

Review of Submissions – Specific Comments
Exposure Draft 01/20: Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

Note: General comments relating to Exposure Draft 01/20 are addressed in a separate table. This table excludes minor editorial changes.

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to standard?
1	Glossary, Definition of Assurance Engagement	AUASB	<p>However, the APESB's current definition of 'Assurance Engagement' does not contain any reference for the subject matter in an assurance engagement to be measured against specified criteria. Adding this reference would specifically align the Assurance Engagement definition in Part 4B of the Code in Paragraph 12(a) of Standard on Assurance Engagements ASAE 3000 <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>.</p> <p>Accordingly, we would propose the APESB applies the following Assurance Engagement Definition in the revisions to Part 4B of the Code (with the difference to the current APESB definition highlighted in <i>italics</i>):</p> <p style="padding-left: 40px;">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 (<i>that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria</i>).</p> <p>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.</p> <p>(For guidance on Assurance Engagements, see the Framework for Assurance Engagements issued by the AUASB. The Framework for Assurance Engagements describes the elements and objectives of an Assurance Engagement and identifies engagements to which Australian Auditing Standards (ASAs), Standards on Review Engagements (ASREs) and Standards on Assurance Engagements (SAEs) apply.)</p> <p>In Part 4B, the term "Assurance Engagement" addresses Assurance Engagements other than Audit Engagements or Review Engagements.</p>	No
	Glossary	EY	We believe the proposed changes in the key terminology used in Part 4B will substantially align the Code with ASAE 3000 (Revised) and will thereby improve the clarity and application of Part 4B. We agree with the change to the definition of "Assurance client," considering the addition of the definition of "Attestation engagement," "Direct engagement" and "Responsible party."	No
	Parts 4A and 4B; and	EY	Regarding the split of assurance engagement between Parts 4A and 4B, we agree that it is appropriate for purposes of the Code to separate the requirements for audits of financial statements and those for assurance	No

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	definition of Financial Statements		engagements in Parts 4A and 4B, respectively. In our view, including the additional wording in the definition of "Financial statements" that this definition does not refer to specific elements, accounts or items of a financial statement will make it clear that Part 4A does not cover engagements such as those conducted under ASA 805 (Revised).	

RESPONDENTS

1	AUASB	Auditing and Assurance Standards Board
2	EY	Ernst & Young