

## AGENDA PAPER

**Item Number:** 9  
**Date of Meeting:** 22 March 2018  
**Subject:** Project Update: Review of APES GN 30 *Outsourced Services*

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Action required     For discussion     For noting     For information

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### Purpose

To:

- provide the Board with an update on the progress of the project to review APES GN 30 *Outsourced Services* (APES GN 30); and
- seek the Board's views regarding the list of stakeholders for consultation.

### Background

During the 2017 annual review of APES GN 30, a Professional Body raised the matter of whether APES GN 30 is effective and being applied properly by Members in Public Practice, and whether there is a need to transform the Guidance Note into a Standard.

In response, the Board approved at its November 2017 meeting a [project plan](#) to conduct a review of APES GN 30. The key components of the project include:

- an assessment of the extent of use of APES GN 30 by Members in Public Practice, including the level of awareness of Members regarding APES GN 30;
- engagement with stakeholders, including conducting a survey to obtain a good understanding of the issues that may have an impact on the project; and
- an assessment of the impact of the regulatory environment.

### Project Status

Technical Staff have performed the key tasks in the first phase of the project (in line with the approved [project plan](#)) involving an:

#### 1. **Assessment of key risks relating to the conduct of the project by APESB**

In undertaking a project on APES GN 30 Technical Staff have identified the following key risks to the APESB:

- risk of the potential changes to APES GN 30 not appropriately addressing public interest considerations (e.g. confidentiality and privacy); and

- risk of any significant revisions to APES GN 30 not receiving appropriate engagement and support from stakeholders (e.g. change to Standard may not be supported by some stakeholders).

These risks have the potential to impact the quality and effectiveness of any revisions to the pronouncement. Both risks can be managed by proactively engaging with our stakeholders and ensuring that APESB's established Due Process is adhered to.

## **2. *Desktop research of the extent of the use and effectiveness of outsourced services***

The desktop research focused on the extent of the use and effectiveness of outsourced services amongst Members in Public Practice, including obtaining an understanding of the issues that arise when Members use or provide outsourced services.

Results of the desktop research support the view that the use and provision of outsourced services has substantially increased since the original development of APES GN 30. Outsourcing-related client services have become a substantial component of services provided by a number of firms.

We also noted that many firms, the Professional Bodies, and the government have expressed their views that outsourcing (including offshoring) would continue to be an important business strategy due to technological advancements and globalisation.

## **3. *Identification of key stakeholders, and potential questions, for initial consultation***

Stakeholder engagement is a vital component of this project. Technical Staff are planning to conduct initial consultations to determine how APES GN 30 is applied in practice and identify any additional issues that the APESB may need to consider in respect of this project.

Technical Staff propose to engage with a range of key stakeholders, listed in Agenda Item 9(a). Technical Staff seek the Board's views on whether there are other stakeholders that should be included for consultation.

### **Recommendation**

That the Board:

- note the progress of the APES GN 30 project; and
- provide feedback whether there are other stakeholders that should be included for consultation.

### **Material Presented**

Agenda Item 9 (a)                      Relevant Stakeholders

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**Date**    9 March 2018