

# Professional and Ethical Standards

The Institute of Chartered Accountants of Sri Lanka  
Australia Chapter

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Chief Executive Officer, APESB  
Vice Chair, IESBA

# Agenda

- APESB's role and mandate
- Structure of APESB Pronouncements
- Foundations of the Code
- Technology-Related Revisions to the Code
- Artificial Intelligence
- Sustainability
- Q&A

# APESB's role and mandate



# APESB's role and mandate

- Established in 2006 as an independent standard setter to develop professional & ethical pronouncements for the three professional accounting bodies
- Previously professional and ethical pronouncements developed by the professional accounting bodies
- Members' compliance and discipline overseen by professional bodies
- APESB's structure is globally unique
- A comprehensive suite of accounting professional pronouncements developed during the first decade of operations

# APESB's role and mandate

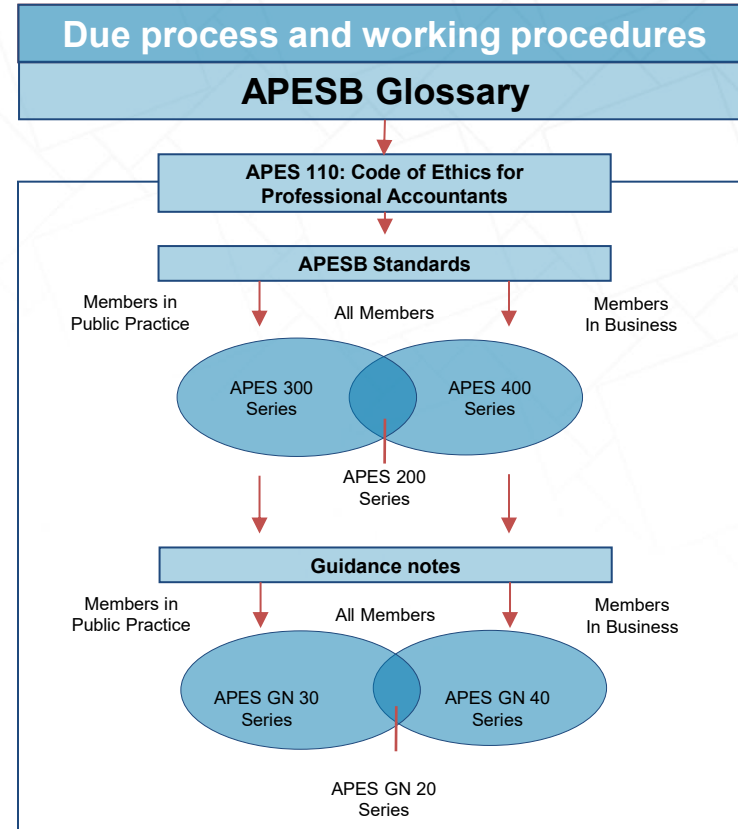
- Influence international standards setting process:
  - IESBA's National Standards Setters group
  - Representation on the IESBA and IFAC Committees
- To date APESB has released 21 pronouncements consisting of 15 Standards and 6 Guidance Notes
- The critical role ethics plays in maintaining the public trust, reputation and good standing of the profession

# Structure of APESB Pronouncements



# Structure of APESB pronouncements

- **Conceptual Framework**
  - Principles based
  - Mandatory for professional accountants
- **Standard**
  - Introduces principles
  - Mandatory requirements in black letter
  - Guidance and/or explanation in grey letter
- **Guidance notes**
  - Do not introduce new principles
  - Guidance on a specific matter on which the Principles are already stated in a Standard
  - Guidance is only in grey letter



# APESB Pronouncements to date

## All Members

- APES 110 – *Code of Ethics for Professional Accountants*
- APES 205 – *Conformity with Accounting Standards*
- APES 210 – *Conformity with Auditing and Assurance Standards*
- APES 215 – *Forensic Accounting Services*
- APES 220 – *Taxation Services*
- APES 225 – *Valuation Services*
- APES 230 – *Financial Planning Services*
- APES GN 20 – *Scope and Extent of Work for Valuation Services*
- APES GN 21 – *Valuation Services for Financial Reporting*

