

30 September 2024

APESB issues revised APES 305 *Terms of Engagement*

Accounting Professional & Ethical Standards Board Limited (APESB) today announced the issue of the revised APES 305 *Terms of Engagement* (APES 305) to replace the existing APES 305 (issued December 2020).

The key changes in the revised APES 305 consist of the addition of the definition of “Confidential Information” in accordance with the change made in the Amending Standard to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* for Technology-related revisions and consequential amendments to the related paragraphs where the definition of Confidential Information is used.

Please refer to Appendix 1 of this technical update for details of all the revisions. The revised APES 305 will be effective for Engagements commencing on or after 1 January 2025, with early adoption permitted.

The revised standard is available from APESB’s website: www.apesb.org.au

– ENDS –

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Appendix 1

Revision to APES 305 (Issued December 2020)

Accounting Professional & Ethical Standards Board Limited (APESB) has approved the following revisions to APES 305 *Terms of Engagement* which was originally issued in December 2007 and revised in June 2009, March 2013, October 2015, August 2019 and December 2020 (extant APES 305).

Paragraph/Section Reference	Revisions
1.2	Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 305 <i>Terms of Engagement</i> (the Standard), which is effective for Engagements commencing on or after 1 July 2021 <u>1 January 2025</u> and supersedes APES 305 <i>Terms of Engagement</i> issued in August 2019 <u>December 2020</u> . Earlier adoption of this Standard is permitted.
2	<u>Confidential Information</u> means any information, data or other material in whatever form or medium (including written, electronic, visual or oral) that is not publicly available.
3.4	A Member in Public Practice who acquires eConfidential iInformation in the provision of Professional Services to a Client shall comply with Subsection 114 Confidentiality of the Code.
3.5	Utilising Outsourced Services or Cloud Computing in the provision of Professional Services to a Client impacts the amount of risk associated with the Professional Service being delivered and the management of the Client's eConfidential iInformation. Members in Public Practice should refer to APES GN 30 <i>Outsourced Services</i> to determine whether a service is an Outsourced Service (which may include Cloud Computing) and for guidance in relation to professional and ethical obligations in respect of Outsourced Services.
3.7	Where a Member in Public Practice will utilise Cloud Computing in the provision of Professional Services to a Client which is not an Outsourced Service, the Member in Public Practice should document and communicate to the Client the details of the Cloud Computing provider, the geographical location of where the Cloud Computing will be provided and how the Client's eConfidential iInformation will be stored.