

**ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED**

**2<sup>nd</sup> Taskforce Meeting for APES 350 Due Diligence Committees – 2014/2015 Annual Review**

**MINUTES**

**24 November 2014 10 am – 11 am**

**Teleconference**

**1. Present and Apologies**

Present:

Mr Channa Wijesinghe (Chairman), Mr Jeff Cook, Mr Mark Haberlin, Ms Claire Cardno, Ms Marina Stuart, Ms Kristen Wydell, Mr Amir Ghandar, and Mr Colin Parker.

In Attendance:

Mr Harley McHutchison (Board Member), Ms Sally Morony (PwC – Senior Legal Counsel) and Ms Saras Shanmugam.

Apologies:

Mr Jeffrey Luckins and Mr Stephen Lomas.

**2. Minutes of Previous Meeting**

The minutes of the 1<sup>st</sup> APES 350 Due Diligence Committees – 2014/2015 Annual Review taskforce meeting held by teleconference on 30<sup>th</sup> October 2014 were accepted with no amendments.

**3. Review of 2014 Annual Review Report**

The Chairman informed the taskforce that Craig Andrade of Baker and McKenzie has not yet provided his comments for consideration although he has been reminded several times.

**4. Discussion on Materiality Letter template**

The taskforce agreed with the updates made to the revised Materiality Letter template due to the withdrawal of AASB 1031 *Materiality*, AGS 1062 *Reporting in Connection with Proposed Fundraisings* and AUS 804 *The Audit of Prospective Financial Information*. The Chairman informed the taskforce that AUASB technical staff have confirmed that references to materiality should be made in respect of both ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

## **5. Discussion on DDC Observer's Report**

The taskforce held a discussion on the proposed approach in respect of the DDC Observer's role and considered the following matters:

- The risk of breaching the requirements in paragraph 5.7 by issuing the DDC Observer's Report;
- A Member in Public Practice's professional obligations referred to in paragraph 5.9; and
- Developing a guidance paragraph to clarify a Member in Public Practice's professional obligations in respect of new circumstances.

The Chairman suggested that a former taskforce member should be consulted in respect of the requirements of paragraphs 5.7 and 5.9. The taskforce agreed to discuss the matter offline.

## **6. Discussion on definitional changes to be consistent with the Code**

The taskforce discussed certain definitional changes which were revised to be consistent with the Code and other APESB standards. The taskforce agreed with the consequential definitional amendments.

## **7. Objectives of APES 350**

The Chairman informed the taskforce that Technical Staff will commence a process to draft an objectives paragraph for APES 350 as this is a practice which has been recently adopted by the Board.

## **8. Way forward**

The taskforce will consult with a former taskforce member and discuss the way forward to address the issues associated with the DDC Observer's role.

APESB Technical Staff will:

- update the proposed APES 350 standard by incorporating the taskforce's and AUASB's comments;
- draft the objectives paragraph; and
- work towards tabling the revised APES 350 at the next Board Meeting scheduled on Wednesday, 28 January 2015 for the Board's consideration.

## **9. Close of Meeting**

The meeting was closed at 10.45 am.