



**Annual Review of APES 315 *Compilation of Financial Information***

Prepared by APESB Technical Staff

2 February 2016

## **Background**

Accounting Professional and Ethical Standards Board (APESB) originally issued APES 315 *Compilation of Financial Information* in July 2008 and revised the standard in November 2009.

Subsequently the International Auditing and Assurance Standards Board (IAASB) issued its revised international standard on related services ISRS 4410 (Revised) *Compilation Engagements* in March 2012. Accordingly APES 315 was revised in February 2015 with an effective date of 1 July 2015, to incorporate additional requirements and guidance based on ISRS 4410.

## **Reason for this report**

In accordance with APESB's constitution, a review needs to be performed on an annual basis after a new standard is effective to identify any issues reported by stakeholders. This report presents a review of the issues reported to APESB or identified by an internal technical review and the proposed recommendations to address the identified issues.

## **Issues identified**

### ***1. Format of Decision tree to determine when a Compilation Report should be issued***

#### **Issue**

A stakeholder has noted that the Appendix 2 *Decision tree to determine when a Compilation Report should be issued* (Appendix 2) could be further enhanced by including a specific reference that an 'Accountant's Report Disclaimer' is issued when a Member is compiling Financial Information for a Client's internal use.

#### **Analysis of Issue**

The decision tree in Appendix 2 currently states that a Compilation Report is not required and refers to paragraph 10.3 of APES 315 that recommends the issue of an Accountant's Report Disclaimer when the Member is compiling Financial Information for a Client's internal use. We agree with the stakeholder's comment that the decision tree could be enhanced with a specific reference to the Accountant's Report Disclaimer.

#### **Impacted Stakeholders**

Members in Public Practice, Firms and Professional Bodies.

#### **Recommendation**

It is recommended that the minor editorials to the decision tree that makes specific reference to the Accountant's Report Disclaimer, be addressed at the next revision of APES 315.

## **2. Editorial matters**

### **Issue**

#### **Inclusion of an interpretation paragraph**

APESB revised a majority of its pronouncements in 2015 primarily to reflect amendments arising from the revised APES 110 *Code of Ethics for Professional Accountants* in November 2013. Consequently as a part of this revision process, APESB determined to include an interpretation paragraph in section 1 *Scope and application* of all pronouncements, that clarifies the use of similar words which should have equal application (i.e. singular includes plural, one gender includes another and words referring to persons includes corporations or organisations).

#### **Definition 'Professional Bodies'**

Due to the merger of Institute of Chartered Accountants Australia (ICAA) with the New Zealand Institute of Chartered Accountants, the definition of 'Professional Bodies' needs to be updated as the existing definition in APES 315 refers to ICAA which has now been replaced with Chartered Accountants Australia and New Zealand.

#### **Impacted Stakeholders**

Members in Public Practice, Firms and Professional Bodies.

#### **Recommendation**

It is recommended that these editorials be addressed at the next revision of APES 315.