# APESB Pronouncements to date

## Members in Public Practice

- APES 305 – *Terms of Engagement*
- APES 310 – *Dealing with Client Monies*
- APES 315 – *Compilation of Financial Information*
- APES 320 – *Quality Management for Firms that provide Non-Assurance Services*
- APES 325 – *Risk Management for Firms*
- APES 330 – *Insolvency Services*
- APES 345 – *Reporting on Prospective Financial Information prepared in connection with a Public Document*
- APES 350 – *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document*
- APES GN 30 – *Outsourced Services*
- APES GN 31 – *Professional and Ethical Considerations relating to Low Doc Offering Sign-offs*

# APESB Pronouncements to date

## **Members in Business**

- APES GN 40 – *Ethical Conflicts in the Workplace – Considerations for Members in Business*
- APES GN 41 – *Management Representations*

# Foundations of the Code



# International Ethics Standards Board for Accountants (IESBA)

IESBA's **mission** is to serve the public interest by setting high-quality global ethics and independence standards as a cornerstone to:

- ethical behaviour in business and organisations; and
- public trust in financial and non-financial information



The **IESBA Code** is:

- Adopted or used in **> 130** jurisdictions, including **17** G20 countries
- Adopted by the largest **35** international networks of firms (the Forum of Firms) for transnational audits
- Translated in around **40** languages, including all major UN languages

# IESBA Leadership and Members



**Gabriela Figueiredo Dias**  
Chair, IESBA and Co-CEO,  
International Foundation  
for Ethics and Audit



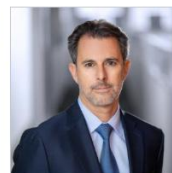
**Channa Wijesinghe**  
Vice Chair, IESBA



