

AGENDA PAPER

Item Number: 3
Date of Meeting: 18 February 2019
Subject: Proposed Exposure Draft to revise APESB pronouncements

Action required For discussion For noting For information

Purpose

To obtain, subject to the Board's feedback and review comments, the Board's approval to issue an Exposure Draft comprised of revisions to the following APESB pronouncements:

- APES 210 *Conformity with Auditing and Assurance Standards* (APES 210);
- APES 215 *Forensic Accounting Services* (APES 215);
- APES 220 *Taxation Services* (APES 220);
- APES 225 *Valuation Services* (APES 225);
- APES 305 *Terms of Engagement* (APES 305);
- APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document* (APES 345);
- APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* (APES 350);
- APES GN 20 *Scope and Extent of Work for Valuation Services* (GN 20);
- APES GN 21 *Valuation Services for Financial Reporting* (GN 21); and
- APES GN 31 *Professional and Ethical Considerations relating to Low Doc Offering Sign-offs* (GN 31).

Background

The Board approved a [project plan](#) in March 2018 to revise all APESB pronouncements to incorporate changes required due to the release of the restructured APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code).

The restructured Code was issued by the APESB in November 2018.

The Board considered an initial draft exposure draft (on APES 210, APES 220 and APES 305) at their December 2018 meeting. However, the Board determined the exposure draft should incorporate additional pronouncements to facilitate stakeholder feedback to the APESB.

Consideration of Issues

Technical Staff have prepared an Exposure Draft and Explanatory Memorandum for the first group of 10 APESB pronouncements to be revised as part of the restructure project. Refer to Agenda Item 3 (a) for the proposed Exposure Draft on the selected pronouncements.

The key proposed amendments incorporated into the selected pronouncements in the Exposure Draft include:

- updating of cross-references to the new restructured Code;
- updating or revising paragraphs and definitions to ensure consistency with the restructured Code;
- revisions to address matters noted on APESB's Issues Register;
- revisions to address matters identified by Technical Staff from review of the selected pronouncements;
- revisions to ensure consistency with other APESB pronouncements;
- updating the effective date of the standards to be operative from 1 January 2020 with early adoption permitted (which aligns with the effective date of the restructured Code);
- addressing minor editorial matters; and
- providing an update on interactive PDF features.

The details of these revisions and how they affect the selected pronouncements are set out in the Explanatory Memorandum to the Exposure Draft.

The Exposure Draft also includes a request for specific comments for respondents to comment on whether the proposed provisions in these pronouncements require amendment due to the use of digital technology and artificial intelligence.

Technical Staff have circulated the proposed changes to the Professional Bodies and the relevant Taskforce members to ascertain their feedback and comments. The deadline for providing feedback is after the date of writing this agenda paper. Therefore, Technical Staff will provide an update at the Board Meeting on the feedback and comments that we received from this stakeholder engagement process.

Technical Staff seek the Board's feedback and review comments on the proposed Exposure Draft.

Staff Recommendations

Subject to the Board's feedback and editorial comments, the Board approve for release the exposure draft and explanatory memorandum on APESB pronouncements.

Material Presented

Agenda Item 3 (a) Proposed Exposure Draft 01/19 Revision of APESB pronouncements.

Authors: Channa Wijesinghe
Jacinta Hanrahan
Benjamin Collins

Date: 31 January 2019