



## **Annual Review of APES 210 *Conformity with Auditing and Assurance Standards* issued in September 2008**

Prepared by  
Rozelle Azad  
Project Manager

12 November 2011

## **1. Executive Summary**

### **1.1 Background**

The Accounting Professional and Ethical Standards Board (APESB) issued APES 210 *Conformity with Auditing and Assurance Standards* in September 2008 with an effective date 30 September 2008.

### **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**

Stakeholders noted that paragraph 3.2 of APES 210 needs to be updated to reflect the fact that Independence is dealt with in both sections 290 and 291 of APES 110 *Code of Ethics for Professional Accountants* (the Code).

No further issues have been identified by stakeholders in relation to APES 210 that would require amendments to the standard.

### **1.4. Summary of Recommendations**

Update paragraph 3.2 of APES 210 to require Members to comply with the Independence requirements contained in section 290 and 291 of the Code.

## **2 Review Issues Identified**

### **2.1 *The revised APES 110 Code of Ethics for Professional Accountants issued in December 2010 deals with independence in both sections 290 and 291.***

#### Issue

APESB originally issued the Code in June 2006 and subsequently made amendments in respect of the Network Firm definition (December 2007) and Corporations law changes (February 2008). The Australian Code issued by APESB is based on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC). IESBA issued a revised Code in July 2009 following which APESB revised APES 110 to reflect the changes in the International Code. The revised Code deals with independence issues in both sections 290 and 291.

### Analysis of the issue

Paragraph 3.2 of APES 210 states that a Member shall comply with section 290 *Independence – Assurance Engagements* of the Code. This reference needs to be updated to refer to the following:

- section 290 *Independence – Audit and Review Engagements*; and
- section 291 *Independence – Other Assurance Engagements*.

### **Independence**

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

### Impacted Stakeholders

Members of the professional accounting bodies

### Recommendation

Revise paragraph 3.2 of APES 210 *Conformity with Auditing and Assurance Standards* to refer to sections 290 and 291 of APES 110 *Code of Ethics for Professional Accountants*.