

Five-year Anniversary

APESB 



Welcome

The Accounting Professional and Ethical Standards Board (APESB) is celebrating five years of operations. This booklet records the significant milestones and revisits some of the Board's achievements during this period.

The story of APESB is one of setting professional and ethical standards in an independent manner for members of the three major Australian accounting bodies being CPA Australia, the Institute of Chartered Accountants in Australia and the Institute of Public Accountants.

APESB standards stipulate the professional requirements, which members of the three major Australian accounting bodies must adhere to and provide guidance on how those standards should be applied.

We are delighted to share our work to date with you here.





A Word From APESB's Chairman

APESB was formed in 2006 to develop standards for members of the three major Australian accounting bodies. Our priority is to set standards which 'serve the public interest'. It can be challenging to define exactly what the public interest comprises, but we consider that to maintain and enhance the professionalism of the members of the three major Australian accounting bodies, our standards must be based on the interests of the broad community of users of accounting services and others, who are affected by the way accountants go about their work.

APESB works to a framework of fundamental principles – integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. If accountants behave consistently with these principles in mind, they will contribute to the good standing of the accounting profession, its credibility and its perceived values.

Of course the accounting profession was not without standards prior to the formation of APESB. These had been formulated by the three major professional accounting bodies in Australia. In the interests of increasing the independence of standard setting from those who are required to comply with the standards, the accounting bodies have handed the function to a separately constituted company with an independent chairman, and with non-executive directors who are free to make the decisions they consider are in the public interest, and who clearly do so in practice. Many of the current standards are based on those previously developed by the accounting bodies, and the sound body of work we inherited at APESB has been invaluable in assisting the Board to provide standards, which reflect the requirements of the public and the profession, but which are developed by a clearly independent body.

I feel privileged to have played a part in the work of APESB, and proud of what the Board has achieved so far. We believe that APESB has become a respected and significant part of the co-regulatory environment of the accounting profession in Australia and we hope to build further on that.

Over the course of our short existence, the Board has faced some interesting challenges and secured some satisfying results along the way. During the first year of operations, APESB successfully appointed a sound, experienced and highly motivated Board of Directors, established the Secretariat and recruited management. I think special thanks should go to that initial Board; Stuart Black for taking on the role of acting chairman until an independent chairman could be appointed; Harley McHutchison for his incredibly dedicated work on the substance of the standards; the wise counsel of Ken Levy and Jack Flanagan, who have since retired; and to Bob Sendt, who followed on shortly after the initial Board members, for his eye for detail. We have had two more recent appointments, in Peter Day and Cath Mulcare, who both show such relevance and commitment, which is so valuable to APESB and the accounting profession.

In its first six months of operation, the Board issued 3 professional and ethical standards including APES 110 *Code of Ethics for Professional Accountants* and APES 320 *Quality Control for Firms*. By end 2009, APESB had successfully issued 10 professional and ethical standards for the accounting profession. To date APESB has developed 16 professional and ethical pronouncements of which 13 have been issued as Standards and the remaining 3, are in draft format. In APESB's case only 2 of the pronouncements issued by APESB have direct international equivalents whilst the majority of the pronouncements (i.e. over 80%) have been developed in Australia. The Board has ongoing review processes in place which results in all pronouncements being reviewed annually to ensure they are kept up to date.

APESB has also built a website, which we believe is user friendly and appealing; we want people to have easy access to relevant standards. We monitor the usage of our site, which is pleasingly high. It also provides a facility for anyone to give us feedback and to make suggestions they consider might assist us.

The work of many accountants increasingly has an international focus and to that end, we have also been actively building international presence. In 2009, one of our board members, Stuart Black was appointed to the International Federation of Accountants (IFAC) Small and Medium Practices Committee, and this helps us remain

APESB works to a framework of fundamental principles – integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

aware of the interests of this sector at a global level. Our Technical Director Channa Wijesinghe usually attends the annual International Ethics Standards Board for Accountants (IESBA) National Standards Setters meetings, which provide an opportunity to influence the agenda on standards development at the IFAC level. I was appointed to the IESBA Board as a public interest member in 2010, and have been busy with IESBA activities as Chair of the Breaches Taskforce as well being a member of the Fraud and Illegal Acts Taskforce. Our involvement in the international arena has helped raise APESB's profile internationally and is of significant benefit to the public interest, APESB and the accounting profession.

The work we do relies very much on the input from volunteers. In most cases where a standard is being developed or reviewed, a taskforce is formed, made up of a number of subject matter specialists and representatives of various relevant stakeholder interest groups. The work can be complex and at times controversial, and the profession is indebted to the time and input given so willingly by taskforce members and stakeholder groups who make public submissions to the Board.

The Board is also grateful to the valuable contributions made by staff of the accounting bodies, accounting firms, government bodies, regulators and others who provide input and different perspectives of issues to our public standards setting process. The Board could not have achieved what it has to date without these valuable contributions from stakeholders. We acknowledge the interest of those who attend the APESB board meetings and offer valuable input at the time we are considering issues.

