

Meeting Highlights

10 JUNE 2021

1. Register of Interests

The Board noted Agenda Item 2 *Register of Interests*.

2. Proposed revisions to APES GN 30 *Outsourced Services*

The Board noted Agenda Item 3 *Proposed revisions to APES GN 30 Outsourced Services*.

The Board approved the issue of the revised APES GN 30 *Outsourced Services*, which will be effective from the date of issue.

The Board agreed to undertake a post-implementation review of APES 305 *Terms of Engagement* and APES GN 30 *Outsourced Services* to occur post 1 July 2022.

3. Proposed revisions to APES 320 *Quality Management for Firms*

The Board noted Agenda Item 4 *Proposed revisions to APES 320 Quality Management for Firms*.

The Board considered the preliminary working draft of an exposure draft on APES 320 *Quality Management for Firms* (APES 320) which proposes revisions to develop this pronouncement into a specific quality management standard for firms providing non-assurance services, maintains relevant extant requirements to minimise disruption for firms while maintaining consistency with the firm-level components of the international quality management standards.

The Board requested Technical Staff undertake further work to investigate and review the proposals from the perspective of large, medium and small firms and consider how to make the standard simpler and less complex for small practices. Technical Staff are to consider the impact of those investigations on APES 320 and APES 325 *Risk Management for Firms* (APES 325) and develop an action plan.

The Board will consider the action plan relating to APES 320 and APES 325 at an out-of-session meeting.

4. International and other activities

The Board noted Agenda Item 5 *International and other activities*.

5. Project update on Technology

The Board noted Agenda Item 6 *Project update on Technology*.

The Board supported the way forward proposed by Technical Staff in relation to this project.

6. Project Proposal APES 215 *Forensic Accounting Services*

The Board noted Agenda Item 7 *Project Proposal APES 215 Forensic Accounting Services*.

The Board approved the commencement of a project to review APES 215 *Forensic Accounting Services* in line with the way forward proposed by Technical Staff.

7. Proposed revisions to APES 330 *Insolvency Services*

The Board noted Agenda Item 8 *Proposed revisions to APES 330 Insolvency Services*.

The Board supported the way forward for the project proposed by Technical Staff.

8. Update from the NZAuASB

Mr Robert Buchanan, the NZAuASB Chair, and Ms Misha Pieters, the XRB Interim Director for Auditing and Assurance Standards, provided an update to the Board on the activities of the NZAuASB and the Public Interest Oversight Board (PIOB).

Mr Buchanan noted that with respect to adopting IESBA's Non-assurance Services (NAS) Standard, the NZAuASB would adopt the global position but seek to strengthen it by prohibiting tax advisory and tax planning services and developing additional guidance about independence and what is considered audit-related services.

Mr Buchanan, who is also a member of the Public Interest Oversight Board (PIOB), provided a brief update on the current activities of the PIOB, including the release of their recent annual report and the PIOB's interest in the technology projects.

The Board thanked Mr Buchanan and Ms Pieters for their presentation.

9. Proposed revisions to APES 110 for Non-Assurance Services

The Board noted Agenda Item 10 *Proposed revisions to APES 110 for Non-Assurance Services*.

The Board considered a draft exposure draft that proposes revisions to the Non-Assurance Services (NAS) provisions in the Code. The proposed revisions include revisions to align with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) and revisions to address recommendations from the Parliamentary Joint Committee Inquiry into the Regulation of Auditing in Australia and matters raised with APESB by Australian regulators.

The Board discussed the proposed Australian specific revisions to the Code, including the proposed prohibition on providing tax advisory and tax planning services if it creates an advocacy threat and the proposed changes to paragraphs R604.4, 604.4 A1 and 604.12 A2(c) to refer to 'highly likely to prevail'.

The Board requested Technical Staff undertake further consideration on the proposed revisions to the NAS provisions in the Code, including clarifying the impact of the proposed prohibition relating to self-review threats and seeking additional information about the potential effects of the proposed prohibition based on advocacy threats. This includes undertaking further consultation with the regulators to obtain additional information regarding their concerns.

The Board will consider an updated draft revised exposure draft at a future Board meeting.