



ISSUES REGISTER FOR APESB PROFESSIONAL PRONOUNCEMENTS

Current as at 6 March 2023

Note to Stakeholders

The following is a summary of issues raised by stakeholders in relation to APESB pronouncements. Issues have been compiled by standard or guidance note, with the intended response and current status. Members of the professional accounting bodies, firms, professional bodies and other stakeholders are encouraged to report to APESB via the APESB website (www.apesb.org.au then Standards & Guidance/Issues Register) any new issues that need to be addressed by APESB when a pronouncement is next updated or reviewed.

Issues are entered into the register when brought to the attention of APESB by external stakeholders or through identification during internal reviews of the standard or guidance note. The issue remains on the register until it has been resolved to the satisfaction of the Board.

**APES 110 : Code of Ethics for Professional Accountants (including Independence Standards)
Issues Register**

No.	Issue	Response	Priority	Current Status
110.1	ED 03/19 requested specific comments on whether the existing provisions in the pronouncements required amendments due to the use of digital technology and artificial intelligence. A respondent's view was that the most appropriate way to address ethical issues relating to digital technology and artificial intelligence is via the Code.	This issue has been noted.	Medium	<p>Technical Staff commenced a project on the impact of technology and artificial intelligence on APESB pronouncements in 2020.</p> <p>The IESBA have also been working on a technology project. The IESBA are expected to release a final pronouncement on Technology-related revisions to the Code in April 2023.</p> <p>Technical Staff will continue to monitor the progress of the IESBA Technology Project.</p>
110.2	A professional body provided feedback in a submission on APES 320 <i>Quality Management for Firms that provide Non-Assurance Services</i> as to whether the new 'Role and Mindset' provisions in the Code are more appropriate than 'Independence' in other APESB pronouncements.	This issue has been noted.	Low	APESB will consider this matter during future reviews of relevant pronouncements.

APES 205 : Conformity with Accounting Standards
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES 210 : Conformity with Auditing and Assurance Standards Issues Register				
No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 215 : Forensic Accounting Services
Issues Register**

No.	Issue	Response	Priority	Current Status
215.1	The Australian Securities and Investments Commission (ASIC) raised concerns with APESB that the example in the definition of Other Evidence and examples 6 and 7 in Appendix 3 of APES 215 are not consistent with evidence ASIC adduce under section 50 of the Evidence Act and the findings in <i>Idyllic Solutions Pty Ltd & Ors – Australian Securities and Investments Commission v Hobbs [2012] NSWSC 568</i> (ASIC v Hobbs). An initial review of APES 215 has identified that the definitions of Lay Witness, Lay Witness Services, Expert Evidence, Other Evidence, Consulting Expert and Consulting Expert Service may also need to be considered.	This issue has been noted.	Medium	A project to review APES 215 commenced in June 2021. In December 2022, APESB issued an exposure draft (ED 07/22) for public comment. The proposals in the ED address concerns relating to evidence presented to the court under section 50 of the Evidence Act 1955 and includes quality management-related conforming amendments. APESB is expected to consider the outcome of the exposure draft due process at the May 2023 Board Meeting.
215.2	Technical Staff have identified the need to consider the impact on APES 215 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	The proposed conforming amendments for Quality Management were incorporated into an exposure draft (ED 07/22) issued in December 2022. APESB will consider the outcome of the exposure draft due process at the May 2023 Board Meeting.

