

## AGENDA PAPER

**Item Number:** 17  
**Date of Meeting:** 14 October 2014  
**Subject:** Proposed APES 315 *Compilation of Financial Information ED*

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Action Required       For Discussion       For Information Only

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### Purpose

To provide the Board with an evaluation of the respondents' comments on the APES 315 *Compilation of Financial Information ED* (APES 315 ED).

### Background

Accounting Professional and Ethical Standards Board (APESB) issued APES 315 *Compilation of Financial Information* in July 2008, and the revised Standard in November 2009 with an effective date of 1 January 2010.

IAASB issued its revised international standard on related services ISRS 4410 (Revised) *Compilation Engagements* (ISRS 4410) in March 2012. The Board agreed to revise APES 315 due to the issue of the revised ISRS 4410 in May 2012. The Board determined to revise the existing APES 315 (2009) by incorporating additional requirements and guidance based on ISRS 4410 (2012) as opposed to revamping APES 315 to replicate the structure and drafting style of ISRS 4410 (2012).

The project was delayed due to the completion of other APESB projects which had a higher priority. The project recommenced in April 2013 and the Taskforce has met eight times since then to discuss APES 315 ED.

### Issuance of APES 315 ED

In July 2014, the Board approved APES 315 ED and APES 315 ED *At a Glance* document for a comment period of 45 days.

## Consideration of Issues

APESB received five submissions from the following stakeholders:

- CPA Australia and Chartered Accountants Australia and New Zealand;
- The Institute of Public Accountants;
- PricewaterhouseCoopers;
- Westworth Kemp Consultants; and
- Feedback from Small Medium Practices.

Technical staff prepared an analysis of the respondents' general and specific comments (refer Agenda Item 17 (a) and 17 (b)) and a taskforce meeting was held on 29 September 2014 (refer Agenda Item 17 (c)) to review the respondents' comments.

The taskforce discussed the following key matters:

- 1) Challenges of obtaining a written acknowledgement from the Client and discussed the following methods by which this can be achieved:
  - i. Develop an example of an acknowledgement letter and include it as an appendix to APES 315; or
  - ii. Provide guidance in APES 315 that this may be obtained by an audit style representation letter or be incorporated as part of the Engagement Letter.
- 2) Clarification of paragraph 5.1 (Specific Comment 7) by drafting additional guidance to explain that the Client is ultimately responsible for adopting the appropriate *Applicable Financial Reporting Framework* and that a Member in Public Practice may provide advice and guidance to assist the Client to determine the *Applicable Financial Reporting Framework*.
- 3) Review of paragraphs 9.1 to 9.4 (Specific Comment 10) for consistency with the requirements of paragraph 6.2 (f).
- 4) Review of the definition of *Applicable Financial Reporting Framework* in section 2 (Specific Comment 13) to ensure consistency with the AUASB definitions.
- 5) In APES 205, the definition of *Applicable Financial Reporting Framework* means the financial reporting framework adopted by Those Charged with Governance in preparing the Financial Statements. The majority of Compilation Engagements are in accordance with the Special Purpose Framework and a 'departure' is unlikely to arise as the Member is merely compiling the financial information. (Specific Comment 13). The taskforce was of the view that these provisions require revisions to improve its clarity.

### **Staff Recommendation**

The Board note the key matters raised in the submissions and provide the Board's review comments on respondents comments and direction in respect of issue 1.

### **Material Presented**

Agenda Item 17 (a) APES 315 General Comments Table;  
Agenda Item 17 (b) APES 315 Specific Comments Table; and  
Agenda Item 17 (c) Draft minutes from Taskforce meeting on 29 September 2014.

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