In 2008, along with the rest of the nation, we witnessed the global financial crisis and as a result, the fall of financial markets across the globe. These events and their various consequences continue to affect the lives of people around the world. It is a stark reminder of how important the fundamental principles are, which guide us at APESB. The clear failure by many parties involved in commerce, to exercise integrity and objectivity, care and diligence, and professionalism has resulted in a fall in confidence and trust in organisations and in people. At APESB we believe we have a role to play in continuing to build public trust in the Australian accounting profession; we are motivated to deliver

standards, which contribute to the business health of the Australian accounting profession as well as the financial well-being of clients and investors. As an independent standard setter, we believe we are able to take an objective and long-term view of what will contribute to the 'professionalism of the profession' while keeping public interest as our main priority. We trust those professionals covered by our standards see this value and we rely on those professionals to lead by example in demonstrating adherence to these standards.

Finally, I would also like to recognise and thank my fellow Board members and management for their commitment and professionalism in all they do at APESB. In my view the input of all is well above expectations and I believe it should be encouraging to all, both accountants and non-accountants, that a group who sets these standards clearly feel so passionately about the benefit of these standards to the profession. All at APESB look forward to contributing to the 'professionalism of the profession' in the years to come.



Kate Spargo
Chairman

9 February 2012



APESB makes a valuable contribution to the Australian accounting profession as an independent standard setter, issuing accounting professional and ethical standards, which are applicable to the three major Australian accounting bodies.

Introducing APESB

An initiative of CPA Australia and the Institute of Chartered Accountants in Australia (ICAA), the Accounting Professional & Ethical Standards Board (APESB) was established as an independent body in February 2006. APESB is a public company limited by guarantee. CPA Australia, ICAA and the Institute of Public Accountants (formerly the National Institute of Accountants) are members of APESB.

Members of the three major Australian accounting bodies have a responsibility to act in the public interest. They are expected to act with objectivity and integrity in their dealings with investors, governments, clients, employers and employees.

The role of APESB is to develop and issue professional and ethical standards in the public interest that apply to members of the three major Australian professional accounting bodies.

The initial focus of APESB's activities has been the review and re-issue of professional and ethical standards and guidance notes previously set by CPA Australia and ICAA, being the Joint Code of Professional Conduct (CPC) and Miscellaneous Professional Statements and Guidance Notes (APS and GN series).

APESB develops standards in consultation with its taskforce members who are accountants in public practice and business.

During the standards development process, APESB calls upon professionals both in practice and business, the professional accounting bodies, regulators and other stakeholders to provide feedback and input on how these standards should be drafted, and in turn delivers practical and appropriate standards.

Where relevant, APESB has adopted appropriate professional and ethical standards issued by a standard setting board of the International Federation of Accountants (IFAC). Whilst the applicable APESB standards remain consistent with IFAC standards, additional requirements or guidance may be included, taking into consideration the Australian environment.

However, it should be noted that for 13 of APESB's 16 pronouncements to date, IFAC standards have not been used as a base as there are no equivalent IFAC standards issued. The vast majority of APESB's standards have been developed locally by the Board with the assistance of taskforces in response to needs of the Australian accounting environment.

APESB represents Australia in the National Standard Setters Group of the International Ethics Standards Board for Accountants (IESBA), a standard setting Board of IFAC, and contributes to the development of professional and ethical standards in the international arena.

APESB Chairman Kate Spargo is a public interest Board member of the IESBA, and APESB Board member Stuart Black is a member of the IFAC Small and Medium Practices (SMP) committee.

The APESB Story to Date

Feb 2006

Accounting Professional & Ethical Standards Board Limited (APESB) was registered as a public company limited by guarantee on 7 February 2006.

Feb 2006

Mr Stuart Black (nominee of ICAA), Professor Jack Flanagan (nominee of CPA Australia), Mr Harley McHutchison (nominee of ICAA) and Dr Kenneth Levy (nominee of CPA Australia) are the first to be appointed to the Board of Directors. The Board has a wide range of skills and experience in public practice, business and academia.

The Board's work started with the review and issue of APES 110 *Code of Ethics for Professional Accountants*, APES 320 *Quality Control for Firms* and APES 410 *Conformity with Auditing and Assurance Standards* (now APES 210).

May 2006

The Board issues its first standard – APES 320 *Quality Control for Firms*.

June 2006

APES 110 *Code of Ethics for Professional Accountants* is the second standard to be issued by the Board.

APES 410 *Conformity with Auditing and Assurance Standards* (now APES 210) is issued.

August – Oct 2006

The Board establishes the Secretariat and appoints Ms. Rachel Portelli as the Secretariat Manager.

APESB moves into its new offices adjacent to the Australian Accounting Standards Board (AASB) and the Auditing and Assurance Standards Board (AUASB).

November 2006

The Institute of Public Accountants (IPA) becomes a member of APESB.

