

APES GN 41 Management Representations

[Supersedes APES GN 41 Management Representations issued August 2016]

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Appendix 1: Summary of revisions to the previous APES GN 41 (Issued in August 2016)

1. Scope and application

1.1 The objective of APES GN 41 *Management Representations* is to provide guidance to a [Member in Business](#) in respect of professional and ethical obligations relating to:

- the preparation and/or signing of [Management Representations](#);
- professional obligations (due to regulatory practice or other conventions) in relation to [Management Representations](#) including [Financial Reporting Certifications](#); and
- [Management Representation](#) considerations at the entity level, controlling entity level and board or audit committee level.

APES GN 41 does not set out the underlying procedures or processes to be followed by a [Member](#) in order to comply with applicable regulatory or other obligations associated with [Management Representations](#).

1.2 Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional guidance note APES GN 41 *Management Representations* (the Guidance Note), which is effective from the date of issue and supersedes APES GN 41 issued in August 2016.

1.3 APES GN 41 provides guidance to [Members in Business](#), particularly chief financial officers, senior finance personnel and other senior personnel, in understanding their professional and ethical obligations associated with preparing and/or signing [Management Representations](#) to [Those Charged with Governance](#) or an external party. This Guidance Note does not prescribe or create any mandatory requirements.

1.4 [Members in Business](#) using this Guidance Note should refer to APESB's *Due process and working procedures for the development and review of APESB pronouncements* (APESB's Due Process document). The APESB's Due Process document provides the meaning of the term 'should' used in this Guidance Note.¹

1.5 [Members in Business](#) working in Australia should follow the guidance in APES GN 41 when they provide [Professional Activities](#) to their [Employer](#).

1.6 [Members in Business](#) outside of Australia should follow the guidance in APES GN 41 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations.

1.7 The Guidance Note is not intended to detract from any responsibilities which may be imposed by law or regulation.

1.8 All references to [Professional Standards](#), guidance notes and legislation are references to those provisions as amended from time to time.

1.9 [Members in Business](#) are required to comply with other applicable [Professional Standards](#) and be familiar with relevant guidance notes when performing [Professional Activities](#) for [Employers](#). All [Members](#) are required to comply with the fundamental principles outlined in the [Code](#).

1.10 In applying the guidance outlined in APES GN 41, [Members in Business](#) should be guided not merely by the words but also by the spirit of this Guidance Note and the [Member's](#) professional obligation to comply with the requirements of the [Code](#).

1.11 In this Guidance Note, unless otherwise specified, words in the singular include the plural and vice versa, words of one gender include another gender, and words referring to persons include corporations or organisations, whether incorporated or not.

1 Refer to APESB's Due Process document, Section 5, Paragraph 5.2(e).

2. Definitions

Defined terms are shown in the body of the Guidance Note in title case.

For the purpose of this Guidance Note:

Applicable Financial Reporting Framework means the financial reporting framework adopted by management and, where appropriate, [Those Charged with Governance](#) in the preparation of the financial report that is acceptable in view of the nature of the entity and the objective of the financial report, or that is required by law or regulation.

The term *fair presentation framework* means a financial reporting framework that requires compliance with the requirements of the framework and:

- (a) Acknowledges explicitly or implicitly that, to achieve fair presentation of the financial report, it may be necessary for management to provide disclosures beyond those specifically required by the framework; or
- (b) Acknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the financial report. Such departures are expected to be necessary only in extremely rare circumstances.

In the context of financial reporting, the term *compliance framework* means a financial reporting framework that requires compliance with the requirements of the applicable framework, but does not contain the acknowledgements in (a) or (b) above.

Code means APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Employer means an entity or person that employs, engages or contracts a [Member in Business](#).

Financial Reporting Certification means a [Management Representation](#) provided by the chief executive officer and chief financial officer to [Those Charged with Governance](#) in relation to an entity's [Financial Statements](#).

Financial Statements mean a structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term can relate to a complete set of Financial Statements, but it can also refer to a single Financial Statement, for example, a balance sheet, or a statement of revenues and expenses, and related explanatory notes. The requirements of the financial reporting framework determine the form and content of the Financial Statements and what constitutes a complete set of Financial Statements. For the purposes of this Guidance Note, financial report is considered to be an equivalent term to Financial Statements.

Fraud means an intentional act by one or more individuals among management, [Those Charged with Governance](#), employees or third parties, involving the use of deception to obtain an unjust or illegal advantage.

