

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED
2nd Meeting of the APES 215 Forensic Accounting Appendices Project Taskforce

12 August 2011 from 10.30pm-11.25pm

**APESB (Victoria)
Level 7, 600 Bourke Street, Melbourne, VIC, 3000**

1. Present and apologies

Present:

Mr Channa Wijesinghe (Chairman), Mr Owain Stone, Mr Gregory O'Neil, Mr Geoff Crawford, Mr Brendan Halligan and Mr Keith Reilly

In Attendance

Ms Si-Jia Li and Ms Celine Cho

2. Minutes of previous meeting

The minutes of the 1st APES 215 Forensic Accounting Appendices Project Taskforce meeting held on 18th April 2011 were accepted without amendment.

3. Taskforce discussion on Appendix 1: Decision Tree

Taskforce members considered the Decision Tree developed by a member of the Taskforce.

Issues:

- The member of the Taskforce who developed the decision tree sought input from other Taskforce members in relation to potential contact persons to obtain assistance in drafting examples on insurance claim investigations and family law examples. The following contacts were suggested by other Taskforce members:
 - Ms Kimberley Daley from RGL
 - Mr Bill Jansen who specialises in family law from Crowe Horwath
 - A contact person from ING's Income Protection department
 - Tony Morgan (CPA) from ANZIIF
- Taskforce members noted that the release of ED will result in more submissions being made to APESB as more people will become aware of APES 215.
- The Taskforce members suggested that the drafting of Appendix 1 and 2 should be aligned with the definitions used in the standard. E.g. 'Expert' should be changed to 'Expert Witness'.
- The Chairman suggested to the Taskforce members to consider the format of the decision tree completed by the APES 225 Taskforce when finalising the APES 215 Decision Tree.

Action Items: The Taskforce members will provide further potential contacts to develop examples. The Chairman will send the draft APES 225 Decision Tree to the Taskforce members for consideration.

4. Taskforce discussion on Appendix 2: Guide to determining the type of Forensic Accounting Service provided by a Member

The Taskforce members considered Appendix 2.

Issues:

- The Taskforce members noted the examples provided in Appendix 2 to date and suggested to add the following examples:
 - Examples to illustrate simple and more obvious cases;
 - Increase examples of Lay Witness and Consulting Expert Services;
 - Include examples where APES 215 is not applicable, e.g. if a Member is engaged in investigations as part of an Insolvency Service provided by the Firm then it may not be captured by APES 215; and
 - Examples to show where APES 215 can become applicable during a non Forensic Accounting Service. (e.g. where an audit engagement has identified a fraud which leads to a Forensic Accounting Service).
- One Taskforce member noted that APES 215 is not mutually exclusive from other APESB standards such as APES 225 Valuation Services. The Chairman will circulate the case studies in the Appendix to APES 225 Valuation Services for further consideration.

Action Items: Taskforce members will provide additional examples to be inserted into Appendix 2. The Chairman will circulate the case studies in the Appendix for APES 225 Valuation Services to Taskforce members.

5. Communication with government authorities

The professional bodies were unable to provide the specific number of Members in Business working in each government authority or regulatory agency. Accordingly, the Chairman recommended circulating the APES 215 ED contact list to various stakeholders (e.g. FASIG and CPA discussion groups) and request for further relevant contacts. The Taskforce members agreed to this approach.

Action Items: The chairman will send out the APES 215 ED list of contacts to the Taskforce members to circulate to the relevant stakeholders for further input. The final list will be used by APESB for communications with Members in Business in the public sector to raise their awareness of APES 215.

6. Way forward

All actions items will be completed by responsible parties before the next Taskforce meeting, which will be scheduled for late September. The final Exposure Draft will be discussed at a further Taskforce meeting in late October before presenting the proposed Exposure Draft at the 21st Nov 2011 Board Meeting.

A Taskforce member noted that it is valuable to increase the awareness of APES 215 to non members involved in forensic related investigations conducted by the regulatory bodies. One possible way to raise awareness is to obtain comments from relevant judges on APES 215.

The Chairman pointed out that the APESB standards are publicly available and can be used by non accounting professionals despite the fact that there will be no disciplinary consequences for non compliance.

The Chairman noted that there was a recent court case where APES 225 was cited by a Judge and will circulate the relevant case.

Action Items: The Chairman will send the court case involving APES 225 to the Taskforce members for reference.

7. Close of Meeting

The next meeting of the Taskforce will be convened in late September.
The meeting was closed at 11.10 am.