**APES 220 : Taxation Services
Issues Register**

No.	Issue	Response	Priority	Current Status
220.1	<p>Technical Staff note that paragraphs 3.9 and 3.12 in APES 220 relating to confidentiality currently refer to 'a legal, regulatory, or professional obligation of disclosure'. Technical Staff are of the view that this reference needs to be amended to 'a legal, regulatory, or professional right or duty to disclose' to align with the confidentiality provisions in Subsection 114 <i>Confidentiality</i> of APES 110.</p>	<p>This issue was noted during the project on whistleblowing.</p>	Medium	<p>Technical staff will consider this matter in the next revision of APES 220.</p>
220.2	<p>Technical Staff note that paragraph 3.12 in APES 220 requires a Member to notify the Client, Employer or relevant third party if they provide confidential information in accordance with a legal, regulatory or professional obligation of disclosure. This requirement also does not align with the intent of the Whistleblower protection legislation to allow disclosures to be made confidentially. Consideration should be given to whether the approach used in the NOCLAR provisions requiring the application of professional judgement in determining whether to inform the client, employer or relevant third party could be used.</p>	<p>This issue was noted during the project on whistleblowing.</p>	Low	<p>Technical staff will consider this matter in the next revision of APES 220.</p>
220.3	<p>An issue was raised with APESB Technical Staff about the interplay of paragraph 4.3 of APES 220 with guidance released by the Tax Practitioners Board (TPB) on supervisory agreements and supervision and control, in particular in relation to whether an individual should be an employee of the registered tax agent.</p> <p>TPB advised that they are in the process of reviewing this guidance period with a public consultation process to take place in early 2021. Consideration will need to be given to this revised guidance and the impact, if any, on APES 220.</p>	<p>This issue has been noted.</p>	Medium	<p>In October 2021, the TPB released Information Sheet TPB(I) 36/2021 Supervisory arrangements under the <i>Tax Agent Services Act 2009</i>. The guidance clarifies that supervisory arrangements may be in place with an individual who is not an employee of the registered tax agent.</p> <p>APESB Technical Staff will consider the guidance in the information sheet for any applicable revisions to APES 220.</p>

**APES 220 : Taxation Services
Issues Register**

No.	Issue	Response	Priority	Current Status
220.4	Technical Staff have identified the need to consider the impact on APES 220 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	APESB will consider any conforming amendments in the next revision of APES 220.

**APES 225 : Valuation Services
Issues Register**

No.	Issue	Response	Priority	Current Status
225.1	Technical staff note that Section 3 of APES 225 refers specifically to Members in Public Practice when dealing with conflicts of interest. Consideration should be given to whether this section should contain guidance for Members in Business.	The issue was noted during the project to restructure the APESB pronouncements.	Medium	Technical staff will consider this matter in the next revision of APES 225.
225.2	Technical Staff note that paragraphs 3.11 and 3.13 in APES 225 relating to confidentiality currently refer to 'a legal, regulatory, or professional obligation of disclosure'. Technical Staff are of the view that this reference needs to be amended to 'a legal, regulatory, or professional right or duty to disclose' to align with the confidentiality provisions in Subsection 114 <i>Confidentiality</i> of APES 110.	This issue was noted during the project on whistleblowing.	Low	Technical staff will consider this matter in the next revision of APES 225.
225.3	Technical Staff note that paragraph 3.13 in APES 225 requires a Member to notify the Client, Employer or relevant third party if they provide confidential information in accordance with a legal, regulatory or professional obligation of disclosure. This requirement also does not align with the intent of the Whistleblower protection legislation to allow disclosures to be made confidentially. Consideration should be given to whether the approach used in the NOCLAR provisions requiring the application of professional judgement in determining whether to inform the client, employer or relevant third party could be used.	This issue was noted during the project on whistleblowing.	Low	Technical staff will consider this matter in the next revision of APES 225.
225.4	Technical Staff have identified the need to consider the impact on APES 225 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	APESB will consider relevant conforming amendments in the next revision of APES 225.

**APES 230 : Financial Planning Services
Issues Register**

No.	Issue	Response	Priority	Current Status
230.1	<p>Members in Public Practice who provide credit advice are regulated under the <i>National Consumer Credit Protection Act</i> and not the <i>Corporations Act 2001</i>. APES 230 requires Members to act in the best interests of their Client, which is defined in the standard as Division 2 of Part 7.7A of the Corporations Act.</p> <p>While Members in Public Practice providing credit advice can comply with the general obligation to act in their Client's best interest, they cannot comply with the remaining obligations defined in Division 2. However, ASIC has stated in RG 175.239 that satisfying the safe harbour of Section 961B in Division 2 is not the only way to demonstrate an individual is acting in their Client's best interest.</p>	<p>This matter was raised in the Six Month Review of APES 230.</p>	<p>Medium</p>	<p>In 2019, APESB favourably noted a recommendation from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry to extend the Best Interest Duty to credit activities. The Best Interest Duty was subsequently introduced into the National Consumer Credit Protection Act 2009 and became effective 1 January 2021.</p> <p>APESB released Consultation Paper CP 01/19 seeking feedback on key issues relating to APES 230. APESB considered the feedback from the consultation paper and other developments. The revised APES 230 were issued on 13 December 2019.</p> <p>In 2021, the Australian Law Reform Council (ALRC) commenced a review to reform Financial Services Legislation (refer to issue 230.7). APESB will continue to monitor this review and its impact on APES 230.</p>