**Vania Borgerth**  
Brazil



**Tomoyo Imura**  
Japan



**Héctor J. Lehuédé**  
Chile



**Sung-Nam Kim**  
Korea



**Christelle Martin**  
France



**Nancy Miller**  
United States of America



**Luigi Nisoli**  
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**Obichukwu Nwazota**  
Nigeria



**Amarjeet Singh**  
India



**Rania Uwaydah Mardini**  
Lebanon



**Jon Walters**  
United Kingdom



**David Wray**  
France

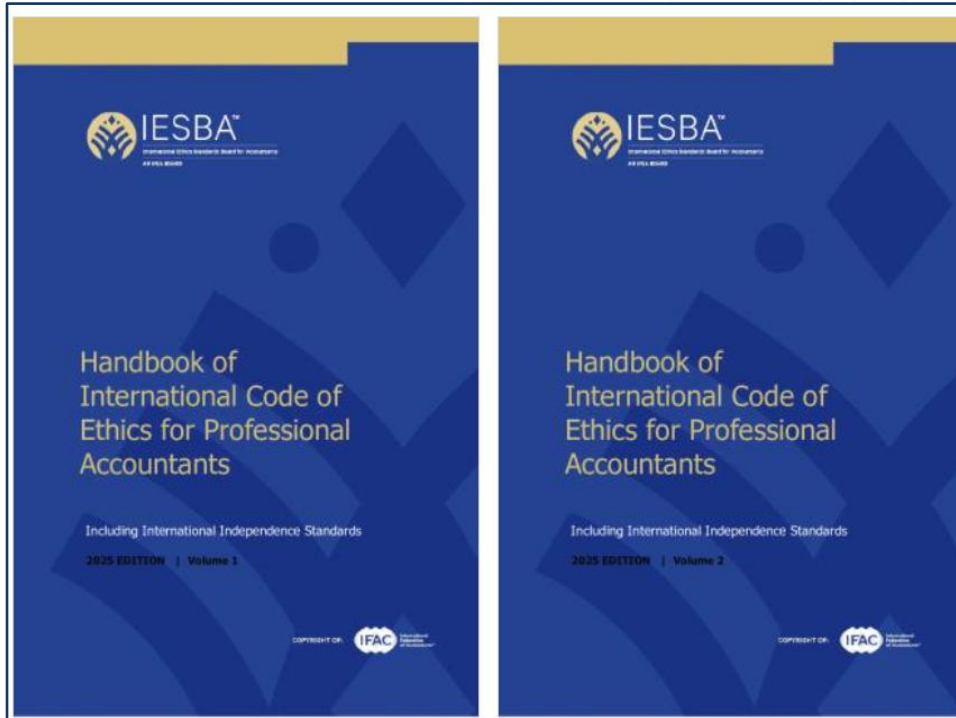


**Saadiya Adam**  
South Africa

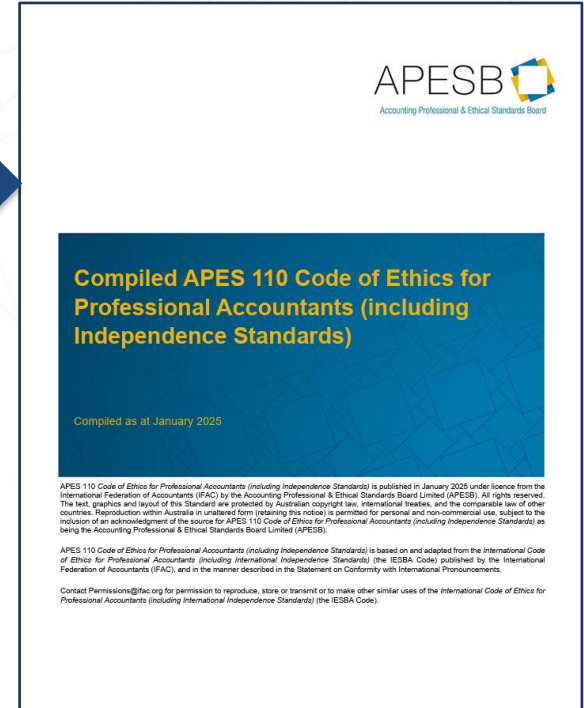


**Mark Babington**  
United Kingdom

# About the IESBA Code



Full  
adoption  
of the  
IESBA Code  
by APESB  
in Australia



# The IESBA Code/APES 110

## Fundamental Principles

Integrity

Objectivity

Professional Competence &  
Due Care

Confidentiality

Professional Behaviour

## Threats

Self Interest

Self Review

Advocacy

Familiarity

Intimidation

## Conceptual Framework



# Questions?



# Technology-Related Revisions to the Code



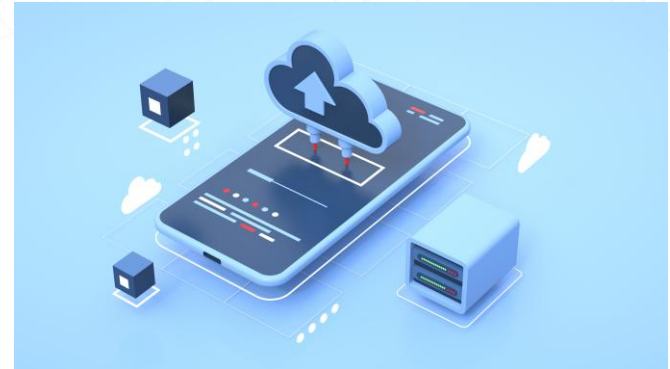
# Ethics and Technology

## Opportunities

- AI, data analytics, blockchain, cloud
- Greater efficiency, better insights

## Ethical Challenges

- Data privacy & confidentiality
- Bias & fairness in algorithms
- Professional scepticism in automated environments



**Technology is a tool, not a substitute for professional judgement.**

# IESBA Response

## Technology-related changes to the Code (Effective from 1 January 2025)



- Applies to assurance on non-financial information
- Draws attention to competence, confidentiality & leadership
- Considers ethical threats from use of technology & complexity when exercising professional judgment
- Addresses the ethical dimension of using output of technology
- Strengthens independence provisions for technology-related services & business relationships

## Technology Working Group Phase 2 report (Nov 2022)



- Data used for AI training
- Transparency & explainable AI; data governance, including custody of data
- Ethical leadership & decision-making
- Communication with TCWG
- Reliance on, or use of, experts
- Business relationships
- Advocacy of the Code and development of non-authoritative guidance.



