

## AGENDA PAPER

**Item Number:** 3  
**Date of Meeting:** 13 February 2017  
**Subject:** Review of 2015 - 2016 Technical Work Program and Proposed Program for 2017-2018

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**Action Required**       **For Discussion**       **For Noting**       **For Information**

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### Purpose and background

- a) To provide the Board with a review of the technical work conducted in relation to the Technical Work Program for 2015 and 2016; and
- b) To obtain Board approval on the proposed Technical Work Program for 2017 and 2018.

### Review of 2015 - 2016 Technical Work Program

The 2015 - 2016 Technical Work Program was based on four key objectives:

- a) Ensure existing APESB pronouncements remain relevant and current;
- b) Develop and issue new requirements or guidance to address identified issues;
- c) Engage with international standard setters on their projects; and
- d) Consider and implement international developments into APESB pronouncements.

APESB achieved the following results across these objectives:

- a) Thirteen pronouncements were revised - 1 to reflect new international standards and 12 for definitional updates (from the revision of the Code in late 2013), inclusion of an objectives paragraph and other matters from the issues register. Refer to Agenda Item 3(c) for the list of revised standards.

APESB also completed annual and six monthly review of all pronouncements in accordance with its Constitution.

- b) APESB issued two new Guidance Notes – APES GN 21 *Valuation Services for Financial Reporting* (July 2016) and APES GN 41 *Management Representations* (August 2016).
- c) APESB made 7 submissions on international exposure drafts and consultation papers (accessible on our [website](#)), with a number of APESB's recommendations being incorporated into the international Code issued by the International Ethics Standards Board for Accountants (IESBA).

- d) There were no international developments during the 2015 and 2016 period that required amendments to APESB pronouncements. This is reflective of the IESBA linking a number of projects (and the resulting provisions) through to their project on the Structure of the Code. This is expected to be a key focus for APESB Technical Staff in the 2017 - 2018 Technical Work Program.

The full listing of projects and progress from 2015 - 2016 are outlined in the attached Completed Technical Work Program for 2015 and 2016 (Agenda Item 3(a)).

### **Proposed 2017 - 2018 Technical Work Program**

Technical Staff have developed the proposed Technical Work Program for 2017 - 2018 taking into consideration APESB's Strategic Plan 2016-20 and IESBA's work program.

Proposed outcomes for each objective over the 2017 – 2018 period are as follows:

a) Ensure existing APESB pronouncements remain relevant and current

- Finalise the revision of APES 310 *Client Monies*;
- Revise APES 330 *Insolvency Services* to reflect recent amendments to legislation and regulations;
- Revise APES 315 *Compilation of Financial Information* to reflect amendments to ASIC's Class Orders; and
- Annual reviews of all pronouncements will be completed, incorporating consideration of the technology neutrality of the pronouncement and the findings from the quality review process conducted by the Professional Accounting Bodies.

b) Develop and issue new requirements or guidance to address identified issues

- Develop and issue a Guidance Note on Due Diligence Sign-Offs in Low Doc scenarios.

c) Engage with international standard setters on their projects

- Prepare submissions to the IESBA on Exposure Drafts expected to be released in 2017 – 2018 (Structure of the Code – Phase 2, Safeguards – Phase 2 and Part C).

d) Consider and implement international developments into APESB pronouncements

- Develop and issue amendments to APES 110 *Code of Ethics for Professional Accountants* (APES 110) for the IESBA provisions on Non-compliance with Laws and Regulations (NOCLAR) and Non-assurance Services (including issuing a new compiled version of APES 110);
- Issue an Exposure Draft on the IESBA provisions: Long Association of personnel with audit clients;
- Issue exposure drafts of APES 110 to incorporate international amendments from the Structure of the Code, Safeguards and Part C projects; and
- Consider stakeholder comments and issue final restructured Code.

The proposed plan has been developed taking into consideration known amendments to laws and regulations and expected outputs from international standard setters (based on their

project timelines). The Technical Work Program will be reviewed and updated on a quarterly basis to track progress of these identified projects, and to incorporate any new projects identified by stakeholders based on future developments.

Refer to Agenda Item 3(b) for the proposed Technical Work Program for 2017 and 2018.

### **Staff Recommendations**

That the Board:

- approve the 2017 - 2018 Technical Work program; and
- note the review of the completed 2015 - 2016 Technical Work Program.

### **Material Presented**

Agenda Item 3 (a) – Completed Technical Work Program 2015 – 2016;  
Agenda Item 3 (b) – Proposed Technical Work Program 2017 – 2018; and  
Agenda Item 3 (c) – List of Revised Standards (2015 - 2016).

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**Date:** 16 January 2017