeholder has commented that the wording contained within paragraphs 3.15 and 5.6(k) of APES 215 (i.e. valid or veracity) implies a higher standard than is realistic.	This issue was considered by the Board during the February 2010 annual review.	At its November 2010 Board meeting the Board noted that paragraph 5.6 (k) should be amended to "validity". The relevant amendment was incorporated into ED 02/12 APES 215 which was issued in June 2012. A revised standard is expected to be issued in 2013.
215.3	Feb-10	The requirement for disclosure of confidential information under paragraph 3.18 to be expanded to include Members in Business.	This issue was considered by the Board during the February 2010 annual review.	At its November 2010 Board meeting the Board noted that paragraph 3.18 should be extended to cover Members in Business. The relevant amendment was incorporated into ED 02/12 APES 215 which was issued in June 2012. A revised standard is expected to be issued in 2013.
215.4	Feb-10	Stakeholders have reported that the defined term Professional Standards has not been capitalised in paragraph 1.7 and in the definition of Expert Witness.	This issue was considered by the Board during the February 2010 annual review.	At its November 2010 Board meeting the Board noted that the defined term should be capitalised. Relevant amendments were incorporated into ED 02/12 APES 215 which was issued in June 2012. A revised standard is expected to be issued in 2013.

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

No.	Date	Issue	Response	Current Status
215.5	Feb-10	Stakeholders have reported that the defined term "Independence" requires a few minor editorials in part (b) of the definition. Namely capitalisation of Member and in the last sentence change "had" to "has".	This issue was considered by the Board during the February 2010 annual review.	At its November 2010 Board meeting the Board noted that the minor editorials should be incorporated to the defined term. Relevant amendments were incorporated into ED 02/12 APES 215 which was issued in June 2012. A revised standard is expected to be issued in 2013.
215.6	Nov-10	A stakeholder has noted that the various roles performed by a Member when providing Forensic Accounting Services are not clear and has proposed that APESB consider providing additional appendices to provide further guidance.	This issue was considered by the Board in the annual review process in February 2010. At the November 2010 Board meeting, the Board approved a project to develop two new appendices for inclusion in APES 215. The first appendix consists of a decision tree for Members to determine when they are providing a forensic accounting service and the type of service. The second appendix lists a number of scenarios and demonstrates the application of the principles of APES 215 to determine, based on the facts and circumstances presented, whether the Member is providing a Consulting Expert Service, Expert Witness, Lay Witness or Investigation Service.	APESB developed the appendices and incorporated other relevant amendments to APES 215 and issued APES 215 ED 02/12 for public comment in June 2012. The appendices will be issued as part of the revised standard which is expected to be completed during 2013.

**APES 220 : Taxation Services
Issues Register**

No.	Date	Issue	Response	Current Status
220.1	Nov-09	<p>The Tax Agent Services Act 2009 (the Act) includes a Code of Conduct that will govern the members of the three professional accounting bodies who are registered tax agents or BAS agents. The Act uses the term "reasonable care" which is currently undefined. This raises the question of whether the Act creates additional obligations that have not been addressed in professional standards.</p>	<p>If the National Tax Practitioners Board (NTPB) defines the term "reasonable care" then APESB will need to consider the consistency of the definition with current professional obligations created by APES 220.</p>	<p>In December 2011 the National Tax Practitioners Board (NTPB) released a discussion paper on the application of subsection s30-10(9) of the Tax Agent Services Act 2009. In September 2012 the NTPB released two exposure drafts for public comment addressing reasonable care to ascertain a client's state of affairs and reasonable care to ensure taxation laws are applied correctly. The NTPB is currently considering responses received and once the NTPB's position is finalised, APESB will consider the consistency of APES 220 with the NTPB interpretation of reasonable care.</p>

**APES 225 : Valuation Services
Issues Register**

No.	Date	Issue	Response	Current Status
225.1	Nov-12	A stakeholder raised minor editorial comments in relation to the following sections of the standard: Definitions – 'valuation services' should be italic; Para 3.2 – second line 'and' should not be italic; and Para 5.3 – last line 'Quality Control for Firms' should be italic.	Agree with the stakeholder's comments.	APESB will consider this during the annual review process in May 2013.
225.2	Jan-13	<p>A stakeholder raised concerns with apparent inconsistency in relation to section 4 and 5 of the revised APES 225.</p> <p>Section 4.2 of the standard refers to the requirement for statements to be made whereas section 5 requires clear communication.</p> <p>For example 5.2 (r) requires clearly communicating the Valuation Service was conducted in accordance with the standard. In contrast, section 4.2 (f) requires a statement that the valuation service was conducted in accordance with this standard.</p>	<p>Section 4 of the Standard refers to the Terms of Engagement whereas section 5 refers to the Reporting on the Engagement following its completion. While different terminology has been used, the intention remains the same. For example, 4.2(f) requires a statement that the Engagement will be conducted in accordance with the standard. Paragraph 5.2 in the lead in states that a "written Valuation Report" must communicate the following matters.</p>	Issue to be further considered during the annual review process in May 2013.

