

AGENDA PAPER

Item Number: 5(c)
Date of Meeting: 29 November 2016
Subject: Annual review of APES 320 *Quality Control for Firms*

Action required For discussion For noting For information

Purpose

In accordance with Accounting Professional & Ethical Standards Board's (APESB) constitution, an annual review of APES 320 *Quality Control for Firms* (APES 320) has been performed to identify and resolve any issues identified by stakeholders.

Background

The APESB originally issued APES 320 in May 2006. Since then APES 320 has been reissued in May 2009 and revised in December 2015.

APES 320 incorporates ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB).

Consideration of Issues

ISQC 1

As part of its Enhancing Audit Quality initiative, the IAASB has undertaken information gathering activities including consultations with stakeholders on the topic of Quality Control and its implications on Audit Quality. At its September 2016 meeting, the IAASB has considered the comments received from respondents to its Invitation to Comment - *Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits*. The IAASB's agenda for its December 2016 meeting include further discussion on the topic of Quality Control.

APESB Technical Staff will monitor the progress of this IAASB undertaking including the potential impact on ISQC 1 and any consequential revisions to APES 320.

Technical Review

In addition to monitoring IAASB's work on Quality Control, the APESB Technical Staff have completed the following procedures to identify any issues associated with APES 320:

- Consulted with the Professional Bodies to identify whether Members or other stakeholders have raised any issues with the Professional Bodies in respect of APES 320;
- Reviewed the APESB Issues Register to identify whether stakeholders have reported any matters in relation to APES 320; and
- Performed an internal technical review of APES 320.

There are no current issues on the Issues Register in respect of APES 320.

Recommendation

Technical Staff recommend that the Board note the Annual Review of APES 320.

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Date: 11 November 2016