Group Financial Report means a financial report that includes the financial information of more than one component. The term 'Group Financial Report' also refers to combined financial reports aggregating the financial information prepared by components that have no parent but are under common control.

Group Management means management, or [Those Charged with Governance](#), responsible for the preparation of the [Group Financial Report](#).

Internal Control means the process designed, implemented and maintained by [Those Charged with Governance](#), management and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The term 'controls' refers to any aspects of one or more of the components of Internal Control.

Management Representations means a written statement by management provided to [Those Charged with Governance](#) or external parties to confirm certain matters or to support evidence. Management Representations in this context do not include the financial report, the assertions therein, or supporting books and records.

Management's Expert means an individual or organisation possessing expertise in a field other than accounting, whose work in that field is used by management of the entity to assist the entity in preparing the financial report.

Member means a member of a [Professional Body](#) that has adopted this Guidance Note as applicable to their membership, as defined by that [Professional Body](#).

Member in Business means a [Member](#) working in areas such as commerce, industry, service, the public sector, education, the not-for-profit sector, or in regulatory or professional bodies, who might be an employee, contractor, partner, director (executive or non-executive), owner-manager or volunteer.

Member in Public Practice means a [Member](#), irrespective of functional classification (for example, 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](#).

Misstatement means a difference between the amount, classification, presentation or disclosure of a reported item in financial information and the amount, classification, presentation or disclosure that is required for the item to be in accordance with the [Applicable Financial Reporting Framework](#). Misstatements can arise from error or [Fraud](#).

Where the financial information is prepared in accordance with a fair presentation framework, Misstatements also include those adjustments of amounts, classifications, presentation or disclosures that, in the judgement of the [Member in Business](#), are necessary for the financial information to be presented fairly, in all material respects.

Outsourced Service Provider means an entity including a person that is providing services in accordance with an [Outsourcing](#) agreement. The Outsourced Service Provider may not be located in the same country as the [Member in Business](#) and may not even be a [Member](#).

Outsourcing means an activity where an entity engages a party, on a continuing basis, to perform a business activity that is being, has been, or could be performed by that entity.

Professional Activity means an activity requiring accountancy or related skills undertaken by a [Member](#), including accounting, auditing, tax, management consulting, and financial management.

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

Professional Standards means all standards issued by Accounting Professional & Ethical Standards Board Limited and all professional and ethical requirements of the applicable [Professional Body](#).

Risk means the effect of uncertainty on objectives.

Risk Management Framework means the foundations² and organisational arrangements³ for designing, implementing, monitoring, reviewing and continually improving Risk management throughout the entity.

Those Charged with Governance means the person(s) or organisation(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, Those Charged with Governance might include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.

3. Fundamental responsibilities of Members in Business

3.1 The Code is the conceptual framework and foundation upon which all APESB pronouncements are based. Compliance with and application of the Code is fundamental to the ethical behaviour of Members in Business. Non-compliance with the Code can lead to disciplinary proceedings being initiated by the Professional Body to which the Member belongs.

3.2 A Member in Business who performs a Professional Activity, including a Member who provides Management Representations to Those Charged with Governance or external parties on Financial Statements or other relevant matters, is required to comply with Part 1 *Complying with the Code, Fundamental Principles and Conceptual Framework* and Part 2 *Members in Business (including employment relationships of Members in Public Practice)* of the Code, and applicable laws or regulations.

4. Management Representations

4.1 Management Representations provided by Members in Business to Those Charged with Governance or external parties include, but are not limited to:

External Management Representations

- (a) written representations provided to Members in Public Practice (for example, external auditors) in respect of annual Financial Statements and half-year Financial Statements^{4,5};
- (b) written representations provided to Members in Public Practice (for example, external auditors) in respect of subject matters other than historical financial information⁶;
- (c) written representations provided to Members in Public Practice (for example, external auditors) to support compliance reporting obligations by insurance companies and Australian Financial Services Licensees⁷ (who are regulated by the Australian Securities and Investments Commission and/or the Australian Prudential Regulation Authority);
- (d) Management Representations provided to Members in Public Practice in respect of a compilation engagement;

2 The foundations include the policies, objectives, mandate and commitment to manage Risk.

3 The organisational arrangements include plans, relationships, accountabilities, resources, processes and activities.

4 *Corporations Act 2001* sections 295A, 300A and 312.