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

No.	Date	Issue	Response	Current Status
230.1	Aug-08	<p>APS 12 Statement of Financial Advisory Services was issued in 2005. Given the sensitivity of this issue from a media perspective and in the financial planning industry in general, it is recommended that the statement be reviewed. Key issues to consider are as follows:</p> <ol style="list-style-type: none"> 1) Understanding the Fee for Service model - fee for service is not a widely used practice in the industry, therefore there is a need to understand the practicalities in complying with this area. 2) Limitation of the scope i.e. exclusion finance and mortgage broking. 3) Duplication of standards - Financial Planners have a number of standards with which they must comply - legal, compliance and standards set by other associations. 4) License holder business models - business models of license holders may prevent members complying with APS 12. 5) Quality Assurance practicality issues - ownership of client files may prevent members' files being reviewed. 6) Alternative remuneration - further work required on understanding whether volume overrides need to be treated in a different way. 7) Obtain views of other stakeholders in relation to important considerations of the standard. 8) Repetition of APES 110 content and consistency with APS 12. 9) Possible need for a materiality test when sending annual reports to clients. 	<p>Issues identified to be addressed by the APESB Financial Planning taskforce when developing the exposure draft.</p>	<p>APESB issued a consultation paper seeking member comments on APS 12 in October 2008. APESB received responses from the professional accounting bodies, firms and members. The APESB Financial Planning Services taskforce considered the comments raised as they developed the APES 230 ED. In 2009 APESB also submitted a response to the Parliamentary Joint Committee's (PJC) inquiry in to Financial Services.</p> <p>In June 2010 APESB issued an exposure draft of the proposed pronouncement and received 66 submissions from stakeholders. During 2011, the Board consulted with key stakeholders/respondents to consider and deliberate the significant issues raised in respect of the Exposure Draft. At its November 2011 meeting, the Board debated the key issues and provided direction to technical staff to complete the drafting. At the February 2012 Board meeting, the Board agreed that it is prudent to wait until the government position on Future of Financial Advice (FoFA) legislation is finalised prior to releasing either the next Exposure Draft or the proposed Standard. In June 2012 the Government finalised its FoFA reforms.</p> <p>In July 2012 the Board issued the second Exposure Draft together with an Explanatory Memorandum for public comment and received 163 submissions.</p> <p>The Board considered respondent's comments to APES 230 ED 2 at the November 2012 Board meeting. The Board will determine the final form of APES 230 in the first quarter of 2013.</p>

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

No.	Date	Issue	Response	Current Status
305.1	Nov-11	<p>With a recurring Engagement the provision of services by the Member in Public Practice is repeated on a cyclical basis, often annually. A stakeholder stated that there are two schools of thought on the nature of a recurring Engagement. The first would characterise a recurring Engagement as having a single commencement date at the beginning of the first iteration of the cycle. The second would consider that each iteration effectively has a separate commencement date.</p> <p>Agreed services and/or terms under which the Engagement is provided may remain constant in each iteration. Any change to the services or the terms would be considered to break the cycle and result in a new Engagement commencing.</p>	<p>Issue identified to be addressed in the next revision of APES 305.</p>	<p>In November 2011, the Board approved a project to revise Section 5 of APES 305 <i>Terms of Engagement</i> in respect of recurring Engagements in consultation with the Professional Bodies. APES 305 ED 05/12 was issued in October 2012 for public comment and the Board received 5 submissions. The Board considered the respondents' comments at the 8th February 2013 Board meeting and directed technical staff to make appropriate amendments and present to the Board for approval by circular resolution.</p>

