

Revised APES 215

Forensic Accounting Services

Forensic Accounting Conference

Chartered Accountants Australia & New Zealand

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Accounting Professional & Ethical Standards Board

Overview

- Background to APES 215 and its revision
- Key changes to definitions
- Key changes to the mandatory requirements and guidance
- Revisions to Appendix 1
- Development of Decision Tree diagram
- Development of 23 examples
- APESB Communication Strategies

Background to APES 215 and its revision

- Original APES 215 was based on APS 11 and GN 2
- APES 215 extended the scope to *Members in Business* from **1 January 2009**
- In 2011, stakeholders requested that APESB clarify the application of APES 215 to **Members in Business** and the **different types** of *Forensic Accounting Services*
- Revised APES 215 operative on or after **1 April 2014** with early adoption permitted

Key changes to Definitions

- Expert Witness
- Other Evidence
- Professional Activity
- Professional Services
- Professional Bodies

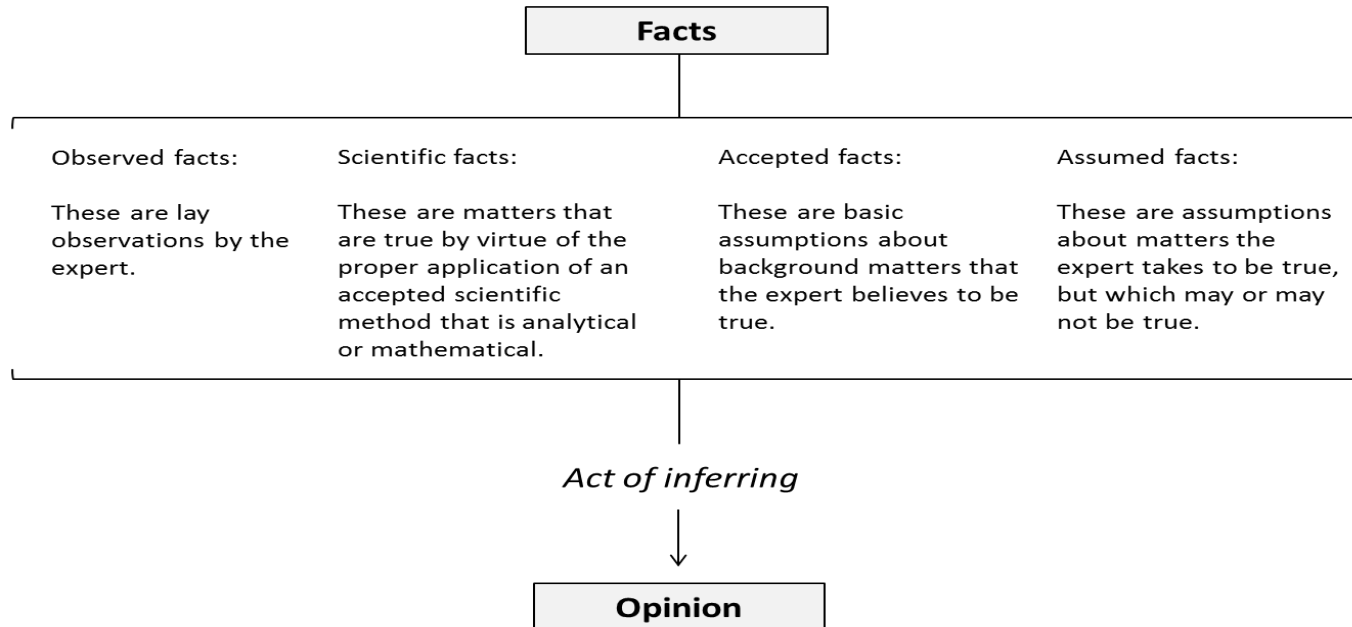
Key changes to the mandatory requirements and guidance

