

AGENDA PAPER

Item Number: 6 (c)
Date of Meeting: 22 August 2017
Subject: Annual review of APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document*

Action required For discussion For noting For information

Purpose

In accordance with APESB's Constitution, an annual review of APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* (APES 350) has been performed to identify and resolve any issues identified by stakeholders.

Background

APES 350 was originally issued in December 2009 and subsequently amended in March 2011 and August 2015. APES 350 (August 2015) became effective on 1 October 2015.

Consideration of Issues

The following procedures were performed as part of the annual review of APES 350:

- Consultation with the Professional Bodies and subject matter experts to identify whether Members or other stakeholders have raised any issues in respect of APES 350;
- Reviewed the APESB Issues Register to identify whether stakeholders have reported any matters in relation to APES 350;
- Performed an internal technical review of APES 350 including considering the technological neutrality of the Standard; and
- Considered the results of the Quality Reviews conducted by the Professional Bodies in respect of APES 350.

The issues identified through completion of the above procedures are noted below.

Guidance on Low Doc Offerings

[This issue is carried forward from the prior year].

A stakeholder has raised the need for further guidance in respect of Low Doc Offerings, including when it would be appropriate to provide an APES 350 sign-off in a Low Doc Offering Engagement.

In June 2017, APESB issued an Exposure Draft on the proposed APES GN 31 *Professional and Ethical Considerations relating to Low Doc Offering Sign-offs* (APES GN 31) which addresses this matter. Refer to Agenda Item 7 for an update on the proposed APES GN 31.

Technical Staff accordingly have not proposed any amendments to APES 350 relating to Low Doc Offerings as part of this annual review.

References to AuASB

[This issue is carried forward from the prior year.]

Technical Staff have noted that the Definitions section of APES 350 includes references to AuASB, the Board that issued Australian auditing and assurance standards up to 30 June 2004. There are no longer any active standards issued by this entity.

Technical Staff therefore propose the following revisions to be made at the next revision of APES 350:

- Remove definition of the term *AuASB*;
- Update definition of the term *Auditing and Assurance Standards* to remove reference to AuASB.

Definition of *Written / Writing*

Technical Staff note that APES 350 contains references to a number of items being in written form including:

- Engagement Document (Definitions).
- Due Diligence Sign-Off (Definitions).
- Materiality Letter (Definitions).
- Client's consent to publish and/or disclose the Due Diligence Sign-Off and New Circumstances Statement (Appendix 1).
- Client's permission to disclose any information relating to the Engagement to third parties (paragraph 3.19).
- Engagement status reports to DDC or Client (paragraph 7.6).
- Working papers to include matters provided to the Member in writing (paragraph 6.1).

Technical Staff believe that including the definition of the term 'Writing / Written' will clarify that written form may include electronic formats, consistent with the definition of such term in APES 315, and is a step towards making the standard technology neutral.

This additional definition can be considered in the next revision of APES 350.

Staff Recommendation

That the proposed amendments identified as part of the annual review be addressed in the next planned revision of APES 350.

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Date: 31 July 2017