

Meeting Highlights

17 FEBRUARY 2016

1. Review of 2016 Issue Register

The Board noted Agenda Item 1 Review of *2016 Issues Register* and the progress made in respect of the matters noted on the Issue Register.

2. Project Proposal on APESB Due Process and Working Procedures

The Board noted Agenda Item 2 Project Proposal: *APESB Due Process and Working Procedures*.

The Board considered the proposal and as there was no compelling reason to update this document the Board agreed to revisit the need for this project either after the proposed Constitution Review has been completed or 12 months has passed.

3. Annual Review of APES 315 Compilation of Financial Information

The Board noted Agenda Item 3 Annual Review of APES 315 *Compilation of Financial Information*.

4. APES 350 Due Diligence Committees Briefing Paper

The Board noted Agenda Item 4 APES 350 *Due Diligence Committees Briefing Paper*.

The Board agreed that the development of a separate guidance note or amendments to APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* in relation to low doc offerings are not required.

The Board discussed the potential options provided by Technical Staff in respect of other approaches APESB could adopt to assist the profession in relation to low doc offerings.

The Board requested that Technical staff, in consultation with existing APES 350 Taskforce members, prepare a draft Q&A style paper on the application of APES 350, including low doc offerings, for the Board to consider at a future meeting.

5. *International and other activities*

The Board noted Agenda Item 5 *International and other activities*.

The Board was advised that the former Commonwealth Auditor General Mr Ian McPhee was appointed to the International Ethics Standards Board for Accountants (IESBA) in January 2016.

6. *APES 310 Dealing with Client Monies – Project Status Update*

The Board noted Agenda Item 6 APES 310 *Dealing with Client Monies – Project Status Update*.

The Board discussed whether a thought leadership paper should be prepared on client monies and digital disruption before any work is undertaken to revise the existing APES 310. The Board noted that this is likely to be a lengthy process.

The Board agreed that the revision of APES 310 will occur in two phases, with Phase 1 focussing on current matters noted on the Issues Register and Phase 2 on future developments including digital disruption.

7. *Digital Disruption and its impact on the Accounting Profession*

Mr David Smith from *Smithink* presented to the Board on the topic of Digital Disruption and its impact on the Accounting Profession.

The presentation covered cloud technology, security, shadow IT, reliance, audit data analytics, continuous auditing, block chain, auditing non-financial data and practice performance.

The Board discussed the matters raised and the potential impact on the APESB pronouncements, including whether a specific pronouncement was required to address technological matters or whether it should be addressed generally throughout the pronouncements.

The Board requested that Technical Staff consider how to incorporate the impact of digital disruption on APESB pronouncements, and where appropriate, provide options for the Board's consideration.