December 2006

Mr Bob Sendt is appointed to the Board of Directors as a nominee of the Institute of Public Accountants.

As the former Auditor General of New South Wales, Bob brings a public sector perspective to the Board.

APESB develops its business plan for 2007–2008 to guide its strategic direction. The plan sets out seven key result areas supported by objectives and strategies to be assessed annually against key performance indicators.

January 2007

The Board appoints Mr. Channa Wijesinghe as the Technical Director.

July 2007

Ms. Kate Spargo is appointed as independent Chairman of APESB.

APESB's constitution mandates that the Chairman must not be a member of the accounting bodies. Kate is a lawyer by profession and an independent non-executive director of a number of listed and unlisted companies in Australia.

October 2007

The Board issues standard APES 220 *Taxation Services* specifying requirements and guidance for members who provide taxation services to clients and employers.

December 2007

APES 305 *Terms of Engagement* and APES 205 *Conformity with Accounting Standards* are the next two standards to be issued by the Board.

June 2008

As at 30 June 2008, APESB has six active taskforce committees in the areas of forensic accounting, reporting on prospective financial information, code of ethics for professional accountants, insolvency services, financial advisory services, and valuation services. Much of the work of APESB is achieved through the contributions made by taskforce committees.

July 2008

APESB issues new standards APES 225 *Valuation Services*, in response to calls from the accounting profession for professional standards in respect of valuation services in Australia and APES 315 *Compilation of Financial Information* to specify the requirements and guidance applicable to members in public practice who compile financial information for clients.

Sub prime crisis rocks the corporate world and delivers one of the most fundamental shocks to the world economy, which has consequent affects on all of us.

August 2008

At its August meeting, the Board undertakes the significant task of reviewing and developing its strategic plan for the period 2009 – 2012,

which includes its standard development program, consolidating stakeholder relationship management and communication strategies. Key strategic objectives include providing leadership in the development of accounting professional and ethical standards and to strengthen APESB's effectiveness in making contributions to the international standard development process.

September 2008

The Board issues APES 210 *Conformity with Auditing and Assurance Standards*, which replaces APES 410 of the same name.

November 2008

The Board issues APES 345 *Reporting on Prospective Financial Information in connection with a Disclosure Document* to govern the behaviour of members in public practice when they conduct engagements in respect of prospective financial information.

December 2008

The Board issues its tenth professional standard, APES 215 *Forensic Accounting Services* to govern the professional behaviour of forensic accountants in public practice and in business.

January 2009

APESB Board member Stuart Black is appointed as a member of IFAC's Small and Medium Practices Committee, providing the opportunity to influence the international agenda in this vital sector of the profession.

February 2009

APESB Board member Dr. Ken Levy retires from the Board. APESB thanks him for his time and commitment to the establishment of APESB, as well as to the development of standards over the past three years.

April 2009

Chairman Kate Spargo and Technical Director Channa Wijesinghe attend the IESBA inaugural National Standards Setters (NSS) meeting in Vancouver, Canada – a useful opportunity to meet with others engaged in standard setting and to discuss the various approaches adopted by the majority of the G20 countries in respect of accounting professional standards.

APESB appoints new director, Peter Day, to strengthen the Board in its focus on the needs of accountants working in business and re-appoints four of its existing directors.

As a former Chief Financial Officer, Peter will strengthen the Board's 'member in business' capabilities.

May 2009

The Board re-issues APES 320 *Quality Control for Firms*, in line with the revised international standard on Quality Control (ISQC1), issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC.

APESB commences a refresh of APESB's brand and a redesign of APESB's website.

The Board approves the 2009-2012 strategic plan and accompanying budget to guide their activities over the coming four years.

June 2009

There are some early signs that the worst of the global financial crisis may be over. Much of the cause of the crisis is perceived to have arisen from the failure of various professionals such as bankers, advisers and regulators to maintain an appropriate balance between pursuing their own and organisations' self-interests and meeting their professional obligations.

September 2009

APESB issues APES 330 *Insolvency Services* to govern the behaviour of accounting professionals who act as liquidators, receivers and administrators.

November 2009

APESB re-issues APES 315 *Compilation of Financial Information*. This standard has been effective since 1 January 2009 and the revision addressed amendments in respect of independence, confidentiality, and compilation reports.

December 2009

APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* is issued by APESB to govern the professional obligations and reporting requirements of members in public practice who participate in, or report to, Due Diligence Committees.

January 2010

Kate Spargo is appointed to the International Ethics Standards Board for Accountants (IESBA) as a public interest member for a three-year term commencing 1 January 2010. Kate is also appointed Chair of the IESBA Inadvertent Violations (Breaches) Taskforce and to the Fraud and Illegal Acts Taskforce of the IESBA.

February 2010

APESB thanks Professor Jack Flanagan for his time and commitment upon his retirement from APESB.

May 2010

APESB appoints a new director, Catherine Mulcare, to replace Professor Jack Flanagan. Catherine brings extensive regulatory experience and a professional practice perspective to the Board.