# Overview of Technology-related revisions

Draws attention to the **competence, confidentiality, & leadership** imperatives of the digital age

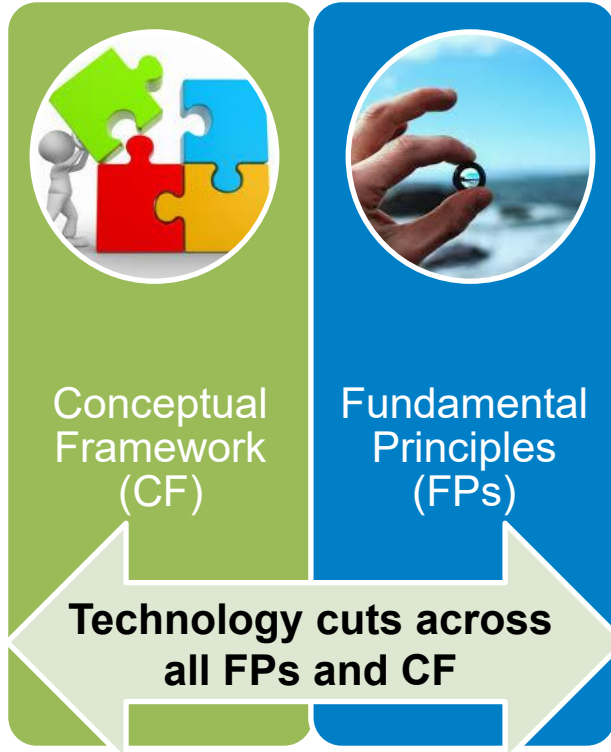
Considers ethical threats from **use of technology & complexity** when exercising professional judgment

Addresses the ethical dimension of **using output of technology**

Strengthens **auditor independence** for technology-related services & business relationships

Applies to assurance on **non-financial information** (e.g. ESG disclosures)

# Technology and the Conceptual Framework



- Importance of **maintaining confidentiality** throughout the data governance cycle
- Data available might not be sufficient for effective use of technology.
- Technology might not be appropriate for the **purpose** for which it is to be used.
- The accountant might not have **sufficient information and expertise**, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.
- The technology was designed or developed using the knowledge, expertise or judgement of the accountant or employing organisation.

# Ethical considerations when using technology output

- The **nature of the activity** to be performed by the technology.
- The expected use of, or extent of **reliance** on, the output of the technology.
- Whether the accountant has the ability, or has access to an expert with the ability, to understand, **use and explain** the technology and its appropriateness for the purpose intended.
- Whether the technology used has been appropriately **tested and evaluated** for the purpose intended.
- **Prior experience** with the technology → whether its use for specific purposes is generally accepted.
- The employing organisation's **oversight** of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology.
- The **controls** relating to the use of the technology, including procedures for authorising user access to the technology and overseeing such use.

# Artificial Intelligence



# Academics apologise for AI blunder implicating Big Four

by Tom Herbert

A group of academics has apologised to the Big Four after it was revealed they had used AI-generated material in a submission to the Australian Taxation Office.

6th Nov 2023 10:00am

## Deloitte to refund government, admits using AI in \$440k report



Edmund Tadros and Paul Karp

Oct 5, 2025 - 7:41pm

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Deloitte Australia admitting that it used AI to generate \$440,000 worth of references and

A new version of Workplace Relations website on Friday features more footnotes, a review of errors.



## PwC US boss says partners who resist AI have no place at the firm



Paul Griggs says the firm will start to offer alternatives to the traditional model of billing clients based on the number of hours worked by its army of staff.

Mar 19, 2026 | Stephen Foley

FORBES > INNOVATION

# The Future Of Accounting: How Will Digital Transformation Impact Accountants?



Microsoft  
Forbes  
Council

## Microsoft lays off an ethical AI team as it doubles down on OpenAI

Rebecca Bellan @rebeccabellan / 6:26 PM PDT • March 13, 2023

Comment

founder and  
experience in



# Use of AI

**58%**



of employees report intentionally using AI tools in their work on a regular basis.