5 Auditing and Assurance Standards Board: Auditing Standard ASA 580 *Written Representations*.

6 Auditing and Assurance Standards Board: ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

7 Auditing and Assurance Standards Board: Guidance Statement GS 003 *Assurance Relating to Australian Financial Services Licenses issued under the Corporations Act 2001*.

- (e) **Management Representations** provided to an **Employer** or **Members in Public Practice** in respect of a valuation service;
- (f) **Management Representations** provided to an **Employer** or **Members in Public Practice** in respect of a due diligence committee, for example, acquisitions, divestments, restructuring or raising finance from capital and debt markets⁸;
- (g) **Management Representations** provided to rating agencies or similar organisations who are performing evaluations of the organisation's financial capacity and stability or governance arrangements;
- (h) **Management Representations** provided to an organisation's financiers or lenders when obtaining, raising or renegotiating finance or in respect of ongoing compliance with loan covenants;
- (i) **Management Representations** provided to external certification bodies that provide independent confirmation on entities' quality management systems (for example, ISO 9001);

Internal Management Representations

- (j) **Financial Reporting Certifications** including **Internal Control** questionnaires;
- (k) declarations provided to the board/audit committee of a local or foreign jurisdiction in accordance with the respective jurisdiction's regulations; or
- (l) **Management Representations** in respect of continuous disclosure obligations provided by management to the chief executive officer, chief financial officer and/or **Those Charged with Governance** to enable the respective party to provide disclosures to the market.

4.2 **Management Representations** are commonly used by **Those Charged with Governance** to assist them in discharging their obligations to external parties.

4.3 Where **Management Representations** are to be provided to an external party, a failure to provide the **Management Representations** may have implications for the external party's report, or impose a regulatory obligation on the external party to report that the applicable **Management Representations** have not been provided.

5. Professional obligations in respect of Management Representations

5.1 **Members in Business** are required to prepare or present **Management Representations** in a manner that is fair and honest, in accordance with applicable **Professional Standards** and where applicable, in accordance with the **Applicable Financial Reporting Framework**. This includes preparing or presenting **Management Representations** in a manner that is intended:

- (a) to neither mislead nor to influence contractual or regulatory outcomes inappropriately; and
- (b) to neither omit nor include information which would cause the **Management Representations** to be misleading.

5.2 When presenting information, **Members in Business** are required to comply with Section 220 *Preparation and Presentation of Information* of the **Code**. **Members** should consider the purpose of the **Management Representations**, the context, its users and their decision-making processes.

8 *Corporations Act 2001* sections 710 and 1013D.

- 5.3 Where a **Member in Business** prepares and/or signs **Management Representations**, the **Member** is required to comply with Section 230 *Acting with Sufficient Expertise* of the **Code**. The **Member** is required to maintain professional knowledge and skill at the level required and should be knowledgeable of the entity's industry and other relevant matters to ensure the **Member** is able to perform a **Professional Activity** with the appropriate degree of professional competence and due care. The **Member** is required to have, or obtain sufficient specific training or experience, and possess sufficient time and adequate resources to complete the **Management Representations** within the reporting deadline.

Using the work of others

- 5.4 Where a **Member in Business** uses the work of others (for example, **Management's Expert**, **Outsourced Service Provider** or internal personnel) to provide **Management Representations**, the **Member** should be satisfied that such work enables the **Member** to fulfil the obligations set out in paragraph 5.1.
- 5.5 Where a **Member in Business** has determined that the work of others may include a **Misstatement** or that the **Management Representations** are misleading, the **Member** should consider taking qualitative as well as quantitative factors into consideration when evaluating the significance of the suspected **Misstatement** or the potentially misleading **Management Representations**. The **Member** should consider undertaking the following procedures:
- making enquiries of the work of others to assess the reliability, accuracy and completeness of **Management Representations** provided; or
 - performing verification procedures on the relevant matter; and
 - reassessing the suspected **Misstatement** or potentially misleading **Management Representations** on an ongoing basis.

Confidentiality and disclosure

- 5.6 Where a **Member in Business** is considering disclosing confidential information acquired in the course of providing **Professional Activities**, the **Member** is required to comply with Subsection 114 *Confidentiality* of the **Code**. The **Member** should also consider relevant laws and regulations⁹ and guidance in Section 5 *Threats to the fundamental principles* of APES GN 40 *Ethical Conflicts in the Workplace - Considerations for Members in Business*.
- 5.7 Where a **Member in Business** encounters or becomes aware of instances of non-compliance or suspected non-compliance with laws and regulations in respect of **Management Representations**, the **Member** is required to comply with Section 260 *Responding to Non-Compliance with Laws and Regulations* of the **Code**.