- Conflicts due to previous services performed by a Member's firm (paragraph 3.5)
- Amendments to the Expert Witness Report (paragraph 5.6)
 - Member's specialised **knowledge derived from** the Member's training, study or experience (2013) **vs** Member's specialised training, study or experience (2008)
 - Clarification that **expert evidence** is either **opinion evidence** or **Other Evidence**
- Clarification on what constitutes working papers (paragraph 5.9)

Revision to Appendix 1

- The Expert Witness Report must communicate significant facts and assumptions upon which the opinions or Other Evidence are based
- Examples are provided to assist Members to determine whether a matter is a *fact*, an *assumption* or an *opinion*
- Enhanced guidance to differentiate between facts, assumption and opinions

Revision to Appendix 1 (cont.)

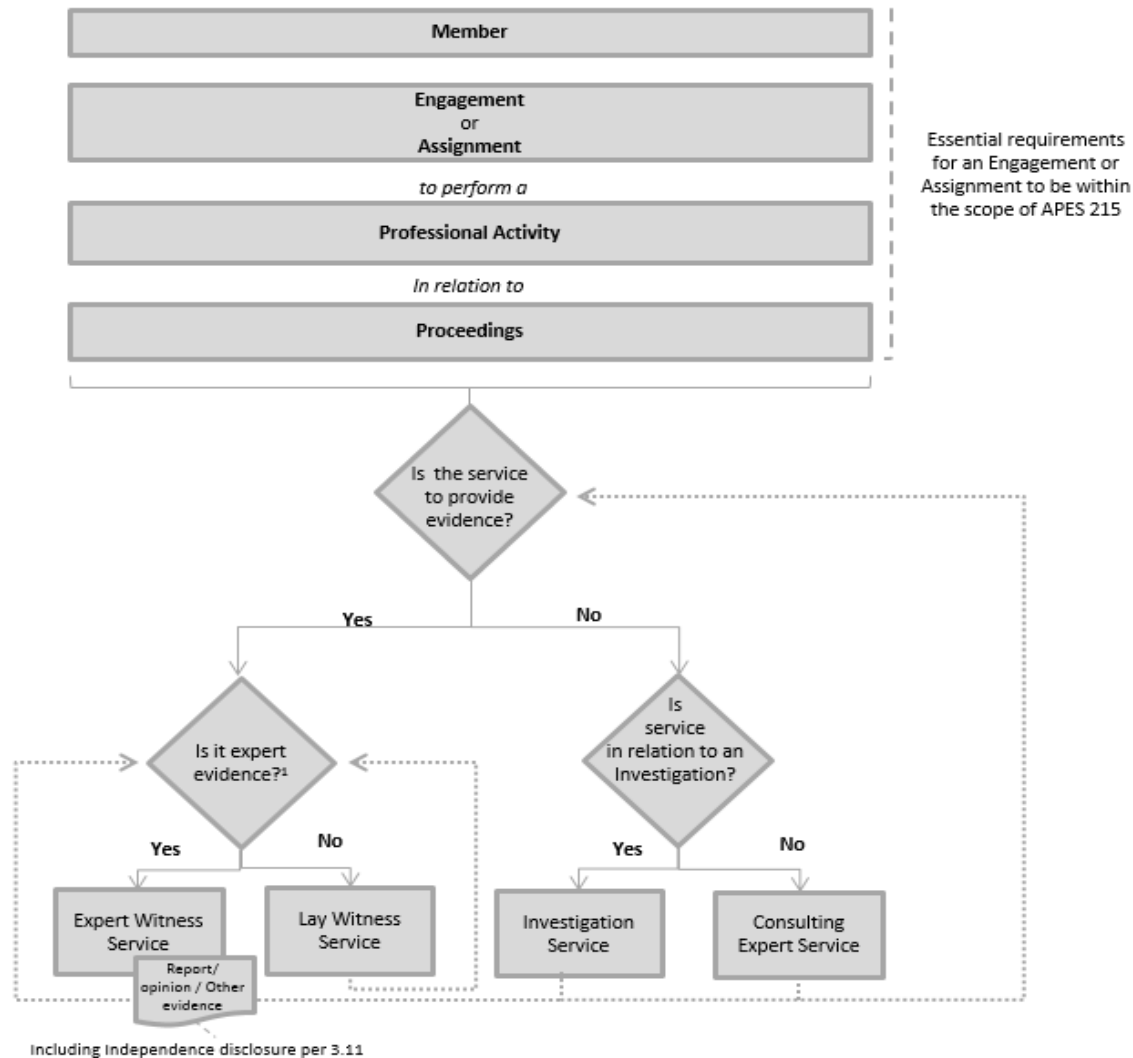


An opinion is an inference drawn from facts. In the context of expert evidence, facts may be classified as observed, scientific, accepted or assumed.

Appendix 2 - Decision Tree