June 2010

The Board releases the Exposure Draft of APES 230 *Financial Advisory Services* (APES 230 Project) and seeks feedback from stakeholders.

Australia's financial system has proved resilient in the global financial crisis compared to other G20 countries and is cited as an example to the world.

The refresh of APESB brand and a redesign of APESB's website is complete, which results in a site that is more user-friendly and visually appealing. The new website is now averaging over 44,000 hits per month.

October 2010

APESB Technical Director Channa Wijesinghe participates in the second IESBA National Standards Setters meeting, which takes place in Dublin, Ireland.

November 2010

APESB receives a record 67 submissions from members, accounting bodies, firms, industry participants and other stakeholders, in respect of the APES 230 project, which impacts on professional accountants who are financial planners.

December 2010

The Board issues standard APES 310 *Dealing with Client Monies*, which specifies the professional requirements and obligations of members in public practice who deal with client monies or who act as an auditor of client monies.

The revised APES 110 *Code of Ethics for Professional Accountants* is issued with an effective date of 1 July 2011. The revised APES 110 incorporates the changes in the IESBA Code issued in July 2009.

March 2011

The Board re-issues Standard APES 220 *Taxation Services* with minor amendments.

APESB revises APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document*, which addresses matters identified in the six monthly review process and include additional guidance in respect of materiality letters issued in connection with Due Diligence Committees.

April 2011

In response to financial collapses such as Storm Financial and Westpoint, the Federal Government announces Future of Financial Advisory Services (FoFA) reforms in recognition of the need for ethical professional practice in the financial planning industry to protect the public.

APESB Technical Director Channa Wijesinghe attends the third IESBA National Standards Setters meeting in Toronto, Canada.

May 2011

APESB conducts public stakeholder consultations in Melbourne with respondents to the APES 230 project.

June 2011

The new look website is now averaging over 60,000 hits per month.

APESB congratulates Directors Mr Peter Day and Mr Bob Sendt on the extension of their terms for an additional three years.

A consultation paper on the proposed definition of public interest entity is issued. The definition of “public interest entity” in the revised APES 110 *Code of Ethics for Professional Accountants* is central to the “stricter” independence requirements of section 290 of the revised Code.

August 2011

APESB conducts public stakeholder consultations in Sydney with respondents to the APES 230 project.

September 2011

The Board issues the Exposure Draft of APES GN 40 *Ethical Conflicts in the workplace – Considerations for Members in Business* and seeks feedback from members and stakeholders in commerce and industry.

November 2011

The Board re-issues APES 330 *Insolvency Services* due to amendments made to the Insolvency Practitioners Association of Australia's Code of Professional Practice.

APESB amends APES 210 *Conformity with Auditing and Assurance Standards* due to the issue of the revised APES 110.

December 2011

APESB issues a definition of a public interest entity in the Australian context, which will apply in respect of the auditor independence requirements from 1 January 2013 with early adoption permitted.

APESB issues APES 325 *Risk Management for Firms*, which stipulates requirements and guidance for firms to develop risk management frameworks for their practices from 1 January 2013.

January 2012

The Board issues the Exposure Draft of APES GN 30 *Outsourced Services* to provide guidance for members in practice who are involved in providing or utilising outsourced services in respect of material business activities.

APESB's constitutionally mandated post implementation review of a new standard within six months of it being effective and annually thereafter, is unique among standard setters for the accounting profession in Australia.

APESB's Professional Standards for the Accounting Profession

APES 110 *Code of Ethics for Professional Accountants* issued by APESB sets out the five fundamental principles of professional and ethical behaviour that members of the three major Australian accounting bodies must comply with and which, in effect, defines the professional status of accountants.

To earn this respected status and all the benefits that go with it, members of the accounting profession must behave with integrity, objectivity, act with professional competence and due care and comply with confidentiality requirements. They must be prepared to exercise professional judgment and critically evaluate matters put to them. Members have an overriding obligation to act in the public interest and must guard against the threat of self-interest.

It is these behaviours which will ensure that the accounting profession is trusted and relied upon in both good times and in times of difficulty.

APESB follows a rigorous process in developing professional and ethical standards, based on well-documented processes adopted by international and national standard setting bodies.

As part of this process APESB takes a proactive approach to review each professional pronouncement six months after its initial commencement date and annually thereafter, to ensure each standard remains up to date and relevant. Stakeholders provide input to these review processes by reporting them to APESB via the online issues register on APESB's website.

As of January 2012, APESB has reviewed and re-launched the previous Code of Conduct and nearly all of the previous APS and GN series of professional standards inherited from CPA Australia and ICAA and also developed 4 new professional pronouncements.

In the APES series of 16 professional pronouncements developed to date, only 2 standards are direct international equivalents and another is partly based on an international pronouncement. The remaining 13 professional pronouncements have been developed in Australia by APESB with the assistance of APESB taskforces.

