



ISSUES REGISTER FOR APESB PROFESSIONAL PRONOUNCEMENTS

Current as at January 2014

Note to Stakeholders

The following is a summary of issues raised by stakeholders in relation to professional and ethical standards. Issues have been compiled by standard or guidance note, with the intended response and current status. Members of the professional accounting bodies, firms, professional bodies and other stakeholders are encouraged to report to APESB via the APESB website (www.apesb.org.au then **Standards & Guidance/Issues Register**) any new issues that needs to be addressed by APESB when a pronouncement is next updated or reviewed.

**APES 110 : Code of Ethics for Professional Accountants
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|---|
| 110.1 | May-11 | APES 110 deems a Firm to be a Network Firm if it satisfies any of the stated criteria in paragraphs 290.16 – 290.24. A stakeholder raised the issue that deeming as such means there is little point to the application of the reasonable and informed third party test contained in paragraph 290.15 and the consideration of particular facts and circumstances as suggested by paragraph 290.14. The stakeholder's key concern is the implications for a partner in a small firm that is deemed to be in a Network. | This issue was first considered during the February 2012 six month review. It was further considered at the February 2013 and January 2014 APES 110 annual review. | Feb 2012 - Issue stems from the definition contained in the International Code. As directed by the Board, technical staff have raised the issue with the IESBA. Jan 2014 - The IESBA has issued guidance which considers different scenarios and whether a Firm is a Network Firm given the circumstances of each case. Refer to the 2014 Annual Review. |
| 110.2 | Oct-12 | During a meeting held with ACAG, what is a Public Interest Entity in the public sector was identified as an issue for further consideration. | This issue was considered during the February 2013 annual review process. This issue has been further raised at the Jan 2014 annual review of APES 110. | Feb 2013 - The Board agreed to explore this matter and evaluate whether further guidance is required. Jan 2014 - Discussions were held with representatives of the Audit office of New South Wales. Technical Staff recommend that the Board directly communicate with the ACAG Chairman of APESB's willingness to assist in this regard. |

**APES 205 : Conformity with Accounting Standards
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|--|
| 205.1 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 205 require revision.</p> <p>It is recommended that the defined terms "Assurance Engagement", "Audit Engagement", "Client", "Financial Statements", "Firm", "Member in Public Practice", "Professional Bodies", "Professional Services" and "Review Engagement" be revised and the defined term "Professional Activity" be added to APES 205.</p> | Issue identified to be addressed in the annual review process in May 2014. | APESB Technical Staff will consider the editorial amendments required and make recommendations to the Board during the APES 205 annual review in May 2014. |

**APES 210 : Conformity with Auditing and Assurance Standards
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|---|
| 210.1 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 210 require revision.</p> <p>It is recommended that the defined terms “Assurance Engagement”, “Audit Engagement”, “Client”, “Member in Public Practice” and “Professional Services” be revised and the defined terms “Professional Activity” and “Professional Bodies” be added to APES 210.</p> | Required changes have been raised in the 2014 Annual Review of APES 210. | Annual review to be considered by the Board at the 29 January 2014 meeting. |

APES 215 : Forensic Accounting Services
Issues Register

| No. | Date | Issue | Response | Current Status |
|-----|------|-------------------|----------|----------------|
| | | No current issues | | |