- Key requirements for a matter to be within the scope of APES 215
 - Member who is engaged or assigned to perform a *Professional Activity*
 - The *Professional Activity* is in relation to a *Proceeding*
- Determination of the type of *Forensic Accounting Service*
 - Depends on whether the service is to provide evidence to the Court
 - Is it in relation to expert evidence or in relation to an investigation?

Appendix 2 - Decision Tree (cont.)



¹ Whether or not evidence is accepted as expert evidence is an after the fact matter. A Member must comply with the Standard in anticipation that evidence will be treated as expert evidence.

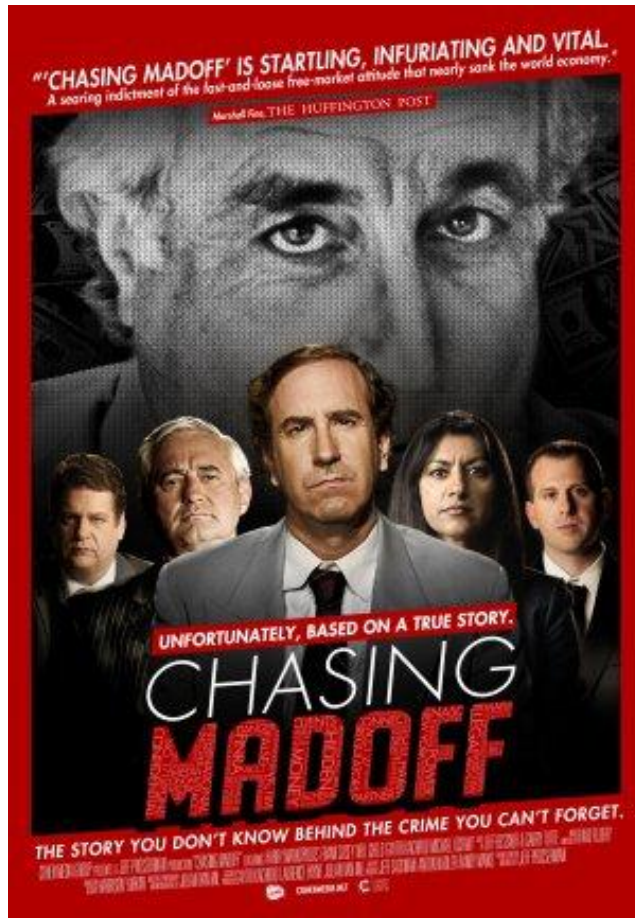
Appendix 3

Examples of Forensic Accounting Services

The examples cover a wide range of circumstances such as:

- Professional tribunals
- Dispute meditations
- Investigations by law enforcement/regulatory agency
- Member in Business employed by a company which is being investigated
- Insurance claims
- Family law
- Members providing affidavits
- Members employed by a revenue authority

