

# Review of APES 320 *Quality Control for Firms*

CPA Quality Review Advisory Committee Meeting

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Accounting Professional & Ethical Standards Board

# Overview

- **History of APES 320 and ASQC 1**
- **Board deliberations**
- **Stakeholder engagement**
- **International developments**
- **Request for input from CPA Australia Quality Control Advisory Committee**

## History of APES 320 and ASQC 1

- **May 2006 – APESB issues APES 320 which is based on ISQC 1 to cover all services of a Firm.**
- **May 2009 – APESB revises APES 320 to align with ISQC 1 amendments**
- **October 2009 – AUASB issues ASQC 1 to focus on assurance and related services.**
- **Coverage of APES 320 and ASQC 1 creates duplication in respect of assurance and related services.**

## APESB Board deliberations – 2013 - 2014

- **Annual review process – Board concerned about duplication**
- **Board supportive in principle of removing the duplication between APES and ASQC 1**
- **Technical Staff of APESB and AUASB have discussed a potential approach to remove the duplication**
- **Board has requested that Technical Staff consult with key stakeholders which should include the Professional Bodies' SMP and Quality review committees**

## Stakeholder engagement

- **Big four firms not supportive of changes**
- **Large National Networks (LNN) Discussion Group not in favour of revising APES 320 as they primarily use APES 320.**
- **CA ANZ has advised that revision of APES 320 should be deferred due to IAASB's work on ISQC 1.**
- **IPA to engage with APESB shortly.**

## International developments

- **IAASB issued a survey on ISQC 1 in February 2015 in connection with its initiative to revise ISQC 1 to:**
  - **inform the scope of the proposed revisions with a specific focus on issues encountered by SMPs; and**
  - **address stakeholder concerns that ISQC 1 cannot be proportionately applied by SMPs performing assurance services and related engagements.**
- **Planned outputs of IAASB's project are:**
  - **December 2015: expected release of Discussion Paper on proposed revisions to ISQC 1**
  - **September 2016 – June 2017: development of Exposure Draft on ISQC 1**

# CPA Australia's Quality Review Advisory Committee's Views

**QRA Committees views on the following matters would be appreciated:**

**-Is APES 320 working well in practice?**

**-Is the duplication between APES 320 and ASQC 1 an issue for you?**

**-Would you be supportive of APESB developing a quality control standard on Non-assurance services?**

**-Given the international developments and its likely impact on APES 320 do you believe that APESB should wait until IAASB's process is complete?**