**APES 220 : Taxation Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|--|
| 220.1 | Nov-09 | <p>The Tax Agent Services Act 2009 (the Act) includes a Code of Conduct that will govern the members of the three professional accounting bodies who are registered tax agents or BAS agents. The Act uses the term "reasonable care" which is currently undefined. This raises the question of whether the Act creates additional obligations that have not been addressed in professional standards.</p> | <p>If the National Tax Practitioners Board (NTPB) defines the term "reasonable care" then APESB will need to consider the consistency of the definition with current professional obligations created by APES 220.</p> | <p>In December 2011 the National Tax Practitioners Board (NTPB) released a discussion paper on the application of subsection s30-10(9) of the Tax Agent Services Act 2009.</p> <p>In September 2012 the NTPB released two exposure drafts for public comment addressing reasonable care to ascertain a client's state of affairs and reasonable care to ensure taxation laws are applied correctly.</p> <p>In November 2013, the Tax Practitioners Board (TPB) issued the final information sheets addressing reasonable care to ascertain a client's state of affairs (TPB(I) 17/2013) and reasonable care to ensure taxation laws are applied correctly (TPB(I) 18/2013). In both of these information sheets the TPB has referred to APES 110 and APES 220. This matter has been included in the APES 220 Annual Review to be considered by the Board at the 29 January 2014 meeting.</p> |
| 220.2 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 220 require revision.</p> <p>It is recommended that the defined terms "Client", "Member in Public Practice" and "Professional Services" be revised and the defined terms "Professional Activity" and "Professional Bodies" be added to the Standard.</p> | <p>Required changes have been raised in the 2014 Annual Review of APES 220.</p> | <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |
| 220.3 | Dec-13 | <p>The Technical Staff review identified minor editorial amendment to paragraph 5.4.</p> | <p>Required changes have been raised in the 2014 Annual Review of APES 220.</p> | <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |

**APES 225 : Valuation Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|-------|--------|--|--|--|
| 225.1 | Nov-12 | A stakeholder raised minor editorial comments in relation to the following sections of the standard: Definitions – 'valuation services' should be italic; Para 3.2 – second line 'and' should not be italic; and Para 5.3 – last line 'Quality Control for Firms' should be italic. | Agree with the stakeholder's comments. | APESB will incorporate these minor editorials in the next revision of the Standard. |
| 225.2 | Sep-13 | A taskforce member has raised a comment that the body of the standard should be amended by inserting a new grey-type paragraph after paragraph 4.5 to say make reference to representation letters in a manner similar to paragraph 7.2 of APES GN20 Exposure Draft. It should be added that where the Member bases their report on a representation, they are making an assumption that the matter represented is true (unless the member has independently gathered sufficient and appropriate evidence to satisfy themselves about the matter represented). | Issue identified to be addressed in the annual review process in May 2014. | APESB Technical Staff will consider the issue during the May 2014 Annual Review process and provide a recommendation to the Board. |
| 225.3 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 225 require revision.</p> <p>It is recommended that the defined terms "Contingent Fee", "Independence", "Member in Public Practice" and "Professional Services" be revised and the defined terms "Professional Activity" and "Professional Bodies" be added to APES 225.</p> | Issue identified to be addressed in the annual review process in May 2014. | APESB Technical Staff will consider the editorial amendments required and make recommendations to the Board during the APES 225 annual review in May 2014. |

**APES 230 : Financial Planning Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|-------|--------|--|---|---|
| 230.1 | Jan-14 | <p>Stakeholders raised concerns on whether the obligations of paragraphs 8 & 9 apply to a member who merely refers a client to a financial service provider.</p> <p>They were of the view APES 230 only applies to members who provide financial planning services, as a consequence it does not apply to members providing non-financial planning services.</p> | <p>APESB Technical Staff to explore the issues with the Professional Bodies and provide an update to the Board in March 2014.</p> | <p><u>CPAA/ICAA preliminary comments</u></p> <p>A member who is referring a client to a financial adviser/credit representative is not providing a 'Financial Planning Service' and therefore they can receive a commission referral fee provided they comply with the requirements of APES 110.</p> <p>In addition, members would also be bound by the legal obligations of referring a client under the Corporations Act 2001 and the National Consumer Credit Protection Act 2009.</p> <p>Paragraphs AUST 240.5-8 in APES 110 further state the considerations, obligations and requirements a member must comply with if they receive a referral fee or commission.</p> <p><u>APESB Technical Staff response</u></p> <p>Technical Staff agrees with the comments made by CPAA/ICAA. Members to refer to paragraphs 240.5 - 240.8 of APES 110 which include AUST 240.7.1 - AUST 240.7.2.</p> |

