

Meeting Highlights

22 MARCH 2018

1. Register of Interests

The Board noted Agenda Item 1 *Board Register of Interests*.

2. 2018 Issues Register for APESB Pronouncements

The Board noted Agenda Item 2 *2018 Issues Register for APESB Pronouncements*.

The Board noted that the Financial Adviser Standards and Ethics Authority (FASEA) has issued its draft *Code of Ethics for Financial Advisers* (FASEA Code) for public consultation, with comments due by 1 June 2018.

The Board considered the implications of the introduction of the FASEA Code to APES 110 and APES 230 *Financial Planning Services*. In view of this, the Board agreed:

- to make a submission in respect of the FASEA consultation, to clarify the interaction of the FASEA Code with APES 110 and APES 230; and
- to actively monitor the changing environment that has an impact on APES 230 and agreed to defer consideration of any revisions to APES 230 at this point in time.

3. Proposed Exposure Draft for APES 110 Code of Ethics for Professional Accountants

The Board noted Agenda Item 3 *Proposed Exposure Draft for APES 110 Code of Ethics for Professional Accountants* (APES 110 ED) including that:

- APES 110 ED does not include the Inducements provisions as the International Ethics Standards Board for Accountants (IESBA) is yet to finalise these provisions; and
- the IESBA is awaiting approval of the restructured international Code by the Public Interest Oversight Board (PIOB).

The Board considered and discussed the inclusion of Australian specific content in the proposed APES 110 ED. The Board also considered whether the proposed APES 110 ED should include an explicit requirement for Members to comply with other APESB pronouncements. The Board requested Technical Staff to develop a proposal in this regard.

The Board will consider the approval and issue of the proposed APES 110 ED, the Explanatory Memorandum and the Mapping Table at an out of session meeting to be held in late April 2018.

4. Revision of Long Association provisions of the Code

The Board noted Agenda Item 4 *Revision of Long Association provisions of the Code*.

The Board agreed that releasing the Close-off provisions for Long Association as an Amending Standard to the extant APES 110 would provide clarity to stakeholders on the effective date.

The Board approved the issue of the Long Association Amending Standard which will be effective for audits of Financial Statements for periods beginning on or after 1 January 2019. The amendments relating to Assurance Clients are effective as of 1 January 2019.

5. Project Plan to update the APESB Suite of Pronouncements

The Board noted Agenda Item 5 *Project plan to update APESB suite of pronouncements*.

The Board discussed the project approach and the need for all revised pronouncements to become effective at the same time as the revised APES 110 (i.e. 1 January 2020).

The Board approved the project plan to update the APESB suite of pronouncements.

6. Revision of APES 225 Valuation Services

The Board noted Agenda Item 6 *Revision of APES 225 Valuation Services*.

The Board approved the issue of the revised APES 225 *Valuation Services*.

7. Proposed revision of APES 220 Taxation Services

The Board noted Agenda Item 7 *Proposed revision of APES 220 Taxation Services*.

The Board considered the issue relating to the concept of 'spirit of the law' and agreed with the Technical Staff recommendation not to include a specific reference to spirit of the law in APES 220 *Taxation Services* (APES 220).

The Board also considered the proposed guidance on tax schemes and arrangements in paragraph 5.5 and provided feedback to Technical Staff to redraft the proposed paragraph.

Subject to the Board's approval of the revised proposed paragraph 5.5, the Board approved the issue of an Exposure Draft on *Proposed Standard: APES 220 Taxation Services*.

8. International and other activities

The Board noted Agenda Item 8 *International and other activities*.

Ms Haste (CPA Australia Policy Advisor) provided the Board with an update on the IESBA Board Meeting held 12-14 March 2018 in New York, USA.

Ms Haste also informed the Board that the IESBA applauded APESB, together with the standards setters for UK and South Africa, for being the first jurisdictions to adopt the NOCLAR standard.

The Board discussed the World Congress for Accountants to be held in Sydney in November 2018 and considered potential engagement opportunities.

9. Project update: APES GN 30 Outsourced Services

The Board noted Agenda Item 9 *Project update: APES GN 30 Outsourced Services*.

The Board considered the list of stakeholders on Agenda Item 9(a) and suggested further stakeholders to be included in the consultation.

10. Proposed revision: APES 310 Client Monies

The Board noted Agenda Item 10 *Proposed revision: APES 310 Client Monies*.

The Board considered the outcome of the exposure draft process and the proposed amendments on the process to notify the Professional Body of the change in the Auditor of Client Monies (proposed paragraphs 7.10, 8.4 and 8.11).

The Board agreed to retain proposed paragraphs 8.4 and 8.11 and requested Technical Staff revise paragraph 7.10 in a manner for the auditee to obtain a representation from the incoming auditor. The redrafted paragraph will be considered by the Board at its out of session meeting in late April 2018.

Subject to the Board's review of the revised paragraph 7.10, the Board approved the issue of:

- the revised APES 310 *Client Monies*; and
- the Trust Account Information Sheet and associated template letter on opening Trust Accounts with financial institutions.