6. Management Representation considerations at the entity level

- 6.1 A **Member in Business** who prepares or reviews **Management Representations** at the entity level should consider taking reasonable steps to:
- communicate the group policies and procedures (including any changes) in respect of financial reporting to the entity's personnel in a timely manner, where the entity is part of a group.
 - oversee or obtain comfort regarding the recruitment and selection process of finance personnel who possess the relevant skills and expertise to perform their tasks with integrity and objectivity.

9 In Australia, whistleblower protection is addressed in *Corporations Act 2001* for the private sector (including breaches of the tax laws and regulations) and in other legislation in place federally and in states and territories for the public sector.

- (c) develop the competence of personnel who are involved in the **Management Representations** process that includes:
 - (i) continuing professional development on **Professional Standards**, legal obligations and other regulations (for example, insider trading, corporate governance, applicable accounting, and auditing and assurance standards);
 - (ii) providing relevant work experience to continuously develop their skills, and
 - (iii) coaching of junior personnel by more experienced personnel.

6.2 During the **Management Representation** process, a **Member in Business** may encounter circumstances that may create threats to compliance with the fundamental principles of the **Code**. These circumstances include:

- (a) business transactions or activities that impair or might impair the entity's and group's good reputation;
- (b) potential accounting and tax transactions or arrangements which may not be in accordance with applicable legal and regulatory requirements;
- (c) arrangements which involve documents or accounting entries that are intended to misrepresent a transaction or which is dependent upon its lack of disclosure for its effectiveness;
- (d) potential unethical conduct, or non-compliance with applicable legal and regulatory obligations; or
- (e) participation in incentive compensation arrangements that may influence decisions made by the **Member**.

In these circumstances, the **Member in Business** is required to comply with Part 1 *Complying with the Code, Fundamental Principles and Conceptual Framework* and Part 2 *Members in Business (including employment relationships of Members in Public Practice)* of the **Code** and should consider taking appropriate action in accordance with the entity's or group's policies and procedures, or alternatively inform **Group Management** or **Those Charged with Governance** to enable them to take appropriate action to eliminate the threat or reduce the threat to an acceptable level.

6.3 A **Member in Business** who is taking reasonable steps to make **Management Representations** is required to act with integrity and objectivity in accordance with the fundamental principles of the **Code** regardless of the outcome of the **Management Representation** process.

6.4 A **Member in Business** should consider reporting actual or potential **Internal Control** weaknesses in the entity's **Internal Control** environment identified in a **Management Representation** process to **Group Management** or **Those Charged with Governance**, as appropriate.

7. Management Representation considerations at the controlling entity level

7.1 A **Member in Business** who prepares and/or reviews the group **Management Representations** at the controlling entity level, should consider the policies and procedures designed to provide **Those Charged with Governance** with reasonable confidence that the group **Management Representations** are appropriate, including:

- (a) promoting consistency in the group **Management Representation** process;
- (b) assisting and/or supervising the group **Management Representation** process;
- (c) reviewing the group **Management Representation** process; and
- (d) taking reasonable steps to create an organisational culture and environment of compliance with the applicable group reporting requirements.