**APES 230 : Financial Planning Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|---|---|
| 230.2 | Jan-14 | <p>Stakeholders raised concerns on whether there are grandfathering provisions for members who currently charge their client an asset based fee on an ongoing basis.</p> <p>Paragraph 9.4 addresses the receipt of trail commissions for previously provided insurance and risk advice. However it does not state if the receipt of investment commissions (permitted under FoFA reforms) can also continue to be provided in accordance with the requirements of this paragraph.</p> | <p>APESB Technical Staff to explore the issues with the Professional Bodies and provide an update to the Board in March 2014.</p> | <p><u>CPAA/ICAA preliminary comments</u></p> <p>Members who charge their clients on an ongoing asset based fee are bound by the obligations of paragraph 8.2 and are required to meet the requirements of 8.2(b) if they wish to continue charging their clients in this manner.</p> <p>It was understood that a member can continue to receive trail commissions from investment advice in alignment with the application of FoFA, which commenced prior to paragraph 9.4. (Note: Para 9.4 does not refer to investment products).</p> |

**APES 230 : Financial Planning Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|-----------------|--|
| | | <p>Paragraph 9.4 states that trail commissions for insurance and risk advice can continue to be received provided the contracts were entered into prior to 1 July 2014. However under the transition provisions in paragraph 12, the requirements of paragraph 9 do not commence until 1 July 2015.</p> | | <p>We believe that investment commissions were not included in these provisions as the legal obligations of FoFA apply. However, its omission has created uncertainty and clarification how 9.4 may apply to existing arrangements where a commission attached to an investment product is received is sought.</p> <p>We further found discrepancy between applicable start dates for the provisions in paragraph 9.4 and the transition requirements in paragraph 12.</p> <p><u>APESB Technical Staff response</u></p> <p>The issue of trailing income from investment commissions to be explored further. If it is from a historical investment product presumably the Financial Planning Service was provided prior to 1 July 2014. Technical Staff agrees with CPAA/ICAA's view that paragraph 8.2 applies to members who wants to continue to charge clients an asset based fee. The commencement date of 1 July 2014 to be discussed with the Board and Professional Bodies.</p> |

**APES 230 : Financial Planning Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|--|
| 230.3 | Jan-14 | Stakeholder raised a case where a Member provides their clients with 'accounting insurance' through AIB. The Member has a firm policy taken out to cover a client should the ATO audit them. Where the client takes up the policy (available to them in addition to the firm) the firm receives a commission. | APESB Technical Staff to explore the issues with the Professional Bodies and provide an update to the Board in March 2014. | <p><u>CPAA/ICAA preliminary comments</u></p> <p>It is not the intention of APES 230 to apply in these circumstances, as they do not represent Financial Planning Services, and as such the provisions of APES 230 would not apply.</p> <p><u>APESB Technical Staff response</u></p> <p>Technical Staff agrees with the comments made by CPAA/ICAA. Additionally it should be noted that paragraphs 240.5 - 240.8 in APES 110 will also apply in these circumstances.</p> |

**APES 230 : Financial Planning Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|-------|--------|--|--|---|
| 230.4 | Jan-14 | Stakeholders raised queries on whether APES 230 capture stockbroking services and whether it applies to general insurance advice and services. | APESB Technical Staff to explore the issues with the Professional Bodies and provide an update to the Board in March 2014. | <p><u>CPAA/ICAA preliminary comments</u></p> <p>It is understood that where Stockbroking is an execution only service that it would not be captured by the provisions of APES 230.</p> <p>General insurance is concerned with the protection of personal assets, not wealth creation or retirement planning advice. As such it is not the intention of APES 230 to capture this type of advice or service.</p> <p><u>APESB Technical Staff response</u></p> <p>To be explored further with the Professional Bodies. The key issue will be whether the services provided meet the definition of Financial Planning Services.</p> |

**APES 305 : Terms of Engagement
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|---|--|
| 305.1 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 305 require revision.</p> <p>It is recommended that the defined terms “Client”, “Member in Public Practice” and “Professional Services” be revised and the defined terms “Professional Activity” and “Professional Bodies” be added to the Standard.</p> | <p>Required changes have been raised in the 2014 Annual Review of APES 305.</p> | <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |

**APES 310 : Dealing with Client Monies
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|---|
| 310.1 | Nov-13 | A stakeholder noted the difficulties members have to open a trust account with the term 'trust account' in the title with their banks (as required by paragraph 5.1). | Issue identified to be addressed in the annual review process in May 2014. | <p>The Australian Bankers Association (ABA) was consulted during the development process of APES 310 and the issues they raised and their recommendations have been incorporated in to APES 310.</p> <p>Whilst there are some challenges that members need to overcome in opening these accounts, it is not impossible.</p> <p>The requirement to open a Trust Account to hold monies received in trust which exists in paragraph 5.1 of APES 310 also existed in the previous APS 10 which was originally issued in 1997.</p> <p>Technical Staff will continue to monitor this issue in consultation with the Professional Bodies.</p> |
| 310.2 | Nov-13 | A stakeholder noted that APES 310 uses the term 'client' (rather than 'clients') which may imply that a member would need multiple client bank accounts (one for each client) rather than one account for all their client transactions similar to a trust account. | Issue identified to be addressed in the annual review process in May 2014. | Whilst transactions in "trust" can be aggregated in to one trust account, a Client Bank Account cannot operate in the same manner as it is a specific authority given by a Client to an accountant to operate that Client's bank account. |

**APES 310 : Dealing with Client Monies
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|---|--|
| 310.3 | Dec-13 | <p>A stakeholder raised concern on the applicability of paragraph 6.9 that requires a member to disburse client monies within 3 business days of receipt of instructions in respect of the disbursement or in accordance with the terms of the engagement.</p> <p>Receipt of instructions is typically obtained at the time of agreeing the terms of engagement. For example, at the time of being engaged to prepare a tax return, the tax agent and the client will typically agree that a tax refund will be banked to the agent's trust account, a fee will be deducted and the balance will be transferred to the client. This makes the receipt of instructions a useless trigger for the 3 business days period, as it will usually have occurred more than 3 business days before the funds are deposited in the trust account.</p> <p>For a disbursement of funds to occur, there are a number of requirements that need to be in place. These requirements would be:</p> <ul style="list-style-type: none"> - receipt of the funds; - receipt of information that permits identification of the funds, to allow matching with the relevant client and confirmation that the correct amount has been received; and - receipt of instructions from the client in relation to the disbursement. | <p>Issue identified to be addressed in the annual review process in May 2014.</p> | <p>APESB technical staff will consider the editorial amendments required and make recommendations to the Board during the annual review process.</p> |

**APES 310 : Dealing with Client Monies
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|--|
| | | <p>Although a firm might obtain the client's instructions ahead of the receipt of funds, there is often a delay in obtaining information from the ATO to permit the identification and confirmation of amounts received.</p> <p>As such, the stakeholder was of the view that the "3 business days" should be calculated from the point at which all of the information is available to the firm to make a disbursement. Paragraph 6.9 could therefore be reworded to remove the receipt of instructions as the sole trigger for the 3 business day period.</p> | | |
| 310.4 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 310 require revision.</p> <p>It is recommended that the defined terms "Client", "Member in Public Practice", "Professional Bodies" and "Professional Services" be revised and the defined term "Professional Activity" be added to APES 310.</p> | Issue identified to be addressed in the annual review process in May 2014. | APESB Technical Staff will consider the editorial amendments required and make recommendations to the Board during the APES 310 annual review in May 2014. |

**APES 315 : Compilation of Financial Information
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|--|
| 315.1 | Feb-10 | <p>Stakeholders have raised a concern that the term "accounting expertise" in paragraph 4.1 of APES 315 and the example compilation report implies a sophisticated collection process of information and implies that it may be an experts report when it is not. Another related concern raised is that the wording of the suggested compilation report in APES 315 refers to the "use of accounting expertise" and that this phrase is in potential conflict with paragraph 8.2 of APES 315. The overall concern is that in a dispute the use of "accounting expertise" may be construed by others to mean that it is an expert's report.</p> | <p>This issue was considered by the Board during the annual review process in February 2010, February 2012 and May 2013.</p> | <p>The IAASB released the International Standard on Related Services 4410 (Revised) Compilation Engagements in March 2012. The standard no longer makes reference to the use of "accounting expertise to collect, classify and summarise" rather refers to "applying expertise in accounting" which is considered more suitable. The approach taken in the international standard appears to alleviate concerns raised by the stakeholders.</p> <p>APESB is in the process of revising APES 315, taking into consideration the international standard ISRS 4410 (Revised).</p> |

