Review of Submissions - General Comments
Post Implementation Review of APES 320 and APES 325

Note: Specific comments from Professional Accounting Bodies relating to Post Implementation Review (PIR) of APES 320 and APES 325 are addressed in separate tables/documents. This table excludes minor editorial changes.

Item No.	Paragraph No. in Standard	Respondent	Respondents' Comments	Proposed Action
1.	N/A	CPAA	Further to your email below, we set out our preliminary views on matters that need to be addressed or amended in APES 320.	No
2.	N/A	IPA	Thank you for your email inviting IPA to provide feedback or comments on matters that APESB should consider in its post-implementation review of APES 320 *Quality Management for Firms that provide Non-Assurance Services*.	No
3.	N/A	CPAA	As part of the PIR, have any amendments to APES 320 been anticipated in relation to practitioners' new obligations under AML/CTF and Privacy laws?	Yes
4.	N/A	CPAA	Does APES 320 have a role to play given recent failure of compliance with the fundamental principles in large firms?	No
5.	N/A	IPA	Overall, the reissue of APES 320 has resulted in a high level of acceptance and compliance by non-assurance practitioners.	No
6.	N/A	IPA	IPA continues to see a decline in sole and small practitioners providing audit/assurance services, which is likely to be attributed to over regulation, less profitability and perceived increased risk of providing such services. The introduction of ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Service Engagements* has likely led some practitioners to discontinue the provision of audit/assurance services and may also act as a disincentive to consider reskilling to enter the sustainability assurance service market. SMSF auditors appear to have migrated well from the requirements of APES 320 to ASQM 1 despite some cost of transition.	No
7.	N/A	IPA	Since the reissue of APES 320 (in February 2022) and APES 325 *Risk Management for Firms* and ASQM 1 (in March 2023), and the reissue of ASQM 1 by the AUASB (in December 2023), IPA has invested significant resources in redesigning tools and guidance and our quality review program to assist and regulate public practitioner compliance with these standards.	No
8.	N/A	IPA	Amending APES 320 to only apply to non-assurance services has led to a deconstruction of earlier tools and guidance where all quality management and risk management requirements were self-contained within one guidance framework. The tools and guidance we provide to our members	No

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			have essentially been deconstructed to enable practitioners to pick the relevant components they are required to comply with. This has increased the cost of compliance to practitioners that provide a combination of assurance and non-assurance services. Such practitioners are essentially encouraged to have two quality management manuals – one to meet the requirements of APES 320 and another to meet the requirements of ASQM 1. Many of the requirements are essentially the same, with some differences that require consideration. The matrix of requirements between APES 320 and APES 325 contains scalable requirements for sole practitioners and multi-practitioner practices. Our practitioners have incurred significant costs in moving from one combined quality and risk management manual for their practice to having at least two practice manuals: non-assurance quality management manual and/or audit/assurance quality management manual, and a separate risk management manual. All of which imposes additional compliance costs for little perceived benefit for small accounting practices. Further, in circumstances where a sole practitioner's practice has grown to become a multi-practitioner practice, the scalable requirements of these standards are triggered, requiring practitioners to reassess and rebuild these manuals. This compliance burden is borne by small accounting practices. It is therefore unsurprising to see the ongoing decline in sole practitioners providing audit/assurance services or contemplating entry into this market.	
9.	N/A	IPA	Nevertheless, IPA's quality review program shows a high level of compliance with APES 320, APES 325 and ASQM 1, although some small practitioners still require some assistance and guidance with APES 325. Overall, there do not appear to be any systemic issues on areas of non-compliance with the three standards.	No
10.	N/A	IPA	We refer to our 7 December 2021 submission on ED 05/21 (attached) re IPA's general position on merging APES 320 with APES 325. Given the significant investment in redesigning tools and guidance for our members from the last round of changes and resetting expectations since the revision of APES 320, APES 325 and ASQM 1, IPA encourages the APESB to make no further changes to the existing requirements of these standards at this stage.	No
12.	N/A	IPA	APESB will be aware of the new legislative AML/CTF framework that became applicable from 1 July 2026. IPA encourages the APESB to assess if APES 320 and APES 325 require the development of a guidance note to assist practitioners in meeting their professional and ethical obligations concerning suspected money laundering and counter-terrorism financing reporting obligations to AUSTRAC.	Yes
13.	N/A	IPA	Please reach out if you would like to discuss or clarify any of the above comments.	No

RESPONDENTS

1	CPAA	CPA Australia
2	IPA	Institute of Public Accountants