

AGENDA PAPER

Item Number: 12
Date of Meeting: 17 May 2012
Subject: Proposed revision to APES 215 *Forensic Accounting Services*

Action Required

For Information Only

Purpose and background

To obtain Board approval to issue the proposed revised APES 215 *Forensic Accounting Services* for public comment.

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.

Consideration of issues

Appendices Project

The following key issues were considered by taskforce members:

- The definition of Report;
- The development of a guidance paragraph on working papers;
- Amendments in the Expert Witness Report to incorporate “findings”; and
- Development of examples.

As some Members had difficulty in determining the difference between a report and working papers, a guidance paragraph (7.4) was developed to address this issue.

As there is some doubt of when a Member is performing an Expert Witness role, the taskforce proposes to incorporate “findings” to paragraph 5.6 and 6.2 to clarify that the Member may be performing an Expert Witness role even when not providing opinions.

Examples have been developed for different circumstances to illustrate the application of the principles of APES 215.

Material Presented

- Proposed revised APES 215 *Forensic Accounting Services* (Marked Up);
- Proposed revised APES 215 *Forensic Accounting Services* (Clean); and
- Draft Taskforce Meeting Minutes.

Staff Recommendation

- The Board approve the issuance of the proposed revised APES 215 *Forensic Accounting Services* for public comment.

Authors: Channa Wijesinghe
Rob Nickel

Date: 8 May 2012