

AGENDA PAPER

Item Number: 14
Date of Meeting: 14 June 2018
Subject: Proposed plan on addressing Long Association issues during transition

Action Required **For Discussion** **For Noting** **For Information**

Purpose

To obtain the Board's approval on a plan to address issues in relation to Long Association provisions in APES 110 *Code of Ethics for Professional Accountants* that arise during the transition period.

Background

In April 2018, APESB released revised audit partner rotation requirements in an amending standard *Amendments to Long Association of Personnel with an Audit or Assurance Client requirements in APES 110 Code of Ethics for Professional Accountants* (the Amending Standard). The requirements become effective from 1 January 2019.

The Amending Standard includes a mechanism that assists some jurisdictions with shorter cooling-off periods to transition to the full cooling-off requirements in the Code by 31 December 2023. Stakeholders have raised concerns about this aspect of the long association provisions and the impact it may have on the audit market in Australia when it becomes effective.

Consideration of issues

Refer to Agenda Item 14(a) for the detailed proposed plan to address long association issues during the transition period.

The plan focuses on four key elements:

- Influencing the international agenda;
- Determine the challenges for its implementation in Australia;
- Evidence-based research with the assistance of academics; and
- Ongoing stakeholder engagement.

Staff Recommendation

The Board approve the proposed plan for addressing issues in relation to long association that arise during the transition period.

Material Presented

Agenda Item 14 (a) Proposed Plan: Addressing Long Association Issues during the transition period

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Date 24 May 2018