

## AGENDA PAPER

**Item Number:** 4.4  
**Date of Meeting:** 11 August 2008  
**Subject:** APES 230 *Outsourcing of Accounting Services – Discussion Paper*

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### Purpose

To inform the Board of the completion of the outsourcing discussion paper which was commissioned to facilitate the development of a professional standard on outsourcing.

### Background

A project proposal for the development of a professional standard in outsourcing was considered by the Board in late 2007. In April 2008 the APESB engaged Bruce Coombes of MYOB Resourcing to develop a discussion paper on outsourcing.

### Consideration of Issues

Attached is the discussion paper on outsourcing. The discussion paper has identified the following key principles:

- Members should conduct appropriate due diligence before engaging an outsource service provider;
- Members should properly document the terms of engagement with the outsource service provider;
- Members should ensure that the outsource service provider has appropriate policies and procedures relating to quality control;
- Members should review the skills and competence of the staff employed by the outsource service provider and their adherence to ethical principles;
- Members should review the contingency plan or disaster recovery plan of the outsource service provider;
- The member should obtain sufficient comfort that the outsource service provider has adequate data security measures and can adhere to applicable legal obligations such as the privacy act.

Additional criteria to be considered when selecting an outsourced service are:

- Timeliness of service;
- Accuracy of the work performed;
- Communication skills;
- Review of files and error correction;
- Adequate training;
- Ongoing monitoring.

### **Staff Recommendation**

Board note the completion of the discussion paper and deliberate on the key principles identified.

### **Material Presented**

- Outsourcing discussion paper prepared by Bruce Coombes of MYOB Resourcing

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**Date:** 31 July 2008