- 7.2 The responsibilities of a **Member in Business** who assists and/or supervises the group **Management Representation** process may include:
- (a) monitoring the process;
 - (b) considering the ability of the personnel to support the **Member's** compliance with the professional and ethical requirements of the **Code**;
 - (c) considering the skills, competency, capabilities and knowledge of the personnel involved and whether they understand group reporting instructions;
 - (d) guiding personnel to complete the **Management Representations**;
 - (e) assessing whether it is carried out in accordance with the group policies and procedures;
 - (f) addressing significant matters or discrepancies arising; and
 - (g) assessing the completeness of group **Management Representations**.
- 7.3 The responsibilities of a **Member in Business** who reviews the group **Management Representation** process may include:
- (a) ensuring personnel with the relevant skills, knowledge and abilities are overseeing the group **Management Representations**;
 - (b) performing sufficient enquiries and reviews to ensure that entities (notwithstanding the complex group structures) are in compliance with the group accounting policies and group **Management Representation** processes;
 - (c) obtaining reasonable confidence of the validity and reliability of the **Management Representations** (for example, sample reviews by internal audit or the **Member in Business**); and
 - (d) determining if discrepancies exist between **Internal Control** matters reported by the internal auditor, external auditor and the entity's **Management Representations**.
- 7.4 Where a **Member in Business** identifies **Internal Control** weaknesses, **Fraud**, irregularities, suspected non-compliance with laws and regulations or potential issues in a **Management Representation** process that may have not been dealt with by management previously, the **Member** should consider:
- (a) providing appropriate guidance for personnel to communicate within the group in respect of potential next steps including reporting such matters, where material, to **Those Charged with Governance**;
 - (b) taking reasonable steps to ensure that the identified issues are being dealt with appropriately by the relevant personnel;
 - (c) taking reasonable steps to ensure appropriate remedial action is being taken to resolve issues identified by the external auditors and internal auditors (in particular, noting issues which may be pervasive); and
 - (d) documenting and reporting to **Those Charged with Governance** on how material contentious matters are being resolved, such as non-compliance with laws and regulations or **Risk** management issues.

Financial Reporting Certification considerations

- 7.5 A **Member in Business** should consider performing an assessment of how the organisation's **Internal Control** environment and the financial reporting framework support the group's **Financial Reporting Certification**.

- 7.6 A **Member in Business** who uses an **Internal Control** questionnaire or equivalent as a confirmation process to obtain evidence and reasonable confidence regarding the integrity of the **Group Financial Report** or to test the operating effectiveness of the **Internal Control** environment, should consider:
- (a) tailoring the **Internal Control** questionnaire so that it is appropriate, relevant and directed at significant areas of each entity; and
 - (b) requesting feedback from each entity on significant **Risks** that impact the **Group Financial Report**.
- 7.7 A **Member in Business** should consider the roles and responsibilities of all stakeholders in the group financial reporting or in the group **Financial Reporting Certification** process by:
- (a) regularly assessing the group **Financial Reporting Certification**;
 - (b) communicating and explaining to personnel the requirements and importance of the group **Financial Reporting Certification**, and the role the group **Internal Control** environment plays; and
 - (c) reviewing the evidence provided by entities' management to support the group **Financial Reporting Certification** and ensuring its consistency with the overall view of the entity and its operations.
- 7.8 A **Member in Business** who provides a group **Financial Reporting Certification** to **Those Charged with Governance** should:
- (a) consider reviewing **Internal Control** questionnaires and obtaining any necessary clarifications or additional information from entity's management; and
 - (b) be satisfied that the requirements of the relevant laws and regulations^{10,11} are met.
- 7.9 Where the **Member in Business** is unable to resolve matters that have a material impact on the group **Management Representations**, the **Member** should consider referring those matters to **Those Charged with Governance**.
- 7.10 Where a **Member in Business** implements a group **Risk Management Framework**, the **Member** should consider taking reasonable steps to ensure the group **Risk Management Framework**:
- (a) identifies and manages **Fraud Risk** factors, financial reporting **Risks** and corruption **Risks**; and
 - (b) considers non-financial reporting processes that will have an impact on the **Group Financial Reports**, either now or in future, for example, greenhouse gas disclosures, environmental and sustainability reports and information technology matters.

8. Management Representation considerations at the board or audit committee level

- 8.1 A **Member in Business** should consider assessing the entity's or the group's **Management Representation** process, by considering whether the **Group Management**:
- (a) possesses appropriate leadership capabilities;
 - (b) has appropriate expertise, experience, training and/or education;
 - (c) exhibits adherence and commitment to appropriate ethical and **Professional Standards**;
 - (d) appropriately monitors, controls and reviews processes; and
 - (e) effectively documents and communicates policies and procedures.

10 For example, *Corporations Act 2001* Section 295A.

11 For example, ASX Corporate Governance Council *Corporate Governance Principles and Recommendations* Recommendation 4.2.