APESB consults widely with stakeholders and is open to engaging with stakeholders in the development of pronouncements.

The current APESB series of professional standards is opposite:

APESB's Professional Standards

APES Series	Name of Standard
ALL Members	
APES 110	Code of Ethics for Professional Accountants
APES 205	Conformity with Accounting Standards
APES 210	Conformity with Auditing and Assurance Standards
APES 215	Forensic Accounting Services
APES 220	Taxation Services
APES 225	Valuation Services
APES 230*	<i>Financial Planning Services – Exposure Draft issued</i>
Members in Public Practice	
APES 305	Terms of Engagement
APES 310	Dealing with Client Monies
APES 315	Compilation of Financial Information
APES 320	Quality Control for Firms
APES 325	Risk Management for Firms
APES 330	Insolvency Services
APES 345	Reporting on Prospective Financial Information in connection with a Disclosure Document
APES 350	Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document
APES GN 30*	<i>Outsourced Services – Exposure Draft issued</i>
Members in Business	
APES GN 40*	<i>Ethical Conflicts in the workplace – Considerations for Members in Business – Exposure Draft issued</i>

*These are projects in progress as of January 2012.

Professional Standards Applicable to all Members

APES 110 Code of Ethics for Professional Accountants

Issued June 2006 and revised December 2010

APES 110 is based on IESBA's *Code of Ethics for Professional Accountants*. The professional obligations and ethical requirements imposed on members of the accounting profession are based on the five fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour in the Code. The Code consists of Part A (applicable to all members), Part B (applicable to members in public practice) and Part C (applicable to members in business). APES 110 also includes the auditor independence requirements applicable to members in public practice who perform audits and reviews of financial statements (Section 290) or perform other assurance engagements (Section 291).

APES 205 Conformity with Accounting Standards

Issued December 2007

APES 205 *Conformity with Accounting Standards* specifies the professional obligations of all members to comply with accounting standards when they prepare, present, audit, review or compile financial statements, which are either general purpose financial statements or special purpose financial statements.

APES 210 Conformity with Auditing and Assurance Standards

Issued June 2006 (as APES 410), revised September 2008 and November 2011

APES 210 establishes the responsibilities of all members in relation to compliance with the Auditing and Assurance Standards, in the conduct of all audit engagements, review engagements, assurance assignments, other assurance engagements, and related services (whether financial or non-financial information).

APES 215 Forensic Accounting Services

Issued December 2008

Forensic accounting services provided by members to clients or employers comprise expert witness services, lay witness services, consulting expert services and investigation services. The primary focus of APES 215 is on the member's professional obligations as an expert witness as well as the disclosures that a member is required to make in an expert witness report to a court. APES 215 also includes professional requirements in respect of false or misleading information and changes in opinion, quality control and professional fees.

APES 220 Taxation Services

Issued October 2007 and revised March 2011

APES 220 *Taxation Services* specifies the professional obligations of all members who provide taxation services in relation to a client's or employer's taxation obligations. These taxation services include preparation of taxation returns or similar documents for revenue authorities, preparation of tax calculations, provision of tax planning and advisory services, and assistance with resolution of taxation disputes. APES 220 also includes professional obligations in respect of tax schemes and arrangements, use of estimates, providing false or misleading information, client monies, professional fees and documentation.

APES 225 Valuation Services

Issued July 2008 and Exposure Draft on proposed revisions issued in December 2011

APES 225 is applicable to all members who provide an estimate of value for a business, business ownership interest, security or intangible asset to either a client or an employer. The primary professional obligations imposed by this standard cover the valuation reporting and documentation requirements for members who conduct valuation services for a client or an employer. APES 225 defines valuation services to include valuation engagements, limited scope valuation engagements and calculation engagements. As at times there is professional judgement exercised in determining whether a particular service is a valuation service, appendix 1 to APES 225 includes common scenarios, which demonstrate the application of the principles in the standard to assist the member determine whether the member is providing a valuation service.

APES 230 Financial Planning Services Exposure Draft

Exposure Draft Issued June 2010

APES 230 exposure draft is primarily applicable to members who are financial planners. APESB received 67 submissions in respect of the exposure draft and during 2011 went through an extensive consultation process with respondents to this exposure draft. Some of the areas of concern raised by respondents related to the scope of the proposed standard, application to members in business, impact of the government's *Future of Financial Advice* reforms and its proposed prohibition of certain remuneration methods for financial planners.

Professional Standards Applicable to Members in Public Practice

APES 305 Terms of Engagement

Issued December 2007 and revised June 2009

APES 305 requires members in public practice to document and communicate the terms of engagement with a client. The standard also includes guidance for members on general contents of an engagement letter and members' responsibilities in respect of recurring engagements.

APES 310 Dealing in Client Monies

Issued December 2010

APES 310 sets out mandatory professional requirements and guidance for members in public practice who deal with client monies, or who act as an auditor of client monies. Part A of the standard specifies the obligations of a member in public practice who deals in client monies (due to the operation of trust accounts or client bank accounts). Part B specifies the professional obligations of an auditor of client monies and the appendix to the standard includes an example of a pro-forma audit report.

