

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

**MINUTES OF THE 6th MEETING OF THE COMPILATION OF FINANCIAL INFORMATION
TASKFORCE**

20 February 2014 1.00 PM – 3.30 PM

**ICAA, Level 1 Kangaroo Room
33 Erskine Street, Sydney NSW 2000**

1. Present and Apologies

Present

Mr Channa Wijesinghe (Chairman), Mr Dennis Robertson, Mr Michael Cain, Mr Amir Ghandar, Mr Paul Meredith and Mr Colin Parker.

In Attendance

Mr Stuart Black (APESB Board member) and Ms Margareth Lioe

Apology

Ms Dianne Azoor-Hughes

2. Minutes of Previous Meeting

The minutes of the 5th Compilation of Financial Information Taskforce meeting held by teleconference on 24 October 2013 were accepted with no amendments.

The new IPA nominee Mr Colin Parker was introduced to the taskforce. The taskforce also had a brief discussion on the background to the development process of APES 315 and the rationale for developing the proposed APES 315 based on the existing APES 315 rather than IAASB's ISRS 4410.

3. Definitions of Reporting Frameworks and its relationship to information

The taskforce discussed the reporting framework diagram and its effectiveness in providing Members with an overview and understanding of the respective reporting frameworks. The taskforce noted that many SMP members may not have extensive knowledge of the different types of reporting frameworks given their reliance on electronic computer software which automates the process by which they compile financial information. The taskforce noted that the diagram will assist Members and Clients in determining the Applicable Financial Reporting Framework. The taskforce was also of the view that the respective Professional Bodies should assist Members with educational and training support in respect of identifying the various types of reporting frameworks.

Subject to the taskforce's editorial amendments to the reporting framework diagram, the taskforce was of the view that the diagram should be included as an appendix to the proposed revised APES 315 in a similar manner to appendices included in APES 215 and APES 225.

4. Discussion of the proposed revised APES 315

The taskforce discussed the following matters in respect of the proposed revised APES 315:

Paragraph 4.1

The taskforce discussed the possibility of paragraph 4.1 being in bold type black lettering. A taskforce member was of the view that the objectives of the standard should be stated as a mandatory requirement. An alternative view put forward by a taskforce member was that the objectives section of the standard only provides an overview or summary of the standard, and accordingly it is appropriate for paragraph 4.1 to be a grey letter guidance paragraph. Technical staff also noted that the way it is currently drafted the objectives do not create mandatory obligations on the Member and in accordance with APESB drafting conventions it cannot be written in bold type. It was agreed to refer this matter to the Board for further consideration.

The taskforce agreed on minor editorial amendments to paragraph 4.1.

Paragraph 4.4

The taskforce agreed to retain paragraph 4.4 in the proposed revised APES 315 to provide additional guidance and clarity to Members in respect of the Accountant's Report and Disclaimer. Technical Staff will evaluate how APES 315 can be amended to include the Accountant's Report and Disclaimer.

Paragraph 6.5(a)

The taskforce discussed the definition of 'a regulated entity' and agreed to make editorial amendments to paragraph 6.5(a) to improve its clarity.

Paragraph 6.7 – 6.8

The taskforce discussed the notion of significant judgements to be obtained from the Client and agreed on editorial amendments to enhance the conciseness of these paragraphs.

Paragraph 7.2(g), 11.1 and 11.2

The taskforce considered the responsibility of the Client in paragraph 7.2(g)(ii) and whether this issue is sufficiently covered in paragraphs 11.1 and 11.2. The taskforce considered the possibility of including elements of paragraphs 11.1 and 11.2 in the engagement letter. However, it was ultimately agreed that this would not be appropriate.

Paragraph 8.3 – 8.5

A taskforce member raised concerns about paragraphs 8.3 – 8.5. The taskforce discussed these concerns and agreed to remove the reference to 'on reasonable grounds' in paragraph 8.3 to avoid creating excessive obligations for Members. The taskforce further discussed the potential implication of paragraph 8.5 and agreed that the proposed new paragraph 8.5 should be replaced with the existing paragraph 8.5 in APES 315 (2009).

Paragraph 12.8

The taskforce discussed the options provided in paragraph 12.8 in relation to the references to be stated in the Compilation Report and discussed whether 'unaudited' is sufficient. It was noted that these were only suggested options and the Member has the discretion to determine the appropriate option taking into consideration the circumstances of the engagement.

Appendix 2 – 3

The taskforce agreed on minor editorial amendments to Appendix 2.

The taskforce noted that the 'alternative' Accountant's Report and Disclaimer example should be the new Appendix 3. Minor editorial amendments were suggested by the taskforce.

5. AICPA Material and Way Forward

The taskforce noted paragraphs 15, 16 and A25 of the AICPA ED 'Proposed Statement on Standards for Accounting and Review Services – *Compilation Engagements*' and agreed that these paragraphs would be beneficial to improve clarity of the proposed APES 315. The taskforce agreed to include these paragraphs in the proposed revised Standard as appropriate.

APESB Technical Staff will make the necessary amendments to the proposed revised APES 315 as discussed at the taskforce meeting and recirculate to the taskforce. It is expected that the proposed APES 315 ED will be tabled for the Board's consideration at the 4th April 2014 Board meeting.

6. Closing of Meeting

The meeting was closed at 3.30 PM.