

**From:** [Craig Allen](#)  
**To:** [Jon Reid](#)  
**Subject:** RE: APES 320  
**Date:** Thursday, 25 November 2021 2:33:42 PM  
**Attachments:** [image004.png](#)  
[image002.png](#)

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Hi Jon

As background I was a quality assurance reviewer for CPA Australia for 16 years, I sat on CPA Australia's National Board of Quality Review and over the past 5 years I have been operating a business helping practitioners from all three accounting bodies improve their practice, and meet the quality standards expected by the bodies and APES Board pronouncements.

I believe over my time I have helped over 500 practice including QA reviews I completed.

In regard to the proposed changes to APES320 my comments are below

- 1- I believe APES 320 should continue to apply to all practice including non-assurance ones. Reason being is that the standard makes members address elements that they would otherwise not do in the day to day running of their practice. This process and documentation around the elements of quality control is important for them and makes them formally consider how they meeting the elements of quality control.
- 2- Regarding root cause analysis, I see there being a benefit here in making the members think further to determine what causes issues in their quality system. That said I do not believe that small firms are in a position to have the resources to attend to this in any detail meaning if included it will become a very quick review to please the regulators. Maybe a consideration is that root cause applies to firms of a certain size (i.e. 3 partners or higher) who have the resources to attend to this requirement.
- 3- I believe any guidance that can be given to the profession around APES320 would be of value. It will be a case of some members being interested and maybe a lot only being interested when having a QA review but having extra resources would be a good thing in my view. Any guidance is good. Provided any guidance is not prescriptive and takes away the members having to consider things correctly, but putting tools in place to make the process one where members don't have to properly formally consider standards I believe is not a good thing for example software to prepare manuals, does not help the member really consider how they meet elements of standards in my view only enable them to pass a QA review.

- 4- I do not agree that APES 320 and APES325 should be combined. My reason for this is when going over these with members the difference in the standards is clear and the thought process they need to go through for both manuals is very different. I understand there is a slight overlapping of APES320 and APES325 but this is minor and needed in my view. When discussing and interviewing members for these manuals the separation of these manuals is very important. Furthermore combining them into one will in my view provide another change for no great benefit to members and will mean every practices manuals will be instantly out of date and needed to be re done. Even though my business helps in this space I see it as a waste of time for members for no real gain.

I hope this helps.

**Kind Regards**

**CRAIG J.ALLEN**

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