

APES 210 Conformity with Auditing and Assurance Standards

[Supersedes APES 210 Conformity with Auditing and Assurance Standards issued in November 2011]

Prepared and issued by
Accounting Professional & Ethical Standards Board Limited

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1. Scope and application

- 1.1 The objectives of APES 210 *Conformity with Auditing and Assurance Standards* are to specify a Member's professional and ethical obligations in respect of:
- fundamental responsibilities when the Member performs an Assurance Assignment or an Assurance Engagement;
 - compliance with applicable Independence requirements;
 - compliance with Auditing and Assurance Standards; and
 - considerations of relevant Auditing and Assurance Guidance.
- 1.2 Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 210 *Conformity with Auditing and Assurance Standards* (**the Standard**), which is effective from 1 January 2016 and supersedes APES 210 issued in November 2011. Earlier adoption of this Standard is permitted.
- 1.3 APES 210 sets the standards for Members to comply with Auditing and Assurance Standards when they conduct Assurance Assignments or Assurance Engagements. The mandatory requirements of this Standard are in **bold-type**, preceded or followed by discussion or explanations in normal type. APES 210 should be read in conjunction with other professional duties of Members, and any legal obligations that may apply.
- 1.4 In undertaking work, including honorary work that is within the scope of an Assurance Engagement, a Member in Business is a Member in Public Practice for the purpose of this Standard.
- 1.5 **Members in Australia shall follow the mandatory requirements of APES 210.**
- 1.6 **Members outside of Australia shall follow the provisions of APES 210 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations in the country in which they are working.**
- 1.7 **Members shall be familiar with relevant Professional Standards and guidance notes when performing Professional Activities. All Members shall comply with the fundamental principles outlined in the Code.**
- 1.8 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.9 All references to Professional Standards, guidance notes and legislation are references to those provisions as amended from time to time.
- 1.10 In applying the requirements outlined in APES 210, Members should be guided not merely by the words but also by the spirit of this Standard and the Code.
- 1.11 In this Standard, 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.

2. Definitions

For the purpose of this Standard:

Assignment means an instruction, whether written or otherwise, by an employer to a Member in Business relating to the provision of Professional Activities by a Member in Business. However, consultations with the employer prior to such instruction are not part of an Assignment.

Assurance Assignment means an Assignment in which a conclusion is expressed by a Member in Business designed to enhance the degree of confidence of the intended users about the outcome of the evaluation or measurement of a subject matter against criteria.

Assurance Engagement means an Engagement in which a Member in Public Practice aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria).

This includes an Engagement in accordance with the *Framework for Assurance Engagements* issued by the AUASB or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.

AuASB means the Auditing and Assurance Standards Board which issued Australian auditing and assurance standards up to 30 June 2004, under the auspices of the Australian Accounting Research Foundation, a joint venture of CPA Australia and the Institute of Chartered Accountants in Australia.

AUASB means the Australian statutory body called the Auditing and Assurance Standards Board established under section 227A of the *Australian Securities and Investments Commission Act 2001*.

Auditing and Assurance Guidance means:

- (a) the guidance statements and other guidance publications, as defined in the *Foreword to AUASB Pronouncements*, issued by the AUASB; and
- (b) the auditing and assurance guidance statements and other guidance publications issued by the AuASB on behalf of CPA Australia and the Institute of Chartered Accountants in Australia.

Auditing and Assurance Standards means:

- (a) the AUASB standards, as described in *ASA 100 Preamble to AUASB Standards*, *ASA 101 Preamble to Australian Auditing Standards* and the *Foreword to AUASB Pronouncements*, issued by the AUASB, and operative from the date specified in each standard; and
- (b) those standards issued by the AuASB which have not been revised and reissued (whether as standards or as guidance) by the AUASB, to the extent that they are not inconsistent with the AUASB standards.

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

Code means APES 110 *Code of Ethics for Professional Accountants*.

Engagement means an agreement, whether written or otherwise, between a Member in Public Practice and a Client relating to the provision of Professional Services by a Member in Public Practice. However, consultations with a prospective Client prior to such agreement are not part of an Engagement.

Firm means:

- (a) A sole practitioner, partnership, corporation or other entity of professional accountants;
- (b) An entity that controls such parties, through ownership, management or other means;
- (c) An entity controlled by such parties, through ownership, management or other means;
or
- (d) An Auditor-General's office or department.

Member means a member of a Professional Body that has adopted this Standard as applicable to their membership, as defined by that Professional Body.

Member in Business means a Member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a Member contracted by such entities.

Member in Public Practice means a Member, irrespective of functional classification (e.g., 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.

Professional Activity means an activity requiring accountancy or related skills undertaken by a Member, including accounting, auditing, taxation, management consulting, and financial management.

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

Professional Services means Professional Activities performed for Clients.

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

3. Fundamental responsibilities of Members

Public interest

- 3.1 In accordance with Section 100 *Introduction and Fundamental Principles of the Code*, Members shall observe and comply with their public interest obligations when they perform an Assurance Assignment or an Assurance Engagement.

Independence

- 3.2 When engaged to perform an Assurance Engagement, a Member in Public Practice shall comply with Section 290 *Independence – Audit and Review Engagements* or Section 291 *Independence – Other Assurance Engagements* of the Code, as applicable.

Professional competence and due care

- 3.3 In accordance with Section 130 *Professional Competence and Due Care* of the Code, a Member in Public Practice who is performing an Assurance Engagement shall ensure that the Member or the Firm has the requisite professional knowledge and skill or shall engage a suitably qualified external person. If the Member is unable to engage a suitably qualified person when required, the Member shall decline the Engagement.

4. Auditing and Assurance Standards

- 4.1 Except for the circumstances described in paragraph 4.2, a Member shall comply with Auditing and Assurance Standards.
- 4.2 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. In these circumstances, a Member shall not assert compliance with any of those standards in the Member's report.

5. Auditing and Assurance Guidance

- 5.1 A Member should follow relevant Auditing and Assurance Guidance.

Conformity with International Pronouncements

The International Ethics Standards Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES 210.

Appendix 1

Summary of revisions to the previous APES 210 (Issued on 30 November 2011)

APES 210 *Conformity with Auditing and Assurance Standards* was originally issued on 30 September 2008 and subsequently revised on 30 November 2011. APES 210 has been revised by APESB in October 2015. A summary of the revisions is given in the table below.

Table of revisions*

Paragraph affected	How affected
1.1	Added
1.2 – Paragraph 1.1 of existing APES 210 relocated	Amended
1.3 – Paragraph 1.2 of existing APES 210 relocated	Amended
1.7 – Paragraph 1.6 of existing APES 210 relocated	Amended
1.9 – Paragraph 1.8 of existing APES 210 relocated	Amended
1.10 – Paragraph 1.9 of existing APES 210 relocated	Amended
1.11	Added
2 – Definition of Assignment	Amended
2 – Definition of Assurance Engagement	Amended
2 – Definition of Auditing and Assurance Standards	Amended
2 – Definition of Client	Amended
2 – Definition of Member	Amended
2 – Definition of Member in Public Practice	Amended
2 – Definition of Professional Activity	Added
2 – Definition of Professional Bodies	Added
2 – Definition of Professional Services	Amended
2 – Definition of Professional Standards	Amended

* Refer Technical Update 2015/4