

AGENDA PAPER

Item Number: 8

Date of Meeting: 3 September 2024

Subject: Post-implementation review of APES 320 *Quality Management For Firms that provide Non-assurance Services*

Action required For discussion For noting For information

Purpose

To provide an update to the Board on the post-implementation review of APES 320 *Quality Management For Firms that provide Non-assurance services*.

Background

APES 320 *Quality Management For Firms that provide Non-assurance Services* (APES 320) was reissued in February 2022 and was effective from 1 January 2023, with early adoption permitted. APES 320 replaced APES 320 *Quality Control for Firms* issued in September 2019.

APES 320 requires the non-assurance practices of firms to establish policies and procedures in respect of a firm's quality management processes. The elements of reissued APES 320 are aligned at a high-level with the components of ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* issued by the Auditing and Assurance Standards Board, which are effective from December 2022. In addition, appendices 1 and 2 of the reissued APES 320 assist hybrid firms that have both assurance and non-assurance practices to determine which quality management standards to comply with and which services are covered by the Standard.

At the February 2022 Board Meeting, the Board approved the issue of APES 320. The Board also determined that APESB should undertake a post-implementation review (PIR) within two years from the effective date of 1 January 2023 to determine if any revisions to the standard are required ([Agenda Item 3](#)).

Matters for Consideration

Engagement with Professional Bodies

As part of preparing the PIR, Technical Staff communicated with the three professional bodies in mid-July 2024 to request feedback or comments on matters that APESB should consider in its PIR of APES 320.

APESB received feedback from Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia and the Institute of Public Accountants (IPA). CA ANZ proposed that a formal PIR be delayed for 2 years to allow time to obtain more feedback from their members. Both CPA Australia and IPA supported this proposal, noting that not all of their members have cycled through their quality review programs since the reissued APES 320 became effective.

Recommendation

That the Board note the deferral of the post-implementation review of APES 320 *Quality Management For Firms that provide Non-assurance services* for a further 2 years to allow time for more quality reviews of firms to be performed to gather information

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