Chasing Madoff - Official Trailer



<http://www.youtube.com/watch?v=62L7VxMDg68>

- **Harry Markopolos –
Independent Financial Fraud
Investigator & Analyst**

http://www.youtube.com/watch?v=uw_Tgu0txS0

Consequences of fraud

Senator Ackerman on the Madoff Fraud

http://www.youtube.com/watch?v=FOKSkaQoF_I



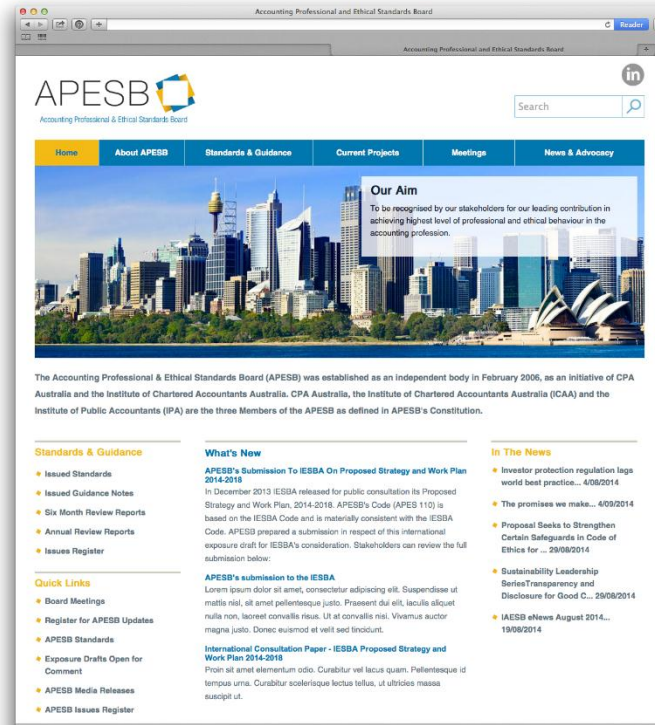
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MADOFF BEHIND BARS... DAY ONE

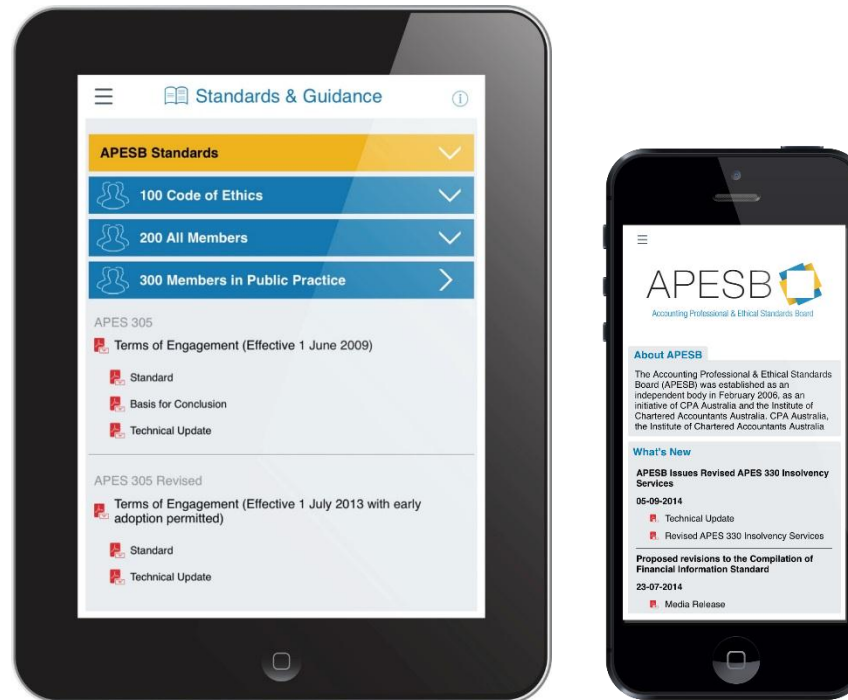
APESB Communication strategies

- **New responsive website**



APESB Communication strategies: (cont.)

- **New mobile apps**



Next steps...

- For more information,

Visit: www.apesb.org.au

- For timely updates, follow the APESB page on

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Panel Discussion...