

Constituents' Submissions – Specific Comments Table
Exposure Draft 03/15: Revision of APESB pronouncements (ED 03/15)_APES 320 Quality Control for Firms

Note: General comments relating to ED 03/15 are addressed in a separate table. This table excludes minor editorial changes.

| Item No. | Paragraph in Exposure Draft | Respondent | Respondents' Comments |
|----------|-----------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | N/A | KPMG | <ul style="list-style-type: none"> In our past discussions with the APESB, KPMG did not consider that there was a need to create an equivalent APES 320 for Advisory practices and engagement, however, we were not opposed to the standard being updated to include certain terminology to cover Advisory practices and engagements, e.g., expanding references to 'reports' to include 'deliverables' and references to 'conclusions' to include 'advice'. This update may provide an opportunity to amend such terminology. |
| 2 | 1.1 | KPMG | <p>Proposed Amendments New Paragraph 1.1 sets out the primary objective of the Standard. This is consistent with existing Paragraph 3 except for the following differences, which are noted for consideration:</p> <ul style="list-style-type: none"> Paragraph 1.1 refers to 'a Member in Public Practice and a Firm' and 'at a Firm level', whereas Paragraph 3 refers only to 'a Firm'. 'Member in Public Practice' is defined in Paragraph 2(j) to also refer to a 'Firm of Members in Public Practice'. Paragraph 1.1 refers to 'Relevant Ethical Requirements', whereas Paragraph 3 does not include this. This is an area that is specifically covered in Paragraphs 19 to 23. |
| 3 | 1.1 | CPA A | <p>While we support consistency across standards we think that in relation to APES 320 paragraph 1.1 is reiterating what is expressed in paragraph 3, and we do not think this duplication is necessary so we propose the deletion of paragraph 1.1. If the proposed paragraph 1.1 is retained, it refers to a Member in Public Practice and a Firm. Given that the term Member in Public Practice is used to refer to a Firm, we are of the view that it is not necessary to refer to both. Further, the standard imposes requirements on the Firm, so it may be appropriate to refer only to the Firm in the objectives.</p> <p>Further, in the same paragraph, reasonable assurance is a defined term and should have capitalised initials.</p> |
| 4 | 1.2 | KPMG | <ul style="list-style-type: none"> Clause 1.2 has been amended to refer to compliance from 1 April 2016, but Clause 130 continues to refer to compliance from 1 January 2010. |

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| 5 | 2 (e) 'Engagement Team' | CPA A | In the definition of the term 'Engagement Team' the term Personnel, which means Partners and Staff, is replaced with the term Partners and Staff. We do not think this replacement is necessary and we prefer the use of the term Personnel which is more concise. |
| 6 | 2 (f) 'Firm' | KPMG | Other Considerations <ul style="list-style-type: none"> The reference in Paragraph 2(f) to 'professional accountants' could be amended to 'professional practitioners', which is used by the AUASB in other standards. |
| 7 | 2 (o) 'Relevant Ethical Requirements' Aust 2.1 (n) 'Professional Standards' | CPA A | The definitions Relevant Ethical Requirements and Professional Standards are included in APES 320. CPA Australia is of the view that the definition of Professional Standards includes the Code which is what the definition Relevant Ethical Requirements refers to, so we suggest that this latter definition is deleted. |
| 8 | Aust 2.1 (j) | KPMG | The definition in Paragraph 2.1(j) of a 'Member in Public Practice' is not consistent with the definition provided by the Chartered Accountants Australia and New Zealand (CAANZ), which limits this to members who hold a Certificate of Public Practice or Affiliate membership. Also, the definition in Paragraph 2.1(j) of a 'Member in Public Practice' includes 'a participant in that practice entity as defined by the applicable Professional Body', and CAANZ defines Participant as a person who is a Principal of a Practice Entity (which is further defined). |

Staff Instructions:

- Comments of a "general" nature should be dealt with first, followed by paragraph specific comments.
- Respondents' comments must be copied verbatim into this table.
- Comments should be dealt with in paragraph order, not respondent order. Use acronyms only for respondents. Update the attached table with details of additional respondents.

RESPONDENTS

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|---|-------|---------------|
| 1 | KPMG | KPMG |
| 2 | CPA A | CPA Australia |