

## AGENDA PAPER

**Item Number:** 2  
**Date of Meeting:** 11 August 2015  
**Subject:** Exposure Draft 03/15 Revision of APES Standards primarily due to changes in the Code (ED 03/15)

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Action required     For discussion     For noting     For information

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### Purpose

To obtain the Board's approval to issue the proposed ED 03/15 that is comprised of the following standards for stakeholders' comments:

- APES 215 *Forensic Accounting Services*;
- APES 225 *Valuation Services*; and
- APES 320 *Quality Control for Firms*.

### Background

In November 2013, Accounting Professional and Ethical Standards Board (APESB) released amendments to the Australian Code APES 110 *Code of Ethics for Professional Accountants* (Code) to align it with amendments to the International Code issued by the International Ethics Standards Board for Accountants (IESBA).

### Consideration of Issues

Technical Staff's review of ED 03/15 (as part of the annual review process) has identified the need to revise the definitions section of the standards to ensure consistency with the revised Code (refer to Appendix 1 *Summary of proposed revisions in section 2 Definitions* in Agenda Item 2 (a)). The majority of the proposed revisions to ED 03/15 are due to amendments made to the Code and are consequential or editorial in nature.

In addition, the following key proposed amendments have been incorporated to the relevant standards in ED 03/15:

- development of an introductory objectives paragraph (paragraph 1.1) in accordance with APESB's revised drafting conventions;

- effective date of standards (paragraph 1.2) that proposes each standard to be operative from 1 April 2016 with early adoption permitted;
- inclusion of an interpretation paragraph in section 1 *Scope and application* that clarifies the use of similar words which should have an equal application;
- amendment to the definition of 'Professional Bodies' whereby Institute of Chartered Accountants Australia (ICAA) has been replaced with Chartered Accountants Australia and New Zealand (CA ANZ) due to the merger of ICAA with the New Zealand Institute of Chartered Accountants (NZICA);
- key matters noted in APESB's Issues Register in respect of the following standards;

APES 215

- paragraph 5.6 (c) in the APES 215 (2008) to be re-instated and to include the requirement for a Member to communicate a summary of the Member's training, study or experience relevant to the matters on which the Member is providing expert evidence.

APES 225

- addition of paragraphs 4.6 and 4.7 in APES 225 to provide guidance on obtaining representations from the client, management or other third party; and
- enhancement of professional engagement requirements in paragraphs 4.1 and 4.2 of APES 225 to cater for retainer arrangements.

The Explanatory Memorandum to ED 03/15 provides details of the proposed amendments to each of these standards.

**Staff Recommendations**

Subject to the Board's review comments and editorials, the Board approve the issue of ED 03/15 for public comment.

**Material Presented**

Agenda Item 2 (a) Proposed ED 03/15 incorporating APES 215 *Forensic Accounting Services*, APES 225 *Valuation Services* and APES 320 *Quality Control for Firms*.

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**Date:** 30 July 2015