**APES 230 : Financial Planning Services
Issues Register**

No.	Issue	Response	Priority	Current Status
230.2	Technical Staff have identified the need to consider the potential implications on APES 230 on the Code of Ethics for professional planners issued by the Financial Adviser Standards and Ethics Authority (FASEA).	This issue has been noted.	Low	<p>FASEA released their Financial Planners and Advisers Code of Ethics in February 2019.</p> <p>The Federal Government determined to cease FASEA's operations from 31 December 2021. From 1 January 2022, ASIC's Financial Services Credit Panel became the single disciplinary body for financial advisers and FASEA's standard development functions, including the FASEA Code, were transferred to Treasury. Technical Staff will continue to monitor developments and any impact on APES 230.</p>
230.3	Some stakeholders continue to raise issues in respect of the professional fees requirements in APES 230 and their effectiveness in practice.	The Board discussed this issue and determined to engage with key stakeholders to explore the issues.	Medium	<p>As noted in Issue 230.1, a Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was held from 2017-2019.</p> <p>Technical Staff are monitoring the implementation of laws and regulations stemming from the Royal Commission findings to ascertain the impact, if any, on APES 230.</p> <p>In 2021, the Australian Law Reform Council (ALRC) commenced a review to reform Financial Services Legislation (refer to issue 230.7). APESB will continue to monitor this review and its impact on APES 230.</p>

**APES 230 : Financial Planning Services
Issues Register**

No.	Issue	Response	Priority	Current Status
230.4	Technical Staff have identified the need to consider the potential implications on APES 230 of the findings from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services	This issue has been noted.	Low	Technical Staff will continue to monitor the implementation of laws and regulations by the government stemming from the findings at the Royal Commission.
230.5	Technical Staff note that paragraphs 3.12 and 3.15 in APES 230 relating to confidentiality currently refer to 'a legal, regulatory, or professional obligation of disclosure'. Technical Staff are of the view that this reference needs to be amended to 'a legal, regulatory, or professional right or duty to disclose' to align with the confidentiality provisions in Subsection 114 <i>Confidentiality</i> of APES 110.	This issue was noted during the project on whistleblowing.	Low	Technical staff will consider this matter in the next revision of APES 230.
230.6	Technical Staff note that paragraph 3.15 in APES 230 requires a Member to notify the client or relevant third party if they provide confidential information in accordance with a legal, regulatory or professional obligation of disclosure. This requirement also does not align with the intent of the Whistleblower protection legislation to allow disclosures to be made confidentially. Consideration should be given to whether the approach used in the NOCLAR provisions requiring the application of professional judgement in determining whether to inform the client or relevant third party could be used.	This issue was noted during the project on whistleblowing.	Low	Technical staff will consider this matter in the next revision of APES 230.

**APES 230 : Financial Planning Services
Issues Register**

No.	Issue	Response	Priority	Current Status
230.7	The ALRC are undertaking an inquiry to simplify Australian financial services law in response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The first interim report from the ALRC was issued on 30 November 2021 with other interim reports due on 30 September 2022 and 25 August 2023. The final report is due 30 November 2023.	The issue has been noted.	Medium	APESB made a submission on the first ALRC interim report on 25 February 2022. Technical Staff will monitor the findings from the ALRC and any impact on APES 230.
230.8	Technical Staff have identified the need to consider the impact on APES 230 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	APESB will consider any relevant conforming amendments in the next revision of APES 230.

