

AGENDA PAPER

Item Number: 2
Date of Meeting: 13 February 2017
Subject: Review of APESB Issues Register

Action required For discussion For noting For information

Purpose

To provide the Board with the APESB Issues Register updated for all current issues as at 24 January 2017.

Background

The APESB Issues Register is provided on the APESB website to inform stakeholders of issues reported to the APESB or identified by an internal technical review in respect of each APESB professional pronouncement. The document is updated on a periodic basis to reflect the activities of the APESB Work Program.

Consideration of Issues

Resolved issues from 2016 Issues Register

- Two issues which impacted on APES 110 *Code of Ethics for Professional Accountants* (APES 110) has been resolved in the following manner;
 - The issue regarding whether further guidance was required in respect of the Public Interest Entity (PIE) definition in the public sector has been resolved. The Australian Council of Auditors General (ACAG) has informed the APESB that they do not need additional guidance in this regard.
 - The definition of Professional Bodies is now included in the proposed APES 110 ED 01/17 (Refer to Agenda Item 4).
- APES GN 21 *Valuation Services for Financial Reporting* was issued in July 2016 to provide guidance on valuation services undertaken in respect of financial reporting.
- APES GN 41 *Management Representations* was issued in August 2016 to provide guidance to Members in Business in respect of their responsibilities regarding management representations.

Key developments from 2016 which are currently in progress

- APES 310 Dealing with Client Monies

In the 2016 Issues Register there were a number of issues noted in respect of APES 310 *Dealing with Client Monies* (APES 310) as noted below. The key issues related to:

- Changing or resignation of Auditor of Client Monies;
- Practical difficulties associated with opening of trust accounts;
- Application of APES 310 when a Member is a co-signatory with a Client;
- Access of Auditor of Client Monies to client documentation;
- The time frame to provide required statements to Clients; and
- The time frame to make disbursements.

APESB issued APES 310 ED in 2016 proposing amendments to the existing standard. This project is ongoing and Technical Staff are dealing with the outstanding issues. Please refer to agenda item 5.

- APES 315 Compilation of Financial Information

The annual review process has identified that this standard has a few issues as follows;

- The reference to ASIC Class CO 98/1417 *Audit relief for proprietary companies* (CO 98/1417 needs to be updated to ASIC Corporations (Audit Relief Instrument) 2016/784;
- The decision tree in Appendix 2 of the standard needs to be updated to refer to an Accountant's Report Disclaimer;
- Two of the example compilation reports needs editorial amendments to clearly specify that the Special Purpose Financial Statements are only suitable for the purpose which they have been prepared; and
- The definition of Professional Bodies needs amendment to update the reference to Chartered Accountants Australia and New Zealand.

These matters are covered in detail in Agenda Item 6.

Staff Recommendation

The Board note the APESB Issues Register (January 2017).

Material presented

Agenda Item 2 (a): APESB Issues Register (January 2017).

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Date: 24 January 2017