

28 March 2023

### **APESB issues revised APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document***

Accounting Professional & Ethical Standards Board Limited (APESB) today announced the issue of the revised APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document* (APES 345) to replace the existing APES 345 (Issued November 2019).

The key changes in the revised APES 345 consist of:

- Revisions to paragraphs 7.1, 8.5 and 11.1 to reflect the terminology, concepts and principles used in the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* issued in February 2022 (effective 1 January 2023) and Auditing Standard 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* issued by the Auditing and Assurance Standards Board in March 2021 (effective 15 December 2022);
- Consistency of wording in paragraphs 3.13 and 3.15 with Section 114 *Confidentiality* of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110) regarding a legal, regulatory, or professional duty or right to disclose; and
- Alignment of paragraph 3.15 with the intent of the Whistleblower protection legislation and the approach in the non-compliance with laws and regulations (NOCLAR) provisions of APES 110 about using professional judgement in determining whether to notify the client or the relevant third party.

Please refer to Appendix 1 of this technical update for details of all the revisions. The revised APES 345 will be effective for Engagements commencing on or after 1 April 2023 with early adoption permitted.

The revised standard is available from APESB's website: [www.apesb.org.au](http://www.apesb.org.au)

– ENDS –

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## Appendix 1

### Revision to APES 345 (Issued November 2019)

Accounting Professional & Ethical Standards Board Limited (APESB) has approved the following revisions to APES 345 *Reporting on Prospective Financial Information in connection with a Public Document* which was originally issued in November 2008 and revised in October 2015 and November 2019.

Paragraph Reference	Revisions
1.2	Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 345 <i>Reporting on Prospective Financial Information prepared in connection with a Public Document (the Standard)</i> , which is effective for Engagements commencing on or after 1 April 2023 <del>January 2020</del> and supersedes APES 345 issued in November 2019 <del>October 2015</del> . Earlier adoption of this Standard is permitted.
2	<b><i>APES 320</i></b> means <i>APES 320 Quality Management for Firms that provide Non-Assurance Services</i> issued by Accounting Professional & Ethical Standards Board Limited.
2	<b><i>ASQM 1</i></b> means Auditing Standard <i>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</i> issued by the AUASB.
2	<p><b><i>Assurance Engagement</i></b> means 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 <del>(that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria).</del></p> <p>This includes an Engagement in accordance with the <i>Framework for Assurance Engagements</i> 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 <i>Framework for Assurance Engagements</i> issued by the AUASB. The <i>Framework for Assurance Engagements</i> describes the elements and objectives of an Assurance Engagement and identifies Engagements to which <i>Australian Auditing Standards (ASAs)</i>, <i>Standards on Review Engagements (ASREs)</i> and <i>Standards on Assurance Engagements (ASAEs)</i> apply.)</p>
2	<p><b><i>Engagement Team</i></b> means all Partners and staff performing the Engagement, and any <u>other</u> individuals engaged by the Firm or a Network Firm who perform procedures on the Engagement, <del>excluding an</del>. This excludes External Experts engaged by the Firm or by a Network Firm.</p> <p><u><i>Engagement Teams include any other individuals who perform procedures on the Engagement who are from a Network Firm or a service provider.</i></u></p>
2	<p><b><i>Independence</i></b> comprises:</p> <p>(a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity, and exercise objectivity and professional scepticism.</p> <p>(b) Independence in appearance – the avoidance of facts and</p>

Paragraph Reference	Revisions
	circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a Firm's, or an Engagement Team member's, integrity, objectivity or professional scepticism has been compromised.
2	<p><b>Network</b> means a larger structure:</p> <p>(a) That is aimed at cooperation; and</p> <p>(b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality <u>management control</u> policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.</p>
2	<b>Partner</b> means any individual with authority to bind the Firm with respect to the performance of an <u>Professional Services</u> Engagement.
3.13	<b>Unless a Member in Public Practice has a legal, regulatory or professional <u>duty or right to disclose</u> obligation of disclosure, the Member shall not convey any information relating to a Client's affairs to a third party without the Client's permission.</b>
3.15	<b>Where a Member in Public Practice provides confidential information in accordance with a legal, regulatory or professional <u>duty or right to disclose</u> obligation of disclosure, the Member shall <u>consider whether it is appropriate to inform</u> notify the Client or the relevant third party, <u>either before disclosing the confidential information, or as soon as practicable thereafter</u>, provided that there is no legal prohibition against such notification.</b>
Footnote 1	The term 'reasonable and informed third party' is explained in paragraph 120.5 A64 of the Code.
Footnote 2	The term 'reasonable and informed third party' is explained in paragraph 120.5 A64 of the Code.
7.1	<p><b>A Member in Public Practice shall prepare working papers in accordance with this Standard that appropriately document the work performed, including aspects of the Engagement that have been provided in Writing. The documentation prepared by the Member shall:</b></p> <p>(a) provide a sufficient and appropriate record of the procedures performed for the Reporting Service Engagement;</p> <p>(b) identify the source of significant information the Member has used in the conduct of the Reporting Service Engagement; and</p> <p>(c) demonstrate that the Reporting Service Engagement was carried out in accordance with this Standard and all other Professional Standards applicable to the Reporting Service Engagement, including:</p> <p>(i) <u>policies and procedures established in accordance with APES 320–Quality Control for Firms; or</u></p> <p>(ii) <u>where the Engagement is determined to be an Assurance Engagement, responses, which are policies or procedures to address one or more quality risk(s), designed and implemented in accordance with ASQM 1; and,</u></p>

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	<b>(iii)</b> any applicable ethical, legal and regulatory requirements.
8.5	<p>If the Member in Public Practice becomes aware that Those Charged with Governance have not taken appropriate action in relation to the circumstances described in paragraph 8.4, the Member shall consider the Firm's policies and procedures established in accordance with <i>Acceptance and Continuance of Client Relationships and Specific Engagements</i> of APES 320 <del><i>Quality Control for Firms</i></del>, or ASQM 1 <u>where the Engagement is determined to be an Assurance Engagement</u>, in determining whether to continue acting for the Client in a professional capacity.</p>
11.1	<p>Where litigation between the Client or its related entities and the Firm, which is other than insignificant, is already in progress, or where the Member in Public Practice considers such litigation to be probable, the Member shall consider the Firm's policies and procedures established in accordance with <i>Acceptance and Continuance of Client Relationships and Specific Engagements</i> of APES 320 <del><i>Quality Control for Firms</i></del>, or ASQM 1 <u>where the Engagement is determined to be an Assurance Engagement</u>, in determining whether to continue acting for the Client in a professional capacity.</p>