



Annual Review of APES 210 Conformity with Auditing and Assurance Standards

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1. Executive Summary

1.1 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* was subsequently revised and reissued in November 2011 with an effective date of 30 November 2011.

1.2. 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. This report presents a review of the issues reported to the APESB and a proposed course of action to address the issues identified.

1.3. Issue identified

CPA Australia noted that paragraph 4.2 of APES 210 states that where legislation or other government authority requires a departure from Auditing and Assurance Standards, a Member shall disclose that fact in the Member's report. The standard however is silent on the situation where the law does not require a departure but allows such departure.

1.4. Summary of Actions/Recommendations

CPA Australia will provide further information on this issue for the Board's consideration in due course.

2 Review of Issues

2.1 *Paragraph 4.2 of APES 210 requires disclosure of departures from Auditing and Assurance Standards where legislation or other government authority requires departure.*

Issue

APES 210 *Conformity with Auditing and Assurance Standards* (the Standard) sets the standards for Members to comply with Auditing and Assurance Standards when they conduct Assurance Assignments or Assurance Engagements. Paragraph 4.2 of the Standard makes reference to departures from Auditing and Assurance Standards where required by a legislative or other government authority. The Standard is silent on the situation where the law does not require a departure but allows it, as is the case with the proposed ACNC Act on joint or collective reporting.

Analysis of the issue

In practice it was envisaged that only Auditor Generals would use the provisions in paragraph 4.2 and the predecessor standard to APES 210 had similar provisions to cater for Auditor Generals. At the time this standard was developed ACAG made a submission to the APES Board representing that there may be circumstances (although rare) where they may need to perform an audit in accordance with legislation and issue a report which may require a departure from the standards in order to comply with legislative requirements.

Impacted Stakeholders

Members of the professional accounting bodies and Auditor Generals.

Current Status

APESB Technical staff has discussed this issue with CPA Australia who are working on providing further information on the issue for the Board's consideration.