



***Annual Review of APES 210 Conformity with Auditing and Assurance Standards***

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## Background

Accounting Professional and Ethical Standards Board (APESB) issued APES 410 *Conformity with Auditing and Assurance Standards* in July 2006 with an effective date of 1 July 2006. On 30th September 2008, APESB issued APES 210 of the same name to replace APES 410.

APES 210 *Conformity with Auditing and Assurance Standards* (the Standard) was subsequently revised and reissued in November 2011 with an effective date of 30 November 2011.

## 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 the APESB together with those identified by an internal technical review and the proposed recommendations to address the identified issues.

## Review of Issues

### *Carry forward issue from 2014 Annual Review*

#### Defined terms

The Technical staff review identified that the definitions section in APES 210 needs to be revised as a result of the IESBA's revision of the International Code in March 2013 and APESB's subsequent amendments to APES 110 *Code of Ethics for Professional Accountants* (the Code) in November 2013.

#### Definitions to be revised

**Assurance Engagement** means an Engagement in which a ~~conclusion is expressed by a~~ Member in Public Practice expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria.

This includes an Engagement in accordance with the Framework for Assurance Engagements issued by the ~~Auditing and Assurance Standards Board (AUASB)~~ or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.

**Client** means an individual, firm, entity or organisation to whom or to which Professional ~~Services~~ Activities are provided by a Member in Public Practice in respect of Engagements of either a recurring or demand nature.

**Member in Public Practice** means a Member, irrespective of functional classification (e.g., audit, tax or consulting) in a Firm that provides Professional Services. This term is also used to refer to a Firm of Members in Public Practice

and means a practice entity and a participant in that practice entity as defined by the applicable Professional Body.

***Professional Services*** means ~~services requiring accountancy or related skills performed by a Member including accounting, auditing, taxation, management consulting and financial management services.~~ Professional Activities performed for Clients.

***Professional Standards*** mean all standards issued by Accounting Professional & Ethical Standards Board Limited and all professional and ethical requirements of the applicable pProfessional bBody.

*Definitions to be added*

***Professional Activity*** means an activity requiring accountancy or related skills undertaken by a Member, including accounting, auditing, taxation, management consulting, and financial management.

***Professional Bodies*** means the Institute of Chartered Accountants Australia, CPA Australia and the Institute of Public Accountants.

It should also be noted that APESB is currently considering whether the definition of *Professional Activity* should be revised in the Australian context. If this occurs then this definition will require revision.

Subsequent to the revision of the definitions section, consequential editorial amendments may also be required to APES 210.

### **Impacted Stakeholders**

Members, Firms and Professional Bodies.

### **Recommendation**

The defined terms in APES 210 should be revised in a manner consistent with the Code and other APESB standards. It is recommended that these changes and any other consequential amendments be processed at the next revision of APES 210 which is scheduled for the May 2015 Board meeting.