

## MINUTES

**MEETING OF:** THE AUDITING PRACTICES BOARD

**DATE AND TIME:** Friday 14<sup>th</sup> October 2011

**PLACE:** Via telephone conference call

**PRESENT:**

**Members**

J Adam	R Sriskandan
Ms A Coates	R Talbut
R Fleck (Chairman)	D Thomas
R Frith	S Turley
M Grabowski (Executive director)	M Ward
J Hughes	A Wilson
I Pickering	

**Observers** R Rottenberg (UK, Department for Business, Innovation and Skills)

**In attendance**

**Staff**

K Billing	Mrs H O'Sullivan
J Grant	S Leonard

**ABSENT:**

**Members**

P Lee	R Nolan
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**Observers**

I Drennan (Irish Auditing and Accounting Supervisory Authority)  
R Thorpe (Financial Services Authority)

## **1. Introduction**

Mr Grabowski reported that the Bulletin on providing assurance to the FSA in relation to client assets held by regulated firms had been published on the previous day. The Financial Services Faculty of the ICAEW would be holding a launch event for the Bulletin in November at which he would be speaking.

## **2. Minutes of previous meeting**

The minutes of the meeting held on 16<sup>th</sup> September were approved.

## **3. Ethics: consultation on amendments to Ethical Standards**

The Chairman stressed the importance of resolving this matter in the next few days.

It was agreed that the proposed revised Appendix to ES1 could be published as an update without consultation if there is no consultation on the other matter. It was agreed that a footnote would be added to clarify that assurance engagements involving the examination of historical financial information in connection with an investment circular would be included in other assurance services. It might also be noted in the Appendix that auditors (and companies when making statutory disclosures) can provide fuller information than that included in the template.

In respect of tax services provided on a contingency fee basis, it was agreed that any transitional arrangement would be applicable to any tax services, not just those related to cases proceeding through a court process. The consultation paper could make this clearer. Board members expressed diverse views as to the option that they supported with no overall consensus emerging. It was noted that the approach to be taken should have regard to the current debate over non-audit services in Europe and, for this reason, consultation with the FRC should also take place. It was agreed that there would be further communication by e-mail or telephone in the next week before making a decision.

## **4. Report on EU Developments**

Mooted European proposals for changes in relation to the conduct of audit were discussed, in particular the positions on joint audits, audit-only firms and mandatory audit firm rotation. This topic will be included on a future APB agenda in order that Board members have an opportunity to comment on aspects of the proposals.

## **5. Any other business**

It was agreed that a paper would be brought to the Board in the future setting out an approach to take on PN 23 in light of the IAASB position in IAPN 1000.

## **6. Next meeting**

The next meeting of the Board will be held on Tuesday 29<sup>th</sup> November.