**APES 315 : Compilation of Financial Information
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|--|
| 315.2 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 315 require revision.</p> <p>It is recommended that the defined terms "Client", "Firm", "Independence", "Member", "Member in Public Practice", "Professional Services" and "Those Charged with Governance" be revised and the defined terms "Professional Activity" and "Professional Bodies" be added to APES 315.</p> | Issue identified to be addressed in the next revision of APES 315. | Issue identified to be addressed in the next revision of APES 315. |

**APES 320 : Quality Control for Firms
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|---|
| 320.1 | Nov-11 | APES 320 <i>Quality Control for Firms</i> as currently written contains numerous sections that pertain to Assurance Practices only. Such practices are also governed by the auditing and assurance quality standards with the result an overlap by APES 320. | Re-write APES 320 to cover non-audit/assurance practices. | At its November 2011 meeting the Board acknowledged the need for APES 320 to be re-written and directed technical staff to incorporate this project into the future work program. A taskforce has been assembled and this matter is currently a work in progress. |
| 320.2 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 320 require revision.</p> <p>It is recommended that the defined terms "Assurance Engagement", "Client", "Independence", "Member", "Member in Public Practice", "Professional Bodies" and "Professional Services" be revised and a new defined term "Professional Activity" be added to APES 320.</p> | Issue identified to be addressed in the annual review process in May 2014. | APESB Technical Staff will consider the editorial amendments required and make recommendations to the Board during the APES 320 annual review in May 2014. |

**APES 325 : Risk Management
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|---|---|
| 325.1 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 325 require revision.</p> <p>It is recommended that the defined terms "Member in Public Practice" and "Professional Services" be revised and the defined terms "Professional Activity" and "Professional Bodies" be added to APES 325.</p> | <p>Issue identified to be addressed in the annual review process in May 2014.</p> | <p>APESB Technical Staff will consider the editorial amendments required and make recommendations to the Board during the APES 325 annual review in May 2014.</p> |

**APES 330 : Insolvency Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|---|
| 330.1 | Jan-13 | <p>Treasury has released an exposure draft of the primary amendments to be included in the Insolvency Law Reform Bill. Following the finalisation of the Bill, the IPA Code will be revised in order to align with the Government's insolvency law reforms.</p> <p>The ED implements reforms previously released in the proposal paper, <i>A modernisation and harmonisation of the regulatory framework applying to insolvency practitioners in Australia</i> released in December 2011.</p> <p>The ED provides a framework for corporate and personal insolvency regulation that promotes a high level of practitioner professionalism and competency, enhances transparency and communication between insolvency practitioners and stakeholders, and promotes increased efficiency in insolvency administration.</p> <p>A second tranche of the Bill is expected to be released shortly setting out further consequential amendments to the corporate and personal insolvency legislation as a result of these reforms, along with transitional measures.</p> | <p>2013 Update - APES 330 to be reviewed as necessary in accordance with the upcoming Insolvency Law Reform Bill 2013 and IPA Code revision.</p> <p>2014 Update - The final Insolvency Law Reform Bill is yet to be released with the expected time frame for finalisation not yet confirmed. APESB Technical Staff will continue to monitor the progress of the reforms and consider the impact on APES 330 when the final legislation is issued.</p> | Annual review to be considered by the Board at the 29 January 2014 meeting. |