- 8.2 A **Member in Business** should consider evaluating whether the entity's or the group's policies and procedures in a **Management Representation** process:
- (a) support a strong ethical culture;
 - (b) establish clearly defined channels for personnel to raise any concerns to **Group Management** or **Those Charged with Governance** in a manner that enables personnel to come forward without fear of reprisals;
 - (c) maintain a **Risk Management Framework** in respect of the provision of quality and ethical **Professional Activities** that identifies, assesses and addresses material **Risks**; and
 - (d) implement safeguards, conditions, policies and procedures in the work environment (for example, systems of corporate oversight, ethics and conduct programs, recruitment procedures, strong group-wide controls, appropriate disciplinary processes and quality of employee performance) to eliminate or reduce threats of non-compliance with the fundamental principles of the **Code**.
- 8.3 Where a **Member in Business** is assessing the adequacy, efficiency and effectiveness of the **Management Representation** process, the **Member** should consider whether management has adequate processes to monitor the entity's or the group's **Internal Control** environment and information systems.
- 8.4 Where a **Member in Business** is unable to resolve matters that have a material impact on the **Management Representation** process, the **Member** should consider:
- (a) assessing the impact of any deficiencies noted on the entity or the group's **Internal Control** environment, business processes and the resulting impact on the **Group Financial Report**; and
 - (b) discussing the unresolved matter with management, the audit committee or **Those Charged with Governance** of the entity, as appropriate.

Financial Reporting Certification considerations

- 8.5 A **Member in Business** who reviews a **Financial Reporting Certification** in respect of an entity's **Financial Statements**, should consider performing an assessment to determine the quality, reliability and effectiveness of **Management Representations**.
- 8.6 Where a **Member in Business** is part of **Those Charged with Governance** and has received declarations from management that the **Financial Reporting Certification** process is in accordance with legislative or regulatory requirements¹² or a voluntary equivalent, the **Member** should consider its reasonableness and assess:
- (a) the effectiveness of the entity's or the group's strategies and processes adopted to manage material business **Risks** and to support the **Financial Reporting Certification**;
 - (b) the feedback provided by internal auditors and external auditors to the board or audit committee on these business **Risks**; and
 - (c) whether the responses from the **Financial Reporting Certification** are aligned with the actual circumstances of the group's operations.

12 For example, *Corporations Act 2001* Section 295A.

9. Documentation

- 9.1 A **Member in Business** who prepares and/or signs **Management Representations** should consider whether the entity maintains documentation that appropriately supports the work performed and conclusions reached, for example, the basis, method, calculations, determinations or estimates used in the provision of a **Professional Activity** to the **Member's Employer**.
- 9.2 A **Member in Business** who is at the board or audit committee level should consider taking reasonable steps to ensure that:
- (a) the entity retains relevant documentation in respect of the key matters considered and discussed at the board or audit committee meeting; and
 - (b) the key decisions made at those meetings are appropriately reflected in the minutes of the applicable meeting.

Conformity with International Pronouncements

The International Ethics Standards Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES GN 41.

Appendix 1

Summary of revisions to the previous APES GN 41 (Issued in August 2016)

APES GN 41 *Management Representations* was originally issued in August 2016 (extant APES GN 41). APES GN 41 has been revised by APESB in March 2020. A summary of the revisions is given in the table below.

Table of revisions*

Paragraph affected	How affected
1.2	Amended
1.4	Amended
1.5	Added
1.6 – Paragraph 1.5 in extant APES GN 41 relocated	Amended
1.7 – Paragraph 1.6 in extant APES GN 41	Relocated
1.8 – Paragraph 1.7 in extant APES GN 41	Relocated
1.9 – Paragraph 1.8 in extant APES GN 41 relocated	Amended
1.10 – Paragraph 1.9 in extant APES GN 41	Relocated
1.11 – Paragraph 1.10 in extant APES GN 41	Relocated
2 – Introduction	Amended
2 – Definition of Code	Amended
2 – Definition of Financial Statements	Amended
2 – Definition of Group Financial Report	Amended
2 – Definition of Internal Control	Amended
2 – Definition of Member	Amended
2 – Definition of Member in Business	Amended
2 – Definition of Member in Public Practice	Amended
2 – Definition of Misstatement	Amended
2 – Definition of Professional Activity	Amended
2 – Definition of Risk Management Framework	Amended
2 – Definition of Those Charged with Governance	Amended
3.2	Amended
4.1	Amended
5.2	Amended
5.3	Amended
5.4	Amended
5.6	Amended
5.7	Amended
6.1	Amended
6.2	Amended
6.4	Amended
7.3	Amended
7.4	Amended
7.10	Amended
8.2	Amended
8.3	Amended
8.4	Amended

*Refer *Technical Update 2020/6*