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

No.	Date	Issue	Response	Current Status
310.1	Mar-11	Paragraph 4.10 refers to the Member's legal and fiduciary duties as trustee or attorney when Dealing with Client Monies. However when acting as a trustee or attorney, there is no client relationship in place therefore paragraph 4.10 should not state "when Dealing with Client Monies".	This issue was considered by the Board during the six month review process in February 2012.	Reference in paragraph 4.10 to the Member's legal and fiduciary duties when acting as trustee or attorney has been removed in ED 06/12 APES 310 issued in November 2012. Paragraph 1.5 has been introduced to clarify that as there is no Client relationship in these circumstances, the Standard does not apply. The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.
310.2	Mar-11	Paragraph 4.10 requires a Member acting as a trustee or power-of-attorney to apply the requirements of the Standard to the extent practicable, raising the issue of whether an audit is required.	This issue was considered by the Board during the six month review process in February 2012.	Redrafting of the standard in ED 06/12 APES 310 issued in November 2012 clarifies the situation of when a Member is acting as a trustee or power-of-attorney. The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.
310.3	Mar-11	Paragraph 8.3 removes the audit requirement under APES 310 from members in Queensland where an audit has been conducted in accordance with the Trust Accounts Act 1973. The Queensland Act however is not concerned with client bank accounts. Therefore as currently drafted, paragraph 8.3 means that Queensland members do not have to have their client bank accounts audited.	This issue was considered by the Board during the six month review process in February 2012.	Paragraphs 8.2 and 8.3 of ED 06/12 APES 310 issued in November 2012 has been redrafted to clarify audit requirements under APES 310 when a legislative audit is being conducted. The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.

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

No.	Date	Issue	Response	Current Status
310.4	Jun-11	<p>Paragraph 7.6(b) requires records to be kept in such a manner as to disclose clearly the details and basis of calculation of all interest earned on Client Monies held in a Trust Account and that the interest has been applied by the Member in accordance with paragraph 5.5(b).</p> <p>The reference to 5.5(b) would more appropriately refer to paragraph 7.2.</p>	<p>This issue was considered by the Board during the six month review process in February 2012.</p>	<p>Reference to paragraph 5.5(b) has been replaced with reference to paragraph 7.2 in ED 06/12 APES 310 issued in November 2012.</p> <p>The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.</p>
310.5	Jun-11	<p>Paragraph 5.5(b) requires that the bank account used as a trust account must have as a feature that any interest payable in respect of the account balance is credited to that account. That is, not to a different bank account.</p> <p>Paragraph 7.2 requires that all interest earned on Trust Accounts be credited to the relevant Client's account. This is potentially confusing as it may be interpreted as the Client's bank account as opposed to the "credit of the Client".</p>	<p>This issue was considered by the Board during the six month review process in February 2012.</p>	<p>Paragraph 7.2 has been redrafted and relocated to paragraph 6.9 in ED 06/12 APES 310. Revised drafting improves clarity of the requirement to credit interest to the Client.</p> <p>The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.</p>
310.6	Aug-11	<p>Some Members are experiencing difficulties in complying with the requirements of APES 310 due their inability to open Trust Accounts with the major banks.</p>	<p>This issue was considered by the Board during the six month review process in February 2012.</p>	<p>No amendments currently proposed.</p>

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

No.	Date	Issue	Response	Current Status
310.7	Jan-12	<p>A stakeholder raised concern due to Member confusion with interpretation of the requirements in paragraph 7.8. This relevant provision requires that the Member provide a statement on application and any interest earned on Client Monies.</p> <p>The stakeholder noted that Members often misinterpret paragraph 7.8 as meaning that an annual statement must be issued to all Clients at the end of the year, regardless of whether any other statement has been provided to them during the year.</p>	<p>This issue was considered by the Board during the six month review process in February 2012.</p>	<p>A new paragraph 7.9 was introduced in ED 06/12 APES 310 to clarify requirements relating to the provision of statements to Clients.</p> <p>The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.</p>
310.8	Jan-12	<p>A stakeholder noted that paragraphs 7.10 and 7.11 address the requirement to have accounts reconciled and interprets the provisions as focusing on who has receipt of the bank statements as opposed to who has responsibility for the reconciliation function.</p>	<p>This issue was considered by the Board during the six month review process in February 2012.</p>	<p>ED 06/12 APES 310 has been redrafted to clarify the relationship between preparation of reconciliations and the responsibility for doing so.</p> <p>The Board will consider respondents' comments on the ED after the closing date of 18 February 2013.</p>
310.9	May-12	<p>A stakeholder that performs liquidations raised the issue of application of APES 310 <i>Dealing with Client Monies</i> to funds remaining when a liquidation is finalised. Often there are funds remaining when a liquidation is complete together with an outstanding GST refund pending. The stakeholder queried application of APES 310 to this situation where after the cessation of the formal appointment as liquidator, monies are being entrusted to the accountant (former liquidator) to which they do not have present entitlement.</p>	<p>Where there is a liquidation as there is no Client, APES 310 does not apply. If there are funds remaining at the end of a liquidation then they should be transferred to a trust account and thereafter the requirements of APES 310 will apply.</p>	<p>This matter has also been discussed with the Insolvency Practitioners Association of Australia who agree with this approach. No amendments are therefore proposed to APES 310.</p>

