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Proposed revisions to the Valuation Services Standard

The Accounting Professional and Ethical Standards Board (APESB) is seeking feedback from members and other stakeholders on an exposure draft in respect of proposed revisions to the existing APES 225 Valuation Services Standard.

The draft proposes changes, which provide additional guidance in respect of the three types of valuation services engagements and particularly the difference between a full scope valuation and a limited scope valuation engagement.

The proposal will also see the introduction of new professional obligations in respect of engagement terms, which will require members to disclose:

- 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 service engagement, if any and;
- Compliance with APES 225

A schematic diagram and new examples have been developed to depict the difference between different types of valuation service engagements and the demarcation between different types of engagements.

APESB Chair Kate Spargo says there are a number of factors professional accountants will need to consider.

“Members will 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 clarity to valuation practitioners and improve the engagement management process,” Spargo says.

Feedback on the proposed changes should be received by the APESB no later than Friday February 24, 2012. Amendments to the Valuation Services Standard will be operative from 1 July 2012. For further information please visit: www.apesb.org.au

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Media enquiries: For interviews with Ms Spargo, please contact Jaselyn O'Sullivan on (03) 9600 0006 or jaselyn@fenton.com.au.

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.