

MEMO



The Institute of
Chartered Accountants
in Australia

Attention: Channa Wijesinghe, APESB

Subject: Compilation of amendments to APES standards

cc: _____

From: Manager Professional Standards, ICAA

Date: 30 January 2008

Channa,

At the APESB meeting in December 2007 there was discussion about amendments to APES 110 and how these could be incorporated into the Code.

The Institute has recently had cause to consider the protocol followed by the AUASB in addressing this same question of how to handle amendments to issued standards. In the interests of progressing this debate for the APESB, we have prepared a mock-up of how parts of APES 110 would look if the AUASB's protocol was applied to the Code.

The AUASB's protocol (which is largely the same as that of the AASB) involves issuing amending standards (i.e. standards which contain amendments to already issued standards). These standards are sometimes referred to as omnibus standards, because they often contain amendments that apply to a range of issued standards (typically involving a change to defined terms).

In addition to the amending standard, the AUASB issue a compiled standard, which seeks to incorporate the amendments from the amending standard into an already issued standard. This compiled standard contains a "Compilation Details" section, which sets out which amendments are being compiled, and the effective dates of both the original standard and the amendments. References back to the Compilation Details section can then be made as required from other paragraphs within the compiled standard, particularly from the Operative Date paragraph.

Note that the amending standard remains on issue even after the compiled standard has issued. The AUASB assigns the amending standard a number in the form yyyy-*nn*, such as ASA 2007-01. Presumably the APESB would use APES 2007-01. The compiled standard simply has the word "Compiled" inserted in front of the standard number – e.g. Compiled APES 110.

When another amending standard issues, the compiled standard is recompiled, incorporating both the former and new amendments. It follows that there is only ever one compiled standard on issue at a given time, although there may be a number of amending standards.

In preparing the mock-up of the compiled APES 110 pages which follow, we have used as a model the compilation of *ASA 510 Initial Engagements – Opening Balances* which was issued on 27 June 2007.

We have not reproduced all the pages of the Code, or even the pages principally amended by the Network Firms amendments. Rather we have prepared only those pages which are additional under the AUASB protocol for a compiled standard, for illustrative purposes.

We commend to the APESB this approach to dealing with amendments to issued standards

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Manager Professional Standards, Institute of Chartered Accountants in Australia

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