**APES 330 : Insolvency Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|-----------------|-----------------------|
| | | <p>Important elements of the Insolvency Law Reform Bill include:</p> <ul style="list-style-type: none"> - creation of a new Schedule to the Corporations Act and Bankruptcy Act that aligns the registration process for registered liquidators and registered trustees. - the newly aligned registration process based upon the existing Bankruptcy Act provisions to replace the current systems for registration of liquidators and registered trustees. - introduction of only a single class of practitioner in corporate insolvency. - reforms to the insurance obligations of insolvency practitioners that will significantly strengthen the penalties attached to not holding adequate and appropriate insurance, improve the regularity with which practitioners are required to show evidence of their insurance to the regulators, and allow for the insurance obligations for insolvency practitioners to more easily be amended in light of the insurance markets prevailing at a relevant period of time. - requirement for insolvency practitioners to lodge an annual practitioner return. | | |

**APES 330 : Insolvency Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|-----------------|-----------------------|
| | | <ul style="list-style-type: none">- obligation for insolvency practitioners to inform their respective regulator when the trustee becomes aware of prescribed significant events that would result in the practitioner automatically being deregistered by law, by a regulator without reference to a Committee, or the practitioner ceases to have adequate and appropriate insurance. - capacity for the regulators to deregister or suspend a practitioner directly without referral to a Committee on certain objectively determinable grounds. - application of the reforms to apply the current three-person Committee approach to the registration and discipline of registered liquidators. | | |

**APES 330 : Insolvency Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|--|
| 330.2 | 2013 | <p>In 2013 ARITA (Australian Restructuring & Turnaround Association, ARITA, previously known as the Insolvency Practitioners Association of Australia, IPAA) finalised a project to update their code of conduct in response to feedback from practitioners, current practice and recent outcomes of disciplinary cases. The ARITA Code of Professional Practice was finalised in late 2013 with the third edition of this document to takinge effect from 1 January 2014. Accordingly, APESB will consider the need to revise APES 330 to reflect some of the key changes introduced by ARITA.</p> | <p>APESB Technical Staff worked in consultation with ARITA to identify areas of APES 330 that require amendment due to changes in the updated ARITA Code of Professional Practice. The recommended changes have been raised in the Jan 2014 Annual Review of APES 330.</p> | <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |

**APES 330 : Insolvency Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|--|
| 330.3 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 330 require revision.</p> <p>It is recommended that the defined terms "Independence", "Member in Public Practice" and "Professional Services" be revised and the defined terms "Professional Activity" and "Professional Bodies" be added to the Standard.</p> | <p>Required changes have been raised in the Jan 2014 Annual Review of APES 330.</p> | <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |
| 330.4 | Dec-13 | <p>A stakeholder raised the issue that paragraph 4.7 of APES 330 overlooks the appointment of a Controller by the Court.</p> | <p>It is recommended that the defined term, "Controller" in APES 330 be revised in a manner consistent with the ARITA Code to exclude Court appointed receivers.</p> <p>Required changes have been raised in the Jan 2014 Annual Review of APES 330.</p> | <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |

**APES 345 : Reporting on Prospective Financial Information Prepared in Connection with a Disclosure Document
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|--|---|
| 345.1 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 345 require revision.</p> <p>It is recommended that the defined terms “Acceptable Level”, “Assurance Engagement”, “Client”, “Engagement Team”, “Firm”, “Independence”, “Member in Public Practice”, “Professional Services” and “Those Charged with Governance” be revised and the defined terms “AUASB”, “Professional Activity” and “Professional Bodies” be added to the Standard.</p> | Required changes have been raised in the 2014 Annual Review of APES 345. | Annual review to be considered by the Board at the 29 January 2014 meeting. |
| 345.2 | Dec-13 | <p>The Technical staff review identified that the reference to Section 290 Independence – Assurance Engagements of the Code in paragraph 3.6 relates to the previous Code and needs to be updated.</p> <p>The reference to the previous Code in paragraph 3.6 is to be amended to refer to Section 291 Independence – Other Assurance Engagements of the revised Code.</p> | Required changes have been raised in the 2014 Annual Review of APES 345. | Annual review to be considered by the Board at the 29 January 2014 meeting. |
| 345.3 | Dec-13 | The Technical staff review identified a minor editorial amendment to the text of paragraph 5.2 of APES 345. | Required changes have been raised in the 2014 Annual Review of APES 345. | Annual review to be considered by the Board at the 29 January 2014 meeting. |

**APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|--|
| 350.1 | May-12 | <p>A stakeholder has raised an issue in respect of what they perceive as accounting firms' reluctance to provide an APES 350 sign-off in connection with 'low doc' offers. The stakeholder is of the view that if an accounting firm performs a review mandate or Agreed Upon Procedures mandate it would be appropriate to provide an APES 350 sign-off with adaptation of language to different legislative context on the work they have performed.</p> | <p>The Board first considered this issue during the May 2012 review of APES 350.</p> <p>This issue has been previously raised by the stakeholder and has been addressed by the APESB in subsequent annual reviews.</p> | <p>These issues were also raised and discussed at the APESB/AUASB Roundtables held in Melbourne and Sydney in November 2013.</p> <p>This matter is further presented in the APES 350 annual review for the January 2014 meeting.</p> |

**APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|---|---|----------------------------------|
| 350.2 | 2013 | A stakeholder raised concerns that there may be uncertainty in the market regarding whether accountants acting as observers on a Due Diligence Committee (DDC) were able to provide a report in conjunction with other DDC participants. The stakeholder suggested that the Standard could be enhanced through the addition of a defined term 'Observer's Report' and relevant amendments to refer to the 'Observer's Report' in the Standard as a deliverable. | This issue has been previously raised by the stakeholder and has been addressed by the APESB in the Basis for Conclusions for APES 350 in 2009 and subsequent Annual Reviews. | Refer to current status in 350.1 |

APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document
Issues Register

| No. | Date | Issue | Response | Current Status |
|-------|------|---|--|---|
| 350.3 | 2013 | <p>A stakeholder raised concerns that accountants must have regard to the relevant provisions of the Corporations Act when discharging their responsibilities to their clients in a fundraising context and they must be capable of explaining their views about whether the compiled and selected financial information meets required disclosure standards. The stakeholder refers specifically to ASAE 3450 (which is operative from 1 July 2013) and its requirement for practitioners to obtain an understanding of any applicable law or regulation that may impact the financial information.</p> | <p>The issue of an accountant complying with legal disclosure standards has been raised before and is addressed in the Basis for Conclusions for APES 350 in 2009 and subsequent Annual Reviews.</p> | <p>Refer to current status in 350.1</p> |
| 350.4 | 2013 | <p>A taskforce member raised these two proposed editorial amendments suggesting that replacing the existing terms 'Investigating Accountant's Report' and 'Review Engagement' with 'Independent Assurance Report' and 'Limited Assurance Engagement' would better reflect current practice.</p> <p>The taskforce member further suggested that the use of the existing terms potentially creates inconsistencies between those used in APES 350 and ASAE 3450 with respect to whether a Member is regarded as an independent or investigating accountant. The taskforce member suggested streamlining the terminologies used in APES 350 and ASAE 3450 to enhance readability and the ability to understand the report and thereby minimise users' confusion.</p> | <p>Issue identified to be addressed in the annual review process in January 2014.</p> | <p>The taskforce agreed to further consider the issues at the next revision of APES 350.</p> <p>Annual review to be considered by the Board at the 29 January 2014 meeting.</p> |

APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document
Issues Register

| No. | Date | Issue | Response | Current Status |
|-------|------|---|--|--|
| 350.5 | 2013 | Due to the withdrawal of AASB 1031 Materiality and AGS 1062 (which has been superseded by ASAE 3420 and ASAE 3450), Technical staff identified that APES 350 will require revisions to reflect changes to AASB/AUASB Standards. There are a significant number of references and matters directly quoted from AASB 1031 which will require assessment for their continued relevance in relation to APES 350. | Required changes have been raised in the 2014 Annual Review of APES 350. | The taskforce agreed to further consider the issues at the next revision of APES 350. Annual review to be considered by the Board at the 29 January 2014 meeting. |
| 350.6 | 2013 | The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES 350 require revision. It is recommended that the defined terms "Assurance Engagement", "Client", "Contingent Fee", "Engagement Team", "Independence", "Member", "Member in Public Practice", "Professional Services" and "Those Charged with Governance" be revised and the defined terms "Professional Activity" and "Professional Bodies" be added to the Standard. | Required changes have been raised in the 2014 Annual Review of APES 350. | Annual review to be considered by the Board at the 29 January 2014 meeting. |