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

No.	Date	Issue	Response	Current Status
315.1	Feb-10	<p>Stakeholders have raised a concern that the term “accounting expertise” in paragraph 4.1 of APES 315 and the example compilation report implies a sophisticated collection process of information and implies that it may be an experts report when it is not. Another related concern raised is that the wording of the suggested compilation report in APES 315 refers to the “use of accounting expertise” and that this phrase is in potential conflict with paragraph 8.2 of APES 315. The overall concern is that in a dispute the use of "accounting expertise" may be construed by others to mean that it is an expert's report.</p>	<p>This issue was considered by the Board during the annual review process in February 2010 and subsequently during the annual review process in February 2012.</p>	<p>The IAASB released the International Standard on Related Services 4410 (Revised) Compilation Engagements in March 2012. The standard no longer makes reference to the use of "accounting expertise to collect, classify and summarise" rather refers to "applying expertise in accounting" which is considered more suitable. The approach taken in the international standard appears to alleviate concerns raised by the stakeholders. APESB will be updating APES 315, in a manner consistent with the international standard, during 2013.</p>

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

No.	Date	Issue	Response	Current Status
320.1	Nov-11	APES 320 <i>Quality Control for Firms</i> as currently written contains numerous sections that pertain to Assurance Practices only. Such practices are also governed by the auditing and assurance quality standards with the result an overlap by APES 320.	Re-write APES 320 to cover non-audit/assurance practices.	At its November 2011 meeting the Board acknowledged the need for APES 320 to be re-written and directed technical staff to incorporate this project into the future work program. A taskforce has been assembled and has considered the need for the development of a new pronouncement. A taskforce has been assembled and the project has commenced.

APES 325 : Risk Management
Issues Register

No.	Date	Issue	Response	Current Status
		No current issues		

**APES 330 : Insolvency Services
Issues Register**

No.	Date	Issue	Response	Current Status
330.1	Jan-13	<p>Treasury has released an exposure draft of the primary amendments to be included in the Insolvency Law Reform Bill. Following the finalisation of the Bill, the IPA Code will be revised in order to align with the Government's insolvency law reforms.</p> <p>The ED implements reforms previously released in the proposal paper, <i>A modernisation and harmonisation of the regulatory framework applying to insolvency practitioners in Australia</i> released in December 2011.</p> <p>The ED provides a framework for corporate and personal insolvency regulation that promotes a high level of practitioner professionalism and competency, enhances transparency and communication between insolvency practitioners and stakeholders, and promotes increased efficiency in insolvency administration.</p> <p>A second tranche of the Bill is expected to be released shortly setting out further consequential amendments to the corporate and personal insolvency legislation as a result of these reforms, along with transitional measures.</p>	<p>APES 330 to be reviewed as necessary in accordance with the upcoming Insolvency Law Reform Bill 2013 and IPA Code revision.</p>	<p>This issue to be considered in the coming months following finalisation of the Bill.</p>

**APES 330 : Insolvency Services
Issues Register**

No.	Date	Issue	Response	Current Status
		<p>Important elements of the Insolvency Law Reform Bill include:</p> <ul style="list-style-type: none"> - creation of a new Schedule to the Corporations Act and Bankruptcy Act that aligns the registration process for registered liquidators and registered trustees. - the newly aligned registration process based upon the existing Bankruptcy Act provisions to replace the current systems for registration of liquidators and registered trustees. - introduction of only a single class of practitioner in corporate insolvency. - reforms to the insurance obligations of insolvency practitioners that will significantly strengthen the penalties attached to not holding adequate and appropriate insurance, improve the regularity with which practitioners are required to show evidence of their insurance to the regulators, and allow for the insurance obligations for insolvency practitioners to more easily be amended in light of the insurance markets prevailing at a relevant period of time. - requirement for insolvency practitioners to lodge an annual practitioner return. 		

APES 330 : Insolvency Services
Issues Register

No.	Date	Issue	Response	Current Status
		<ul style="list-style-type: none">- obligation for insolvency practitioners to inform their respective regulator when the trustee becomes aware of prescribed significant events that would result in the practitioner automatically being deregistered by law, by a regulator without reference to a Committee, or the practitioner ceases to have adequate and appropriate insurance.- capacity for the regulators to deregister or suspend a practitioner directly without referral to a Committee on certain objectively determinable grounds.- application of the reforms to apply the current three-person Committee approach to the registration and discipline of registered liquidators.		

