

## AGENDA PAPER

**Item Number:** 11  
**Date of Meeting:** 23-24 May 2011  
**Subject:** Update on Proposed Guidance Note APES GN 20 *Outsourced Accounting Services*

**Action Required**

**For Information Only**

### Purpose

To obtain Board approval to issue an exposure draft of APES GN 20 *Outsourced Accounting Services* (APES GN 20).

### Background

At the August 2007 meeting, the Board agreed to establish a taskforce to oversee the development of a guidance note on outsourcing of accounting services. In April 2008, APESB engaged Mr Bruce Coombes of MYOB Resourcing to develop a discussion paper. The discussion paper was presented at the August 2008 Board Meeting. The discussion paper was then used by the taskforce to develop the proposed principles for outsourced accounting services. At the February 2010 Board meeting the proposed principles of Outsourced Accounting Services was presented to the Board. The Board considered the principles and requested that the taskforce consider whether the proposed pronouncement should be a professional standard or a guidance note. At the November 2010 Board meeting, the Board agreed with the taskforce suggestion that the proposed pronouncement is more appropriately structured as a guidance note as opposed to a standard and directed staff to present a draft pronouncement at a subsequent meeting of the Board.

### Consideration of Issues

The Outsourced Accounting Services taskforce has met six times since inception and based on the principles document previously presented to the Board, has developed the draft guidance note APES GN 20 for the Board's consideration.

Taskforce members considered a number of issues associated with the development of the proposed guidance note including the following:

- Definition of professional services in the context of Outsourced Accounting Services;
- What is considered to be a Material Business Activity and the importance of defining which outsourced activities come within the scope of APES GN 20 (refer examples in Appendix 2 of the Guidance Note); and
- The impact of cloud computing on outsourcing.

The taskforce was of the view that case study examples would enhance Members understanding of when the proposed APES GN20 would be applicable.

### **Staff Recommendation**

Subject to the Board's review comments, the Board approve the issue of Exposure Draft APES GN 20 *Outsourced Accounting Services* for public comment for a period of 60 days.

### **Material Presented**

- Draft of the proposed guidance note APES GN20 *Outsourced Accounting Services*;
- Minutes of Taskforce meeting held on 18 October 2010;
- Minutes of Taskforce meeting held on 28 February 2011;
- Draft Minutes of Taskforce meeting held on 19 April 2011.

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