APES GN 20 : Scope and Extent of Work for Valuation Services
Issues Register

| No. | Date | Issue | Response | Current Status |
|-----|------|-------------------|----------|----------------|
| | | No current issues | | |

**APES GN 21 : Valuation Engagements for Financial Reporting
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|---|---|
| GN21.1 | Jan-11 | Following issue of APES 225 <i>Valuation Services</i> in 2008 the Board recognised the need to consider whether further guidance notes are required to assist valuation practitioners and users. In 2011 the Board agreed that there is a need for further guidance to address the diverse situations under which Valuations are prepared. | Develop a pronouncement to address Valuation Engagements for Financial Reporting. | <p>The Board approved the project proposal at the November 2011 Board meeting. In completing the first draft of the proposed APES GN 21 <i>Valuations for Financial Reporting</i> a further need was identified to provide valuation practitioners guidance that would assist them in determining the appropriate type of valuation report to produce, based on the particular requirements of the engagement, and that this guidance should be issued ahead of the proposed APES GN 21. As a result, this project was delayed until APES GN 20 <i>Scope and Extent of Work for Valuation Services</i> is completed.</p> <p>As APES GN 20 was completed in December 2013, this project will be recommenced in 2014.</p> |

**APES GN 30 : Outsourced Services
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|--|
| GN30.1 | Dec-13 | <p>The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES GN 30 require revision.</p> <p>It is recommended that the defined terms "Client", "Material Business Activity", "Member", "Member in Public Practice", "Outsourcing" and "Professional Services" be revised and a new defined term "Professional Activity" be added to APES GN 30.</p> | Issue identified to be addressed in the annual review process in Nov 2014. | APESB Technical Staff will consider the editorial amendments required and make recommendations to the Board during the APES GN 30 annual review in Nov 2014. |

| APES GN 40 : Members in Business Guidance Note Issues Register | | | | |
|---|--------|--|--|--|
| No. | Date | Issue | Response | Current Status |
| GN40.1 | Nov-12 | A stakeholder raised a minor editorial comment in relation to Case Study 20 of the Guidance Note. In the Case outline, the reference to 'her' should be replaced with 'him'. | Details of the editorial amendment was raised in the six month review of the Guidance Note. The Board approved the editorial change to be made at the next revision of APES GN 40. | APESB will incorporate these minor editorials in the next revision of the Guidance Note. |
| GN40.2 | Dec-13 | The Technical staff review identified that due to amendments made to the IESBA International Code and subsequent changes to APES 110, the Definition section in APES GN 40 require revision. It is recommended that the defined term "Professional Services" be removed and the definitions of "Acceptable Level", "Member" and "Those Charged with Governance" be revised. A new defined term "Professional Activity" should also be added to the Guidance Note. | Required changes have been raised in the 2014 Annual Review of APES GN 40. | Annual review to be considered by the Board at the 29 January 2014 meeting. |
| GN40.3 | Dec-13 | The Technical staff review identified that due to the amended definition of 'Professional Services' in the Code, the term 'Professional Services' is no longer relevant to Members in Business. As a result, the removal of references to the term "Professional Services" in APES GN 40 is necessary. | Required changes have been raised in the 2014 Annual Review of APES GN 40. | Annual review to be considered by the Board at the 29 January 2014 meeting. |

**APES GN 40 : Members in Business Guidance Note
Issues Register**

| No. | Date | Issue | Response | Current Status |
|------------|-------------|--|--|---|
| GN40.4 | Dec-13 | The Technical staff review identified that due to the amended descriptors in sections 310 and 340 of the Code, editorial changes to paragraphs 6.3, 7.2 and 10.1 of APES GN 40 are required. | Required changes have been raised in the 2014 Annual Review of APES GN 40. | Annual review to be considered by the Board at the 29 January 2014 meeting. |