



Accounting Professional & Ethical Standards Board

Six Month Review of APES GN 30 *Outsourced Services*

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1. Executive Summary

1.1. Background

Accounting Professional & Ethical Standards Board (APESB) issued APES GN 30 *Outsourced Services* (APES GN 30) in March 2013 to provide guidance for Members in Public Practice to manage risks associated with providing or utilising Outsourced Services in the delivery of Professional Services.

1.2. Reason for this report

In accordance with APESB's constitution, a six month review needs to be performed subsequent to an issue of a pronouncement. This report includes a review of the issues reported to or identified by APESB and proposed recommendations to address the issues.

1.3. Issues identified

Defined terms

The Technical staff review has identified that a few defined terms in APES GN 30 needs to be revised or added to as a result of the IESBA's revision of the International Code and APESB's subsequent amendments to APES 110 *Code of Ethics for Professional Accountants* (the Code).

1.4. Summary of Recommendations

The following is a summary of the recommendations or actions to be taken in respect of the issues.

Defined terms

It is recommended that the defined terms "*Client*", and "*Professional Services*" be revised and a new defined term "*Professional Activity*" be added to APES GN 30 for consistency with the Code when the Annual Review of APES GN 30 is performed in 2014.

2. Review of Issues

Defined terms

The technical review has identified that two definitions needs to be revised and a new definition needs to be added to APES GN 30.

Definitions to be revised

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

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.

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.

Impacted Stakeholders

Members in Public Practice, Firms and professional accounting bodies.

Recommendation

The defined terms in APES GN 30 should be revised in a manner consistent with the Code. However, as the Code is currently being amended and has a higher authority than the Guidance Note, it is advisable to process these changes and any other future changes when the Annual Review of APES GN 30 is performed in 2014.