

AGENDA PAPER

Item Number: 15
Date of Meeting: 29 August 2016
Subject: Annual reviews for APESB pronouncements

Action required For discussion For noting For information

Purpose

In accordance with Accounting Professional & Ethical Standards Board's (APESB) constitution, an annual review of APESB pronouncements must be performed to identify and resolve any issues identified by stakeholders.

Background

The following pronouncements are due to have an annual review completed:

- APES 220 *Taxation Services* (APES 220);
- APES 305 *Term of Engagement* (APES 305);
- APES 325 *Risk Management for Firms* (APES 325);
- APES GN 20 *Scope and Extent of Work for Valuation Services* (APES GN 20);
- APES GN 30 *Outsourced Services* (APES GN 30); and
- APES GN 40 *Ethical Conflicts in the Workplace* (APES GN 40).

Consideration of Issues

APESB Technical Staff have completed the reviews in line with the procedures set out in each annual review paper (refer to Agenda item 15(a) to (f)). Whilst the reviews did highlight some issues and general drafting matters, Technical Staff believe these do not require immediate rectification based on the following considerations:

- all of the reviewed pronouncements, apart from APES GN 20, were revised by APESB in 2015;
- the expectation that all APESB pronouncements will require revision later in 2017 due to IESBA's release of an Exposure Draft of a restructured Code in December 2016 (refer below); and
- the identified matters and issues are unlikely to significantly impact the scope and application of the pronouncements.

The International Ethics Standards Board for Accountants (IESBA) is expected to release an Exposure Draft of a restructured International Code in December 2016. Once the restructured

International Code is released APESB will initiate a process to consider amendments to APES 110 *Code of Ethics for Professional Accountants*, and subsequent amendments that flow through to other APESB pronouncements. Technical Staff anticipates that most APESB pronouncements will need to be revised.

Therefore based on the considerations above, Technical Staff are of the view that the matters noted in these annual reviews should be addressed in the next revision of the relevant pronouncement.

Staff Recommendations

The Board note the Annual Reviews of APES 220, APES 305, APES 325, APES GN 20, APES GN 30 and APES GN 40.

Material Presented

- Agenda Item 15 (a) Annual Review of APES 220 *Taxation Services*;
- Agenda Item 15 (b) Annual Review of APES 305 *Terms of Engagement*;
- Agenda Item 15 (c) Annual Review of APES 325 *Risk Management for Firms*;
- Agenda Item 15 (d) Annual Review of APES GN 20 *Scope and Extent of Work for Valuation Services*;
- Agenda Item 15 (e) Annual Review of APES GN 30 *Outsourced Services*; and
- Agenda Item 15 (f) Annual Review of APES GN 40 *Ethical Conflicts in the Workplace*;

Author: Jacinta Hanrahan

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