

## AGENDA PAPER

Item Number: 15

Date of Meeting: 9 February 2012

Subject: Annual Review and proposed revision to APES 215 *Forensic Accounting Services*

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Action Required

For Information Only

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### Purpose and background

In accordance with APESB's constitution to table the Annual Review of APES 215 and to provide the Board with an update on ED 02/12 APES 215 *Forensic Accounting Services*.

### 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.

### Consideration of issues

#### Annual Review

Since the prior year's Annual Review, no additional matters have been reported to the APESB. The editorials in respect to the previously reported issues are incorporated in the proposed ED 02/12.

## Appendices Project

The following key issues were considered by taskforce members:

- The definition of Report;
- Amendments in the Expert Witness Report to incorporate “findings”; and
- Development of examples.

As some Members in practice had difficulty in determining the difference between a report and working papers, the taskforce proposes amending the definition of Report to clarify this issue.

As there is some confusion 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.

### **Material Presented**

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

### **Staff Recommendation**

- The Board note the Annual Review of APES 215; and
- The Board note the progress of the APES 215 Appendices Project to date and provide editorial comments on the amendments to date. The taskforce is developing a few insurance examples and thereafter it is proposed to be represented to the Board for approval.

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