

Meeting Highlights

21 & 22 NOVEMBER 2011

1. The Board considered the APES 230 *Financial Advisory Services ED Technical Analysis Paper*, the Residual Issues table of respondents' comments and the information gathered from the Board's public consultations with stakeholders at the May 2011 and August 2011 Board meetings. The Board debated the following key issues, and where applicable, the interaction with APES 110 *Code of Ethics for Professional Accountants*:

- Scope of the proposed Standard;
- Application to Members in Business;
- Fee for Service;
- Legacy products;
- Fiduciary duties vs best interest test; and
- Transitional provisions.

The Board provided direction on the above matters to the Technical Staff and directed Technical Staff to present a revised document to the Board for further consideration.

2. The Board noted the annual review of APES 305 *Terms of Engagement* and directed Technical Staff to commence a project in 2012 to revise Section 5 of APES 305 in respect of recurring Engagements.
3. The Board considered the respondents comments to the Exposure Draft 03/11 issued in September 2011 in respect of the Public Interest Entity definition in APES 110 *Code of Ethics for Professional Accountants*. The Board discussed the appropriateness of specifically identifying the entities regulated by the Australian Prudential Regulatory Authority (APRA) as Public Interest Entities and directed Technical Staff to have a further discussion with APRA before making a determination on the issue. Subject to this issue being reconsidered by the Board, the Board agreed to issue an amendment to the definition of Public Interest Entity in December 2011.
4. The Board considered the project proposal to develop SMSF Auditor Independence requirements that are applicable to SMSF auditors. The Board directed the Technical Director to assemble a SMSF Auditor Independence Taskforce and have the Taskforce consider the most appropriate structure for the SMSF Auditor Independence requirements and present the taskforce's views at a future meeting of the Board.

5. The Board noted the annual review of APES 210 *Conformity with Auditing and Assurance Standards* and approved the minor editorial change recommended by Technical Staff.
6. The Board noted the annual review of APES 320 *Quality Control for Firms*. No issues were identified in respect of the existing APES 320. The Board discussed the potential for APESB to rewrite APES 320 to cover non-assurance services and directed Technical Staff to incorporate this into the future work program.
7. The Board noted the annual review of APES 345 *Reporting on Prospective Financial Information Prepared in Connection with a Disclosure Document*. No issues were identified.
8. The Board noted the international update which incorporated recent IESBA activities and international developments.
9. The Board considered the proposed Standard APES 325 *Risk Management for Firms* and agreed that further editorial amendments are required to finalise the Standard. The Board directed Technical Staff to incorporate the editorial changes discussed at the Board meeting and present to the Board for further consideration. It is expected that the Standard will be released in December 2011 with a commencement date of 1 January 2013 with early adoption permitted.
10. The Board considered the proposed Exposure Draft APES GN 30 *Outsourced Accounting Services* and agreed that further redrafting is required prior to its release as an exposure draft.
11. The Board considered the proposed Exposure Draft APES 225 *Valuation Services* noting the key proposed amendments presented by the taskforce. The Board discussed the key proposed amendments including the need for oral reports and the importance of examples as guidance in the proposed standard. The Board agreed that subject to minor editorial amendments, an Exposure Draft will be issued in December 2011 for public comment.
12. The Board noted the project proposal from the Business Valuation Special Interest Group (BVSIG) of the Institute of Chartered Accountants in Australia to develop guidance notes for Valuation Services. The Board agreed to the Technical Staff recommendation to commence a project to develop a guidance note in respect of Valuations for Financial Reporting.
13. The Board noted the project update and progress on the revision of APES 215 *Forensic Accounting Services* and directed technical staff to present the proposed revisions to the Board in the first half of 2012.
14. The Board considered the proposed APES 330 *Insolvency Services (Revised)* and agreed, subject to minor editorial amendments, to issue APES 330 *Insolvency Services (Revised)* with an effective date of 1 April 2012 with early adoption permitted.