APES 315 Compilation of Financial Information

Issued July 2008 and revised November 2009

APES 315 sets out the professional obligations of members in public practice who compile historical or prospective financial information. The standard addresses the fundamental responsibilities of members as well as their obligations in respect of planning, defining the terms of engagement, procedures to follow, dealing with misstatements, documentation and reporting on a compilation engagement. The standard also includes professional obligations in respect of communication of significant matters to those charged with governance and subsequent discovery of facts. As the most common forms of compilations in practice are in respect of general purpose and special purpose financial statements, appendix 1 includes examples of compilation reports, which address these common situations.

APES 320 Quality Control for Firms

Issued May 2006 and reissued May 2009

APES 320 *Quality Control of Firms* is based on *International Standard on Quality Control (ISQC 1)*. APES 320 requires firms to establish policies and procedures in respect of a firm's quality control processes and specifies that the elements of quality control are leadership responsibilities for quality within the firm, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements, human resources, engagement performance, monitoring and documentation.

APES 325 Risk Management for Firms

Issued December 2011

APES 325 sets out mandatory requirements and guidance for firms to establish, maintain, monitor and document a risk management framework. An effective risk management framework should assist a firm to meet its overarching public interest obligations as well as its business objectives by facilitating business continuity, enabling the delivery of quality and ethical services to clients, and protecting the reputation and credibility of the firm. The standard addresses the objectives of a risk management framework, the process for establishing and maintaining a risk management framework for a firm, monitoring a firm's risk management policies and procedures and documentation requirements.

APES 330 Insolvency Services

Issued September 2009 and revised November 2011

APES 330 specifies the professional requirements that members in public practice need to comply with when accepting an appointment to perform insolvency services such as acting as a liquidator, receiver, administrator or bankruptcy trustee. The standard mandates very strict independence requirements and also addresses members' professional obligations in respect of professional fees and expenses, dealing with property and acting as an expert witness in the insolvency context.

APES 345 Prospective Financial Information

Issued November 2008

APES 345 *Reporting on Prospective Financial Information in connection with a Disclosure Document* specifies the mandatory professional obligations of a member in public practice who undertakes an engagement to prepare a report in connection with a disclosure document which contains prospective financial information.

APES 350 Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document

Issued December 2009 and revised March 2011

APES 350 sets out mandatory professional requirements and guidance for members in public practice who provide professional services to a client by participating in and/or reporting to a Due Diligence Committee (DDC) as a DDC member, DDC observer or reporting person. The standard specifies the professional obligations in respect of the different roles and obligations of a member in public practice who is on a DDC as well as the member's reporting obligations to a DDC. The standard has a pro-forma DDC sign-off and a materiality letter that can be used by a member in public practice who acts as a DDC member, DDC observer or reporting person.

APES GN 30 Outsourced Services Exposure Draft

Exposure Draft Issued January 2012

APES GN 30 *Outsourced Services Exposure Draft* provides guidance to members in public practice who are involved in providing or utilising outsourced services. It includes guidance in respect of the management of risks associated with outsourced services, terms of the outsourcing agreement and performance of the outsourcing agreement. The proposed APES GN 30 includes guidance in respect of matters to be included in service level agreements pertaining to outsourced services. The appendix to the guidance note includes examples of outsourced services that are within the scope of the guidance note.

Professional Standards Applicable to Members in Business

APES GN 40 Ethical Conflicts in the Workplace – Considerations for Members in Business Exposure Draft

Exposure Draft Issued September 2011

APES GN 40 provides members in business with guidance on the application of APES 110. The proposed guidance note uses the conceptual framework of the Code to address ethical issues encountered by members in business in respect of conflicts of interest, preparing and reporting of information, acting with sufficient expertise, financial interests, inducements, disclosure of information and whistleblowing. The proposed guidance note includes 17 case studies, which illustrate examples of ethical issues faced by members in business and the application of the Code's ethical decision-making process that could be used to resolve such ethical issues.

Board of Directors



Ms Kate Spargo (Chairman)

(16 July 2007 to date)

Kate Spargo was appointed chairman of APESB in July 2007. She is a non-executive director of Sonic Healthcare Ltd, UGL Ltd, SMEC Holdings Ltd, Pacific Hydro Pty Ltd, Investec Bank (Australia) Ltd, Colinvest Ltd, and Suncorp Portfolio Services Ltd. Kate is a lawyer by profession and a Fellow of the Australian Institute of Company Directors. She was appointed to the International Ethics Standards Board for Accountants as a public interest member from 1 January 2010.



