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APESB releases new quality management standard for non-assurance services

The Accounting Professional and Ethical Standards Board (APESB) has today released the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* specifically focussed on non-assurance practices. This standard replaces APES 320 *Quality Control for Firms*.

The key changes that are featured in the reissued APES 320 include the change in scope to only apply to non-assurance practices of firms and high-level alignment of APES 320's elements to the components of Auditing and Assurance Standards Board's ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* which will apply to Australian assurance practices.

An exposure draft was released in September 2021 and APESB appreciates the range of stakeholder feedback received.

"We are pleased with the broad range of stakeholder input and engagement which informed the Board's deliberations on a robust standard on quality management for non-assurance practices," said APESB Chairman, Nancy Milne OAM.

"APES 320 has been released as a specific quality management standard for non-assurance practices while maintaining consistency with the components of ASQM 1 to assist firms that have both non-assurance and assurance practices to implement both standards," she said.

The new standard provides comprehensive requirements and guidance material, including the requirement to establish and maintain a System of Quality Management to replace the existing system of quality control, a new definition of Engagement Output to better represent the outputs from non-assurance services. Relevant extant APES 320 requirements have been maintained to minimise disruption, so firms can continue to use most of the existing policies and procedures with some modifications.

APESB's Basis for Conclusions provides a background to the reissue of APES 320. In addition, APESB has developed a table mapping the reissued APES 320 to the extant standard to assist firms in navigating the changes and making appropriate modifications to incorporate a System of Quality Management for their firms.

The reissued APES 320 will be effective from 1 January 2023, with early adoption permitted. Stakeholders can access the new Standard on the APESB website: www.apesb.org.au.

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Notes to Editors: APESB is the National Standards Setter that sets the Code of ethics and professional standards by which members of Australia's three major professional accounting bodies (CPA Australia, Chartered Accountants Australia and New Zealand and the Institute of Public Accountants) are required to abide.

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