

Meeting Highlights

4 APRIL 2014

1. Proposed APES 330 *Insolvency Services*

The Board noted the Proposed ED Revised APES 330 *Insolvency Services* (APES 330 ED) and discussed:

- the importance of '*Expert Witness Services*' and '*Other Evidence*' being included as defined terms;
- the need for further clarity around what is intended by the existing definition of '*Insolvent Debtor*';
- the reference to 'material interest' in paragraph 4.9 and the need for consistency with paragraph 4.11;
- the requirement in paragraph 8.2 for the Appointee to seek approval of the Approving Body in circumstances where the cost of the Administration exceeds the initial amount paid in respect of Professional Fees;
- paragraph 8.23 and the current industry practice in respect of the treatment of monies received by a practitioner prior to acceptance of an Appointment; and
- the requirement for further clarity in paragraph 9.4 to communicate the procedures to be undertaken to avoid missing the statutory timelines for the Administration.

The Board noted the '*At a Glance APES 330 Insolvency Services ED*' and discussed the role of this document in highlighting key features of the APES 330 ED.

The Board directed Technical Staff to make editorial amendments to the proposed APES 330 ED and to resolve the outstanding issues and present the proposed APES 330 ED to the Board for approval by circulation.

2. Proposed APES 315 *Compilation of Financial Information*

The Board noted Attachment 2 *Proposed ED APES 315 Compilation of Financial Information* (APES 315) and discussed:

- the potential benefit of including a reporting frameworks diagram as guidance to assist Members in Public Practice to understand the various reporting frameworks that may be used in compiling or preparing financial information.

- the Decision Tree which provides useful guidance when a Compilation Report is issued, particularly to smaller practitioners.
- that paragraph 1.9 should refer to Engagements to 'prepare' rather than to 'compile' historical or prospective financial information;
- the reference to 'management' in the definition of '*Compilation Engagement*' as opposed to '*Those Charged with Governance*';
- the necessity to include the reference to '*Compliance Framework*' in the definition of '*Compilation Engagement*';
- that Sections 6 and 11 should be redrafted to be concise and succinct; and
- the need to clarify paragraph 8.4 to communicate that when a Misstatement is noted, a Member in Public Practice must consider performing procedures in paragraph 8.2 or other alternative procedures.

The Board directed Technical Staff to engage with the taskforce to resolve the outstanding matters and to present to the Board at a subsequent meeting.

3. APES 230 *Financial Planning Services* – Six Month Review

The Board noted the Six Month Review of APES 230 *Financial Planning Services* (APES 230).

The Board discussed the status of the *FoFA* Legislation and held a general discussion on the following matters:

- the referral of a Member's Client to financial service providers and the application of APES 230;
- grandfathering provisions and the associated timeline for the practical application of the remuneration provisions in APES 230;
- the definition of best interest obligations in APES 230 and its link with the *Corporations Act 2001*; and
- the application of APES 230 section 8, *Professional Fees*, to remuneration for general insurance and stockbroking services.

The Board directed the Technical Director to form a working group to consider the issues identified in the APES 230 *Six Month Review* and to report back to the Board.