Mr Harley McHutchison

(7 February 2006 to date)

Mr Harley McHutchison is a former partner and past Chairman of professional services firm Deloitte Touche Tohmatsu. He is a Fellow of the Institute of Chartered Accountants in Australia. He is also Chairman of Colonial Mutual Superannuation Pty Ltd, Commonwealth Custodial Services Ltd and the Compliance Committees of Commonwealth Managed Investments Ltd, Colonial First State Investments Ltd and CFS Managed Property Ltd.



Mr Stuart Black

(7 February 2006 to date)

Mr Stuart Black is a past President and a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of both CPA Australia and the Australian Institute of Company Directors. He is managing partner of the Sydney based accountancy practice Chapman Eastway. Stuart is also a non-executive director of Australian Agricultural Company Limited, Coffey International Limited, a member of the International Federation of Accountants (IFAC) Small and Medium Practitioner Committee, Chair of the Chartered Accountants Benevolent Foundation Ltd and a non-executive director of the Country Education Foundation of Australia Ltd.



Mr Bob Sendt

(11 December 2006 to date)

Mr Bob Sendt was New South Wales Auditor-General from 1999 to 2006. He is a Fellow of CPA Australia, a Fellow of the Institute of Public Accountants and a Fellow of the Australian Institute of Company Directors. He is the Chairman of Job Futures Ltd and a director of National Health Call Centre Network Ltd and Cancer Council NSW. From 2001 to 2005 he was a member of the Auditing and Assurance Standards Board and was Deputy Chair from 2004 to 2005.



Mr W Peter Day

(15 April 2009 to date)

Peter Day is Chairman of Orbital Corporation Limited, a non-executive director of Ansell Limited, Centro Retail Australia and SAI Global Limited and was formerly CFO of Amcor for seven years. Peter is past Chairman of the Australian Accounting Standards Board and a past Deputy Chairman of the Australian Securities and Investments Commission. He is a Fellow of CPA Australia and the Institute of Chartered Accountants in Australia, and a Fellow of the Australian Institute of Company Directors.



Ms Catherine Mulcare

(1 May 2010 to date)

Catherine Mulcare is the Chief Financial Officer of Defence Health Limited. Prior to that she was the Chief Financial and Operations Officer of the Melbourne Storm Rugby League Club and previously was Regulatory Affairs Partner with professional services firm, KPMG. She is a member of CPA Australia, Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Past board members:



Professor Jack Flanagan

(February 2006 – February 2010)

Jack Flanagan is Emeritus Professor of Accounting at Australian Catholic University. He is a Fellow of CPA Australia and a member of the Institute of Chartered Accountants in Australia. He is also trustee of Catholic Healthcare.



Dr Kenneth Levy RFD

(February 2006 – February 2009)

Dr Levy is past President and a Fellow of CPA Australia and a Fellow of the Institute of Chartered Accountants in Australia. He retired as Director-General of the Queensland Department of Justice and Attorney General at the end of 2003. He is currently part-time senior member of the Administrative Appeals Tribunal and a practising Barrister. He is also a Professor (part-time) in the Law School of Bond University.

APESB Secretariat

Channa Wijesinghe ACMA (UK), CPA, CA – Technical Director and Company Secretary

Robert Nickel CA (Canada), CISA – Senior Project Manager

Rozelle Azad CA – Project Manager

Dolla Wilkinson – Bookkeeper

Lisa Rozanitis – Executive Assistant

APESB Taskforces

The work of APESB could not be possible without the valuable contributions from taskforce members. A taskforce is a management committee established by APESB for new or existing standards that require high-level development or review. Taskforces are disbanded once their goals have been achieved. Following is the list of members of the Australian accounting profession and other stakeholders who have generously contributed their time to the development of Australia's current accounting professional and ethical standards over the past five years.

APES 110 Code of Ethics for Professional Accountants (2007 – 2010)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Clark Anstis	Australian Accounting Standards Board
Ms Dianne Azoor-Hughes	Pitcher Partners
Mr David Balcombe	Ernst & Young (ICAA nominee)
Mr Richard Mifsud	Auditing and Assurance Standards Board
Mr Michael Nugent	International Federation of Accountants
Ms Marisa Orbea	Deloitte
Ms Rachel Portelli	APESB
Mr Keith Reilly	Grant Thornton (IPA nominee)
Ms Tiina-Liisa Sexton	CPA Australia nominee (2008 – 2010)
Ms Jessie Wong	CPA Australia nominee (2007 – 2008)

APES 215 Forensic Accounting Services (2007 – 2008)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Andrew Ross	Ferrier Hodgson (ICAA nominee)
Mr Owain Stone	KordaMentha
Mr Mark Bryant	Ernst & Young
Mr Geoff Crawford	Victoria Police (CPA Australia nominee)
Mr Brendan Halligan	Halligan & Co
Mr Keith Reilly	Grant Thornton (IPA nominee)

Revision of APES 215 Forensic Accounting Services (2011 to date)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Owain Stone	KordaMentha (ICAA nominee)

Mr Geoff Crawford	Victoria Police (CPA Australia nominee)
Mr Brendan Halligan	Halligan & Co
Mr Gregory O'Neil	Transport Accident Commission
Mr Keith Reilly	Grant Thornton (IPA nominee)