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

No.	Date	Issue	Response	Current Status
		No current issues		

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

No.	Date	Issue	Response	Current Status
350.1	May-12	A stakeholder has raised an issue in respect of what they perceive as accounting firms' reluctance to provide an APES 350 sign-off in connection with 'low doc' offers. The stakeholder is of the view that if an accounting firm performs a review mandate or Agreed Upon Procedures mandate it would be appropriate to provide an APES 350 sign-off with adaptation of language to different legislative context on the work they have performed.	The Board considered this issue during the May 2012 review of APES 350.	The Chairman held discussions with the stakeholder to obtain further clarification of the issue raised. Following these discussions, further enquiries were made of accounting practitioners to determine the extent of the issue raised. The Board will be informed of these discussions at the 25th February 2013 meeting.

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

No.	Date	Issue	Response	Current Status
GN20.1	Jan-11	<p>Following issue of APES 225 <i>Valuation Services</i> in 2008 the Board recognised the need to consider whether further guidance notes are required to assist valuation practitioners and users. In 2011 the Board agreed that there is a need for further guidance to address the diverse situations under which Valuations are prepared.</p> <p>A further need was identified to provide valuation practitioners guidance that would assist them in determining the appropriate type of valuation report to produce, based on the particular requirements of the engagement.</p>	<p>Guidance that assists Members in the preparation of Valuation Reports and selection of the appropriate Valuation Report based on the scope of work will be developed. This guidance will further assist Members to comply with the requirements of APES 225 Valuation Services.</p>	<p>The Board approved the project proposal at the May 2012 Board meeting. Following this an ED was developed and issued in September 2012. APESB has received comments from respondents which the Board will consider at the May 2013 Board meeting.</p>

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

No.	Date	Issue	Response	Current Status
GN21.1	Jan-11	Following issue of APES 225 <i>Valuation Services</i> in 2008 the Board recognised the need to consider whether further guidance notes are required to assist valuation practitioners and users. In 2011 the Board agreed that there is a need for further guidance to address the diverse situations under which Valuations are prepared.	Develop a pronouncement to address Valuation Engagements for Financial Reporting.	The Board approved the project proposal at the November 2011 Board meeting. In completing the first draft of the proposed APES GN 21 <i>Valuations for Financial Reporting</i> a further need was identified to provide valuation practitioners guidance that would assist them in determining the appropriate type of valuation report to produce, based on the particular requirements of the engagement, and that this guidance should be issued ahead of the proposed APES GN 21 and replace this. As a result, this project was delayed until APES GN 20 <i>Scope and Extent of Work for Valuation Services</i> is completed.

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

No.	Date	Issue	Response	Current Status
GN30.1	Aug-08	CPA Australia submitted a proposal that there is a need to develop a pronouncement in this area due to the increasing involvement of members in outsourcing activities.	Develop a pronouncement to address member obligations when certain activities are outsourced.	The Board approved the project proposal at the August 2007 Board meeting. Subsequently in 2008 the Board commissioned a discussion paper on Outsourcing of Accounting Services. The discussion paper was considered at the August 2008 Board meeting. Thereafter a taskforce was created to develop the proposed pronouncement based on the issues identified in the discussion paper. Due to other priority projects undertaken in 2009 the progress on this project was delayed. Work on the project recommenced in late 2009. An Exposure Draft was presented at the May 2012 and November 2012 Board meetings. The Board approved an Exposure Draft in January 2012 with a comment period ending on 30 March 2012. The Board has considered the comments received and the project is nearing completion with the guidance note expected to be issued during 2013.

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

No.	Date	Issue	Response	Current Status
GN30.2	Mar-12	Respondents to ED01/12 APES GN30 raised concern over the drafting style of the document and interpretation of clauses as mandatory as opposed to mere guidance.	An introductory paragraph will be incorporated into the final pronouncement to clarify that Guidance Notes provide guidance to assist the Member to fulfil requirements of applicable Professional Standards and do not prescribe or create any new requirements.	The Board has considered respondents' comments to ED01/12 and incorporated amendments where relevant. The Guidance Note is nearing completion and is expected to be finalised in 2013.

**APES GN 40 : Members in Business Guidance Note
Issues Register**

No.	Date	Issue	Response	Current Status
GN40.1	Nov-12	A stakeholder raised a minor editorial comment in relation to Case Study 20 of the Guidance Note. In the Case outline, the reference to 'her' should be replaced with 'him'.	Agree with the editorial amendment.	APESB will consider this during the six monthly review process in May 2013.