

AGENDA PAPER

Item Number: 14(b)
Date of Meeting: 29 August 2016
Subject: Annual review of APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document*

Action required For discussion For noting For information

Purpose

In accordance with Accounting Professional & Ethical Standards Board's (APESB) constitution, an annual review of APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* (APES 350) has been performed to identify and resolve any issues identified by stakeholders.

Background

APESB originally issued APES 350 in December 2009, with a subsequent amendment in March 2011. APES 350 was also revised in August 2015 which was effective from 1 October 2015, with earlier adoption permitted.

Consideration of Issues

APESB Technical Staff have completed the following procedures to identify any issues associated with APES 350:

- Consulted with the Professional Bodies to identify whether Members or other stakeholders have raised any issues with the Professional Bodies in respect of APES 350;
- Reviewed the APESB Issues Register to identify whether stakeholders have reported any matters in relation to APES 350; and
- Performed an internal technical review of APES 350.

The issues identified as a result of completion of the above procedures are set out below.

Guidance on Low Doc Offerings

A stakeholder has raised that there is a need for further guidance in respect to low doc offerings, including when it would be appropriate to provide an APES 350 sign-off in a low doc situation.

The Board of APESB considered this issue at their [August 2015](#) and [February 2016](#) Board meetings. The Board determined that APES 350 should be maintained in its current format. However, Technical Staff were asked to develop draft guidance for the Board to consider at the August 2016 Board meeting (refer to Agenda paper 14(a)).

As this matter is currently being considered by the Board, Technical Staff have not proposed any amendments to APES 350 for Low Doc Offerings as part of this annual review.

References to AuASB

Technical Staff's review of APES 350 identified there were two references to AuASB (the Board that issued Australian auditing and assurance standards up to 30 June 2004). There are no longer any active standards that were issued by this entity. Technical Staff therefore believe the following amendments should be processed in the next revision of APES 350:

- Removal of the definition of 'AuASB' – there are no longer any applicable standards issued by this entity; and
- Modifying the definition of 'Auditing and Assurance Standards' to remove references to AuASB standards.

Recommendation

Technical Staff recommend that the proposed amendments identified as part of the annual review be addressed in the next planned revision of APES 350.

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Date: 15 August 2016