APES 225 Valuation Services (2007 – 2008)

Mr Channa Wijesinghe	APESB (Chairman)
Mr John Gibson	Ernst & Young
Mr Brendan Halligan	Halligan & Co
Mr Sean Collins	KPMG
Mr Paul Meredith	ICAA nominee
Dr Mark Shying	CPA Australia nominee
Mr Tom Ravlic	IPA nominee

APES 230 Financial Advisory Services (2007 to date)

Mr Channa Wijesinghe	APESB (Chairman)
Ms Suzanne Haddan	BFG Financial Services
Mr Robert MC Brown	Chartered Accountant
Mr Reece Agland	IPA nominee
Mr Michael Davison	CPA Australia nominee (2007 – 2009)
Mr Hugh Elvy	ICAA nominee
Mr Harry Moyle	Harry Moyle Pty Ltd
Ms Keddie Waller	CPA Australia nominee (2010 to date)

APES 325 Risk Management for Firms (2009 – 2011)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Paul Carter	PricewaterhouseCoopers (2009 – February 2011)
Ms Niamh Scanlon	PricewaterhouseCoopers (March 2011 – December 2011)
Ms Liz Giust	William Buck
Mr Jean-Marc Imbert	RSM Bird Cameron
Mr Gerard Meade	Deloitte
Ms Maguy Nakhli	MJN Holdings
Ms Catherine Kennedy	ICAA nominee
Dr Gary Pflugrath	CPA Australia nominee (2009 – 2010)
Mr Amir Ghandar	CPA Australia nominee (2011)

Mr Peter Goujon	IPA nominee (2009 – 2010)
Mr Reece Agland	IPA nominee (2010 – 2011)
Mr Mark Wilson	KPMG

APES 330 Insolvency Services (2007 – 2011)

Mr Channa Wijesinghe	APESB (Chairman)
Ms Kim Arnold	Insolvency Practitioners Association of Australia
Ms Robyn Erskine	Brooke Bird
Mr Stephen Longley	PricewaterhouseCoopers (2007 – 2009)
Mr Derrick Vickers	PricewaterhouseCoopers (2010 – 2011)
Mr Paul Meredith	ICAA nominee
Mr Michael Murray	Insolvency Practitioners Association of Australia
Mr John Purcell	CPA Australia nominee
Ms Julie Williams	Insolvency Solutions (IPA nominee)

APES 345 Reporting on Prospective Financial Information Prepared in Connection with a Disclosure Document (2007 – 2008)

Mr Channa Wijesinghe	APESB (Chairman)
Ms Marina Stuart	Deloitte (ICAA nominee)
Mr Neil Cooke	Grant Thornton Australia
Mr Tom Ravlic	IPA nominee
Dr Mark Shying	CPA Australia nominee
Ms Shauna Robinson	Deloitte

APES 350 Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document (2008 – 2010)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Jock O'Callaghan	PricewaterhouseCoopers
Mr Jeff Cook	KPMG
Ms Claire Cardno	Ernst & Young
Ms Marina Stuart	Deloitte
Mr Jeffrey Luckins	William Buck
Mr Paul Meredith	ICAA nominee
Dr Gary Pflugrath	CPA Australia nominee
Mr Reece Agland	IPA nominee

APES GN 20 Valuation Guidance Notes Project and Revision of APES 225 (2011 to date)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Richard Stewart	PricewaterhouseCoopers (ICAA nominee)
Mr Brendan Halligan	Halligan & Co
Mr Mark Pittorino	Deloitte
Mr Alan Max	Moore Stephens
Dr Mark Shying	CPA Australia Limited nominee
Mr Jim McDonald	Surety Accountants (IPA nominee)

APES GN 30 Outsourced Services (2008 to date)

Mr Channa Wijesinghe	APESB (Chairman)
Mr Bruce Coombes	MYOB Accountants Resourcing
Mr Harry Rosenberg	Quintessential Equities Pty Ltd
Mr Paul Meredith	ICAA nominee
Mr Siva Navaratnam	ANZ Bank (2008 – 2010)
Ms Tiina-Liisa Sexton	CPA Australia Limited nominee (2008 – 2010)
Mr Peter Docherty	CPA Australia Limited nominee (2011 to date)
Ms Vicki Stylianou	IPA nominee (2008 – 2009)
Mr Reece Agland	IPA nominee (2010)
Mr Tom Ravlic	IPA nominee (2011 to date)

APES GN 40 Members in Business (2008 to date)

Mr Channa Wijesinghe	APESB (Chairman)
Ms Jo-Ann Long	Latent Petroleum
Mr Paul Meredith	ICAA nominee
Mr Jeff O'Connell	Ipswich Shire Council (IPA nominee)
Ms Karen McWilliams	ICAA
Mr John Purcell	CPA Australia nominee
Mr Geoff Williams	GLW Analysis Services Pty Limited



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