

Stakeholder Engagement Plan for APES 230 ED Project

January 2011

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1. Overview of the Stakeholder Engagement Plan

Purpose

The purpose of this Stakeholder Engagement Plan is to engage with key respondents/stakeholders of APES 230 ED to:

- a) Resolve issues stakeholders have raised on APES 230 ED; and
- b) Ensure that an appropriate consultation process and timeline is in place to discuss and debate the issues associated with the APES 230 ED project.

Objectives

The objectives are:

- To engage with key stakeholders and discuss their submissions on APES 230 ED;
- Revise APES 230 ED as necessary, taking into consideration the comments received via the consultation process;
- The proposed Stakeholder Engagement Plan and implementation of the consultation process is likely to improve stakeholder engagement and the likelihood of APES 230 being used and followed in practice compared to its predecessor APS 12.

2. Project structure and organisation

External stakeholders

The key external stakeholders identified can be classified in the following manner:

- Professional accounting bodies;
- Financial Planners;
- Professional associations which have an interest in financial planning (FPAA, IFAAA, SPAA etc);
- Financial Planning firms;
- Dealer Groups (AFAC, Count etc);
- Financial Institutions (AMP and CFS);
- Regulator (ASIC); and
- Firms.

Internal structure

APESB internal roles and responsibilities will be as follows:

- *APES Board* – provide strategic direction and oversee the Project;
- *APESB Technical Director* – Responsible for the implementation of the project, and manage the consultation process;
- APESB Project Manager - provide technical and administrative support.

3. Project plan to address Respondents Submissions

Stakeholder Engagement Plan

APESB has received 66 submissions on APES 230 ED.

The submissions have now been collated into a general comments table and nine specific comments tables. The details of the Specific Comments tables are given below:

Specific Comment Table No.	Contents of Specific Comments Table
1	Operative Date
2	Conformity
3	Paragraph 1: Scope and Application
4	Paragraph 2: Definitions
5	Paragraph 3: Professional Competence and Due Care
6	Paragraph 4: Fiduciary Responsibilities of Members
7	Paragraph 5: Professional Independence Paragraph 6: Terms of the Financial Advisory Service Paragraph 7: The basis of preparing and reporting Financial Advice
8	Paragraph 9: Fee for Service
9	Paragraph 10: Soft Dollar Benefits

The key stakeholders of APES 230 ED have been selected and APESB will engage in a consultation process with these key stakeholders. Key stakeholders selected from the respondents have been selected based on the following criteria (Refer Appendix 1):

- Different sizes and types of organisations to provide adequate coverage of different issues encountered; and
- Breadth and analysis of the key issues in their respective submissions.

The key stakeholders selected based on the above criteria are listed below:

- Accountant Financial Adviser Coalition (AFAC)
- Independent Financial Advisers Association of Australia (IFAAA)
- Queensland Public Practice Committee
- Australian Public Policy Committee
- Financial Planning Association of Australia (FPAA)
- Financial Services Council (FSC)
- KPMG
- PwC
- Deloitte Touche Tohmatsu
- Ernst & Young
- Industry Super Network
- The Joint Accounting Bodies
- AMP
- Colonial First State
- Grant Thornton
- Moore Stephens
- Pitcher Partners Advisory
- William Buck
- Bongiorno Group
- Suzanne Haddan & Robert M.C. Brown
- SMSF Professional's Association of Australia
- Continuum Financial Planners
- Hewison Private Wealth
- Ortmanns
- OHM Australia Financial Services
- Noble Chartered Accountants
- Crossing Financial Partners
- Johnston Rorke
- Roskow Independent Advisory
- Roland Tan
- Strategic Consulting & Training

Identification of key topics

APESB is considering several major issues raised by stakeholders which include:

- Definition of fee for service;
- Fiduciary obligations of financial planners;
- Application to Members in Business;
- Application to Insurance and risk products; and
- The 'retrospective effect' of the proposed standard in respect of trailing commissions.

4. Timeline and key milestones of the project

The timeline and key milestones of the project are tabulated below;

Timeline	Key milestones
Jan 2011	<ul style="list-style-type: none">• Board meeting to discuss specific comments tables 1, 2 and 5.• Board consider and approve this project plan.
March 2011	<ul style="list-style-type: none">• Develop a framework to analyse the issues.• Preliminary Board discussions on general comments table and specific comments tables: 3, 4, and 6-9.
April – Nov 2011	<ul style="list-style-type: none">• Consultation process with respondents and key stakeholders.• Selected key respondents invited to present their issues to the Board.• Revision of APES 230 ED.

5. Project resources and budget

It is expected that APESB can manage the project with its existing resources and with the funding available in its current year and 2011/12 budgets. Subsequent to the March 2011 Board meeting a specific budget for this consultation process will be presented for the Board's consideration.

6. Project monitoring and control

Ongoing monitoring and review

The day to day activities of the project will be managed by the APESB Technical Director and the progress will be reported to the Board at the quarterly Board meetings of May, August and November 2011.

Board engagement

Some of the respondents/stakeholders will also be invited to present their issues to the Board at the May, August and November 2011 Board Meetings.

7. Post implementation review

A post implementation review will be conducted once the project is completed and the proposed Standard is issued.

