

AGENDA PAPER

Item Number: 10.5
Date of Meeting: 10 May 2010
Subject: International and other activities

Action Required **For Information Only**

Purpose:

To provide a quarterly update to the Board on:

- International developments; and
- Technical presentations/submissions.

IESBA

During the last quarter the IESBA has held two Board meetings. APESB Chairperson Kate Spargo attended these meetings in her capacity as an IESBA Board member. The key outcomes from the meeting were:

- **Strategy and work plan** - The IESBA has approved for exposure a draft *Strategy and Work Plan 2010-2012* that sets out the IESBA's activities and priorities for the next three years. The plan indicates that the IESBA intends to complete two high-priority projects in respect of *Conflicts of Interest* and *Responding to Fraud or Illegal Acts*. The IESBA also plans to commence a project that will consider which entities should be considered to be a related entity of a collective investment vehicle, including a mutual fund, and whether the existing definition of "related entity" should be revised.

The comment period for the exposure draft closes on June 15, 2010.

- **Convergence** - The IESBA has discussed its objective of convergence of national and international ethics standards, including independence. As a first step in this process IESBA is planning to prepare a document to analyse the independence provisions of the Code that an auditor of a public interest entity would be required to comply with by creating a standalone visual of those provisions. This will be used in discussions with national standard setters and regulators.

IESBA is also seeking input whether, in a group audit situation, where the national independence standards in the jurisdiction of the parent auditor contain requirements that are more stringent than those contained in the Code, the parent auditor would accept foreign auditors of foreign subsidiaries complying with the independence requirements in the Code.

- **Adoption and Implementation** - The IESBA has discussed the topic of implementation and adoption of the new Code. IESBA has received presentations from three IFAC Committees that have significant interest in this area: the Small and Medium Practices Committee, the Developing Nations Committee, and the Compliance Advisory Panel.

Technical Presentations/submissions

The following technical presentations/submissions have been completed in the last quarter:

- Submission to the Senate Standing Committee on Economics with respect to its Inquiry into Liquidators and Administrators. Subsequently APESB Chairperson Kate Spargo and Technical Director Channa Wijesinghe also appeared before the Senate Inquiry.
- Channa Wijesinghe presented on APES 215 *Forensic Accounting Services* at the 1st National Forensic Accounting Teaching and Research Symposium held at the Australian National University in Canberra.
- Channa Wijesinghe presented on *APESB Standards and auditor independence* to a NIA CPD live forum.
- Channa Wijesinghe will be presenting on APES 350 *Due Diligence Committees*, APES 225 *Valuation Services*, APES 215 *Forensic Accounting Services* and APES 220 *Taxation Services* at the ICAA Business Forum on 6th of May in Sydney.

Material Presented

- Exposure Draft of IESBA's draft *Strategy and Work Plan 2010-2012*; and
- Presentation to ICAA Business Forum.

Recommendation:

1. That the report on International and other activities be noted;

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Date: 2nd May 2010