APES 305 : Terms of Engagement
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 310 : Client Monies
Issues Register**

No.	Issue	Response	Priority	Current Status
310.1	A professional body provided feedback that some Members in Public Practice are still experiencing difficulties in establishing bank accounts that meet the requirements of APES 310. The issue is that the trust accounts are not considered statutory trust accounts, the terms of the bank account do not exclude the right of set off and the bank account name will not include the word 'trust'.	This issue has been noted.	Medium	APESB is planning to conduct a post-implementation review of APES 310 in the current strategic period, which will consider the challenges Members may face in establishing trust accounts that meet the requirements of APES 310. An Exposure Draft is expected to be issued in 2023 for public comment.
310.2	Technical Staff have identified the need to consider the impact on APES 310 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Medium	APESB will consider any relevant conforming amendments in the next revision of APES 310.

APES 315 : Compilation of Financial Information
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 320 : Quality Management for Firms that provide Non-Assurance Services
Issues Register**

No.	Issue	Response	Priority	Current Status
320.1	<p>In February 2022, APESB reissued APES 320 as <i>Quality Management for Firms that provide Non-Assurance Services</i>. Key changes 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 the Auditing and Assurance Standards Board's ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> which will apply to Australian assurance practices.</p> <p>At the February 2022 Board meeting, the Board agreed to a post-implementation review of the reissued APES 320 within two years of issue, or earlier if deemed necessary. This review will include reviewing the interaction between APES 320 and APES 325.</p>	This issue has been noted.	Low	APESB will undertake a post-implementation review of APES 320 within two years of issue, or earlier if deemed necessary.

**APES 325 : Risk Management for Firms
Issues Register**

No.	Issue	Response	Priority	Current Status
325.1	As noted in Issue 320.1, at the February 2022 Board meeting, the Board agreed to a post-implementation review of the reissued APES 320 within two years of issue, or earlier if deemed necessary. This review will include reviewing the interaction between APES 320 and APES 325.	This issue has been noted.	Low	APESB will undertake a post-implementation review of APES 320 within two years of issue, or earlier if deemed necessary, including the interaction between APES 320 and APES 325.

**APES 330 : Insolvency Services
Issues Register**

No.	Issue	Response	Priority	Current Status
330.1	At the November 2021 Board meeting, the Board approved the issue of the revised APES 330 which was issued on 15 December 2021 with an effective date of 1 April 2022. The Board also agreed to undertake a post-implementation review after 1 April 2023 due to the newness of the reforms and significantly different nature of the appointments. This also provides an opportunity to assess the Federal Government's other insolvency reforms.	The Issue was noted at the November 2021 Board meeting.	Medium	APESB will undertake a post-implementation review of APES 330 post 1 April 2023 (12 months from the effective date of 1 April 2022).
330.2	Technical Staff have identified the need to consider the impact on APES 330 from changes to APES 320, noted in Issue 320.1, and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	APESB will consider any conforming amendments as part of its next revision of APES 330.

APES 345 : Reporting on Prospective Financial Information Prepared in Connection with a Public Document
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document
Issues Register**

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 20 : Scope and Extent of Work for Valuation Services
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 21 : Valuation Services for Financial Reporting
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES GN 30 : Outsourced Services
Issues Register**

No.	Issue	Response	Priority	Current Status
30.1	Technical Staff have identified the need to consider the impact on APES GN 30 from changes to APES 320, and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Medium	APESB will consider any necessary conforming amendments as part of the next revision of APES GN 30.
30.2	During the post-implementation review, APESB noted a query was received from a member to clarify the intention of 'geographical location' in an example in Appendix 1 of APES GN 30 and also to include another example to cover the situation of Firm A using a service provider Company B to employ staff in another jurisdiction.	This issue was noted during the post-implementation review.	Medium	This issue will be considered in the next revision of APES GN 30.

APES GN 31 : Professional and Ethical Considerations relating to Low Doc Offering Sign-offs
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 40 : Ethical Conflicts in the Workplace - Considerations for Members in Business
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 41 : Management representations
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			