

31 May 2012

Revised valuation services standard issued

Revisions to APES 225 Valuation Services

The Accounting Professional and Ethical Standards Board (APESB) issued APES 225 Valuation Services standard for professional accountants who provide valuation services in July 2008. Feedback received to date indicates that it has been working well in practice. The revised standard incorporates minor revisions to provide additional guidance to practitioners in respect of the three types of valuation services engagements, particularly the difference between a full scope valuation engagement and a limited scope valuation engagement. The revised APES 225 was released today.

The revised APES 225 will also see the introduction of new professional obligations with respect to engagement terms, which will require members to include in their engagement letters:

- Definitions of the three different types of valuation services engagements and the identification of the type of valuation service engagement the member is performing;
- The relevant limitations of the valuation services engagement, if any; and
- A statement that the engagement will be conducted in Compliance with APES 225.

A schematic diagram and new examples have been developed to provide additional guidance for accountants on how to distinguish between different types of valuation services engagements.

APESB Chair Kate Spargo says there is a number of key matters professional accountants who provide valuation services need to consider.

“Members need to determine whether their valuation is full or limited scope, and be able to substantiate this on an objective basis. The new requirements will also necessitate amendments to engagement letters and reporting obligations,” she says.

“The proposed changes will provide further guidance to valuation practitioners in Australia and enhance the valuation engagement management process.”

The revised APES 225 Valuation Services Standard will be operative for engagement commencing on or after 1 September 2012 with early adoption permitted. For further information please visit: www.apesb.org.au

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Notes to Editors: The APESB is an independent body that sets the code of ethics and professional standards by which members of Australia's three professional accounting bodies are required to abide.