APPENDIX 1. Overview of Classification of Respondents comments

No.	Organisation	Abbrev	GC	Table 1	Table 2	Table 3	Table 4	Table 5	Table 6	Table 7	Table 8	Table 9	Total Specific Comments
1	Crossing Financial Partners	CFP						✓			✓		2
2	Daniel Mendoza-Jones	DMJ	✓								✓		1
3	Davidson Financial Group	DFG									✓		1
4	Lockhart Business Advisors	LBA									✓		1
5	Fitzpatrick's Financial Advisers	FFA	✓								✓		1
6	Ortmann's Pty Ltd	ORT	✓	✓	✓	✓					✓		4
7	Cooper Reeves Accountants	CRA		✓							✓		2
8	Surbal Group	SG									✓		1
9	Shane Dumbrell	SD	✓										0
10	Roberts & Morrow Financial Services P/L	RMFA	✓					✓			✓		2
11	Forsythes Financial Planning Pty Ltd	FFP	✓								✓		1
12	Forum Accounting & Advisory	FAA	✓	✓				✓			✓		3
13	FM Financial Solutions	FMFS									✓		1
14	Roskow Independent Advisory	RIA- MR									✓		1
15	Roskow Independent Advisory	RIA - NS									✓		1
16	Brocktons Independent Advisory	BIA									✓		1
17	IFAAA	IFAAA	✓								✓		1
18	Nexia Court Financial Solutions Pty Ltd	NEX									✓		1
19	Continuum Financial Planners	CONFP	✓	✓			✓		✓	✓	✓		5
20	Hewison Private Wealth	HPW	✓				✓	✓		✓	✓	✓	5
21	DMR Corporate Pty Ltd	DMR	✓				✓			✓			2
22	Advantage Partners	AP	✓	✓							✓		2
23	Port Macquarie Hastings Financial Planning Pty Ltd	PMHFP	✓								✓		1
24	Colonial First State	CFS	✓	✓							✓		2
25	Managed Financial Strategy	MFS	✓							✓	✓		2

No.	Organisation	Abbrev	GC	Table 1	Table 2	Table 3	Table 4	Table 5	Table 6	Table 7	Table 8	Table 9	Total Specific Comments
26	Johnston Rorke	JR	✓						✓		✓		2
27	Moore Stephens	MS	✓	✓		✓		✓	✓	✓	✓		6
28	Kennas Financial Services Limited	KEN	✓	✓							✓		2
29	Qld Public Practice Committee	QPPC	✓								✓		1
30	GGB Wealthcare	GGBW	✓								✓		1
31	Roland Tan	AIES	✓								✓		1
32	Strategic Consulting & Training Pty Ltd	SCT	✓								✓		1
33	Pitcher Partners Advisory Pty Ltd	PPA							✓		✓		2
34	Curran Financial Pty Ltd	CFPL	✓	✓							✓		2
35	McPhail HLG Financial Planning	MHGL	✓	✓							✓		2
36	Ferguson Betts	FERB	✓								✓		1
37	William Buck	WB	✓	✓							✓		2
38	Direction Financial Planning	DFP	✓				✓				✓		2
39	Peter Uhlmann	PU		✓					✓		✓		3
40	Vicky King	BAG									✓		1
41	OHM Australia Financial Services Pty Ltd	OHM	✓	✓					✓		✓		3
42	PwC Australia	PWC	✓	✓			✓		✓	✓	✓		5
43	Landmark Financial Management Pty Ltd	LFM	✓								✓		1
44	KH Financial Group	KHFG									✓		1
45	Financial Planning Association of Australia Limited	FPAA	✓	✓			✓				✓		3
46	Deloitte Touche Tohmatsu	DELOITTE	✓	✓			✓		✓		✓		4
47	Bongiorno Group	BG	✓	✓							✓		2
48	WHK Group Limited	WHK	✓	✓					✓		✓		3
49	Kothes Chartered Accountants	KCA	✓	✓									1
50	AMP Financial Services	AMP	✓								✓		1
51	Accountant Financial Adviser Coalition	AFAC	✓	✓		✓	✓		✓	✓	✓		6
52	SMSF Professionals' Association of Australia Limited	SPAA	✓	✓			✓		✓	✓	✓	✓	6

No.	Organisation	Abbrev	GC	Table 1	Table 2	Table 3	Table 4	Table 5	Table 6	Table 7	Table 8	Table 9	Total Specific Comments
53	Count Financial Limited	Count	✓	✓		✓	✓		✓	✓	✓		6
54	Member - Confidential Submission	MSC	✓	✓		✓			✓	✓	✓	✓	6
55	Cutcher & Neale Investment Services	CNIC	✓								✓		1
56	Financial & Technical Solution Limited	FTS	✓								✓		1
57	Grant Thornton Australia Limited	GT	✓	✓			✓		✓		✓		4
58	Suzanne Haddan & Robert M. C. Brown	SHRB	✓			✓					✓		2
59	Noble Chartered Accountants	NCA	✓	✓	✓						✓		3
60	Industry Super Network	ISN	✓	✓		✓			✓	✓	✓		5
61	The Joint Accounting Bodies	PB	✓	✓		✓	✓		✓		✓		5
62	Australian Public Policy Committee	APPC	✓	✓			✓		✓		✓		4
63	KPMG	KPMG	✓				✓		✓	✓	✓		4
64	Ernst & Young	EY	✓				✓				✓		2
65	Financial Services Council	FSC	✓	✓							✓		2
66	ASIC	ASIC	✓								✓		1

LEGEND:

Key Stakeholder

Key Stakeholder - private discussion

Mid Level Stakeholder