

# APESB Professional Standards

Wellington, New Zealand

*September 2009*

*Channa Wijesinghe*  
*ACMA(UK), CPA, CA*  
*Technical Director*



# Overview

- History and structure of the APESB
- Framework of APESB pronouncements
- APESB pronouncements to date
- APESB current projects
- Review of APS 12 Financial Advisory Services
- APESB submission to PJC Inquiry into Financial Products and Services

# APESB History

- Established in February 2006 as an initiative of ICAA & CPA Australia
- NIA became a Member in December 2006
- Previously professional and ethical pronouncements were developed by the professional bodies
- Members of the three bodies are required to comply and subject to disciplinary procedures of the relevant professional body

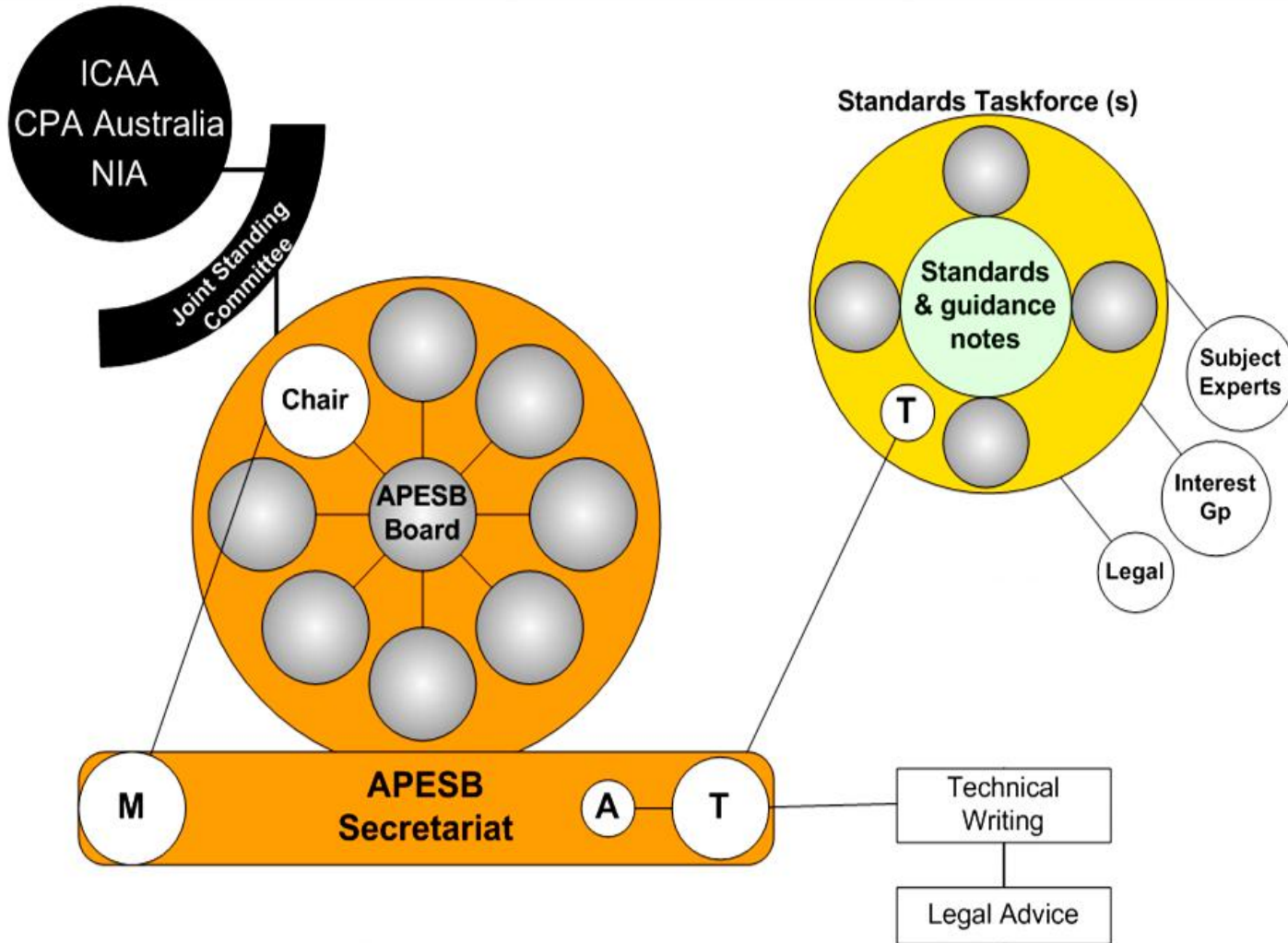
# APESB Vision

*To be recognised by our stakeholders for our leading contribution in achieving the highest level of professional and ethical behaviour in the accounting profession*

