

Meeting Highlights

14 SEPTEMBER 2012

1. The Board considered the proposed ED 04/12 APES GN 20 *Scope and Extent of Work for Valuation Services* and discussed the following matters:

- The impact of this proposed guidance note on smaller firms that perform Valuation Services;
- The importance of considering the company's structure and stage in its life cycle when performing a Valuation Service;
- The need for the Member to consider the company's economic circumstances when performing a Valuation Service; and
- The acknowledgment of the Canadian Institute of Chartered Business Valuators.

The Board directed the Technical Staff to make the necessary amendments to APES GN 20 ED and agreed to approve the proposed ED by circulation once the outstanding matters are finalised.

2. The Board considered the proposed ED 05/12 APES 305 *Terms of Engagement* and discussed:

- Engagement documents in respect of continuing and recurring Engagements; and
- The need for the Engagement Document to be reissued when there are changes to professional standards, accounting standards or auditing and assurance standards.

The Board directed the Technical Staff to make the necessary amendments to APES 305 ED and agreed to approve the proposed ED by circulation.

3. The Board considered the proposed ED 06/12 APES 310 *Dealing with Client Monies* and discussed:

- The obligations of a Member in Public Practice who is acting as a power of attorney or a Company Director;
- The Member's obligations in respect of preparing bank reconciliations for Client Bank Accounts or alternatively providing details of the transactions undertaken by the Member to the person who is performing the reconciliation function; and
- The Member's obligation to obtain the Client's authority prior to releasing information and records to the auditor of Client Monies.

The Board directed the Technical Staff to make further amendments to address the Board's review comments and present a revised proposed APES 310 ED for the Board's consideration.

4. The Board noted the Auditor Generals' Comments in respect of the Code and the proposed AUST paragraphs AUST 290.139 and AUST 290.142 presented by the NSW Audit Office. The Board directed Technical Staff to make minor editorial amendments to the proposed AUST paragraph 290.139 and determined that further discussion is required with the NSW Audit Office in respect of the proposed AUST paragraph 290.142.
5. The Board approved the project proposal to collaborate with the National Executive of G100 to refresh the G100 Code of Conduct.
6. The Board noted the SMSF Auditor Independence project status update and discussed the following matters:
 - The auditor independence issues in the SMSF sector that are addressed by APES 110 *Code of Ethics for Professional Accountants*; and
 - The SMSF specific matters that may not be adequately addressed by the Code such as referral fees and the practice of SMSF auditors obtaining a number of SMSF audits from one referral source.

The Board noted that the taskforce is awaiting the issue of the draft Independence guide of the Joint Accounting Bodies to perform an evaluation of the guidance available for SMSF auditors on the application of APES 110.

7. The Board noted the *International update and other developments* and discussed the issues associated with the IESBA Exposure Draft on *Responding to a Suspected Illegal Act*.

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