# Board Composition

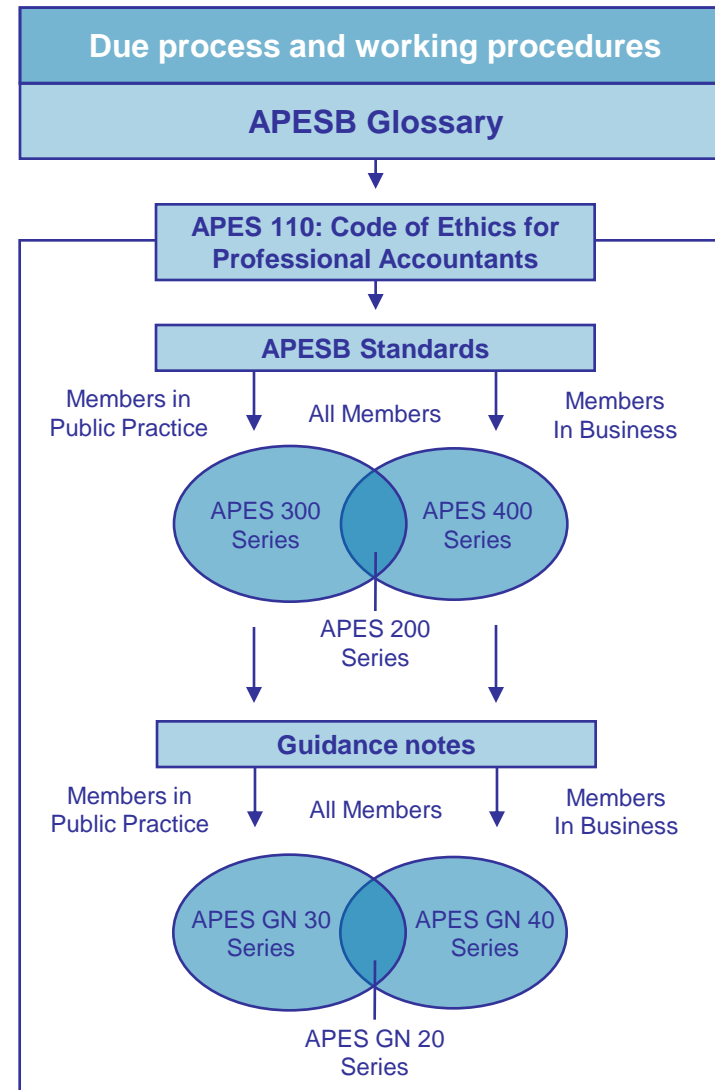
- Independent Chair
- Two Directors CPA Australia
- Two Directors ICAA
- One Director NIA

# APESB Functional Structure



# Framework of APESB pronouncements

- **Conceptual Framework**
  - Principles based
  - Mandatory for professional accountants
  
- **Standard**
  - Introduces principles
  - Mandatory requirements in black letter
  - Guidance and/or explanation in grey letter
  
- **Guidance notes**
  - Do not introduce new principles
  - Guidance on a specific matter on which the Principles are already stated in a Standard
  - Guidance is only in grey letter



# APESB Pronouncements to date

## All members

- APES 110 Code of Ethics
- APES 205 Conformity with Accounting Standards
- APES 210 Conformity with Auditing Standards
- APES 215 Forensic Accounting Services
- APES 220 Taxation Services
- APES 225 Valuation Services



# APESB Pronouncements to date

## Members in Public Practice

- APES 305 Terms of Engagement
- *APES 310 ED Client Monies (Project in progress)*
- APES 315 Compilation of Financial Information
- APES 320 Quality Control for Firms
- *APES 330 ED Insolvency Services (Standard to be issued shortly)*
- APES 345 Reporting on Prospective Financial Information
- APES 350 ED Due Diligence Committees (Project in progress)

# APESB current projects

- APES 310 ED Client Monies (Project in progress)
- APES 330 ED Insolvency Services (Standard to be issued late Sept)
- APES 350 ED Due Diligence Committees (Project in progress)
- Financial planning rewrite of APS 12
- Code of Ethics

# APES 310 Client Monies – Proposed ED

- Update of APS 10 Trust Accounts
- Reviewed NZICA PS-2 and incorporating appropriate additional provisions
- Will include Client Bank Accounts similar to PS-2
- Separate section for the Auditor of the Trust Accounts

# APES 330 Insolvency Services – Proposed Standard

- Update of APS 7 Insolvency Services
- Standard developed in consultation with IPA
- The corporate regulator has provided input
- Significant rewrite of professional independence and fees
- The Board will be reviewing minor editorial comments and proposed to issue it by late September

# APES 350 Due Diligence Committees – Proposed Standard

- New proposed Standard dealing with a Member in Public Practice's professional obligations as member, observer or reporting person on a DDC
- Australian specific standard due to the due diligence defence available under the Corporations Act
- Provides requirements and guidance in respect of the different roles that a Member may play on a DDC
- Provides what should be included in a Due Diligence Sign-off
- Proposed standard to be issued in late 2009

# Review of APS 12 Financial Advisory Services

## APESB Consultation paper – Taskforce views

- Application to all Members
- Consider the different kinds of financial advisory services
- Definition of financial advice to be expanded
- The fiduciary obligations of the Member to be considered
- Remuneration structures based on commissions, % of FUM or any other structure that encourage sale of products or FUM to be discouraged
- Remuneration disclosure requirements including the alternative remuneration schedule in APS 12 to be carried forward

# APESB Submission to the PJC Inquiry into Financial Products and Services

- Role played by commission arrangements
- Appropriateness of information and advice provided
- The general regulatory environment
- ASIC's submission to the PJC

For more information visit:

[www.apesb.org.au](http://www.apesb.org.au)

**Contact:**

**Channa Wijesinghe**

**Technical Director**

**APESB**

**Tel: 03 96424372**

**Email: [channa.wijesinghe@apesb.org.au](mailto:channa.wijesinghe@apesb.org.au)**