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**48%**



of employees report that they have uploaded company information, such as financial, sales, or customer information, into public AI tools.

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Source: [UoM and KPMG, Trust, attitudes and use of AI: A global study 2025](#)

# Building and using AI Ethically

- **Understand the model:** the data, its operation and potential unintended consequences
- Be comfortable with the inputs and the **control structure** monitoring the system and its output
- Utilise a **“human in the loop”** approach
- Have the ability and competence to ask the **“right” questions**

Can be achieved by the Member keeping current and educating themselves on relevant practical guidance and “best practices” specific to their role



# Other Ethical Considerations when Using AI

## Bias and discrimination

The extent to which bias is impacting the **outputs of technology**, and to ensure that they have the appropriate mindset, competence and tools to do this.

## Risk profile

The approach to AI learning might also affect its risk profile for producing **accurate and reliable outputs**

## Use of data

How data was made available for **training and testing the AI system** – and how confidentiality, including data privacy, has been considered and maintained

Increased need for being alert, having an inquiring mind, applying professional scepticism and being aware of bias

# APESB Technical Alert

Members should **disclose** when AI tools are used  
and  
**Supervise and review** their use in the delivery of  
professional activities

Members providing professional services to clients,  
such as valuation, forensic accounting, and  
corporate finance → APESB's service-specific  
standards require disclosure of the **methodology**  
and **sources of information** used to prepare  
reports.



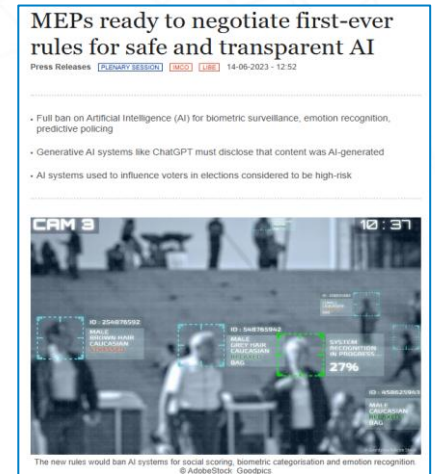
# AI Ethics Guidelines

Around 200 sets of AI ethics guidelines have been developed by various governments, multilateral organisations, nongovernmental organisations and corporations.



In November 2021, UNESCO's General Conference of 193 member states adopted the [Recommendation on the Ethics of AI](#)

In June 2024, the EU Parliament approved [landmark AI regulation](#) aimed to promote the uptake of human-centric and trustworthy AI and to protect health, safety, fundamental rights and democracy from its harmful effects.



# Bringing it back to the Code

Integrity

Objectivity

Professional  
competence and due  
care

Confidentiality

Professional behaviour

# Questions?



# Sustainability



# Launch of APESB Sustainability Standards in July 2025

- APESB [Sustainability](#) Standards:
  - Revisions to the Extant Code Addressing Sustainability Reporting
  - New Ethics and Independence Standards for Sustainability Assurance (AESSA)
  - Using the Work of an External Expert
- **Close Coordination between AUASB** and other Standard Setters to ensure alignment and interoperability
- Effective from **1 January 2026**, with a later implementation date of 1 July 2028 for provisions applicable to *Value Chain Components*
- **Transitional relief** options available to support implementation
- Australia's mandatory climate-related financial disclosures and sustainability reporting – effective for **Group 1 entities** from **1 January 2025**

## Amending Standard for Sustainability Assurance and Reporting and the use of External Experts

July 2025

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Read the APESB's [Media Release](#) and [Basis for Conclusions](#)

# Sustainability Reporting: Objectives and Key Characteristics

ENHANCED ETHICS PROVISIONS IN THE EXTANT CODE

## OBJECTIVES OF SUSTAINABILITY REPORTING REVISIONS

Reinforcing the first line of defense against “greenwashing” and other corporate malfeasance

Truthful, high-quality corporate sustainability disclosures



Builds on pre-existing robust ethical framework



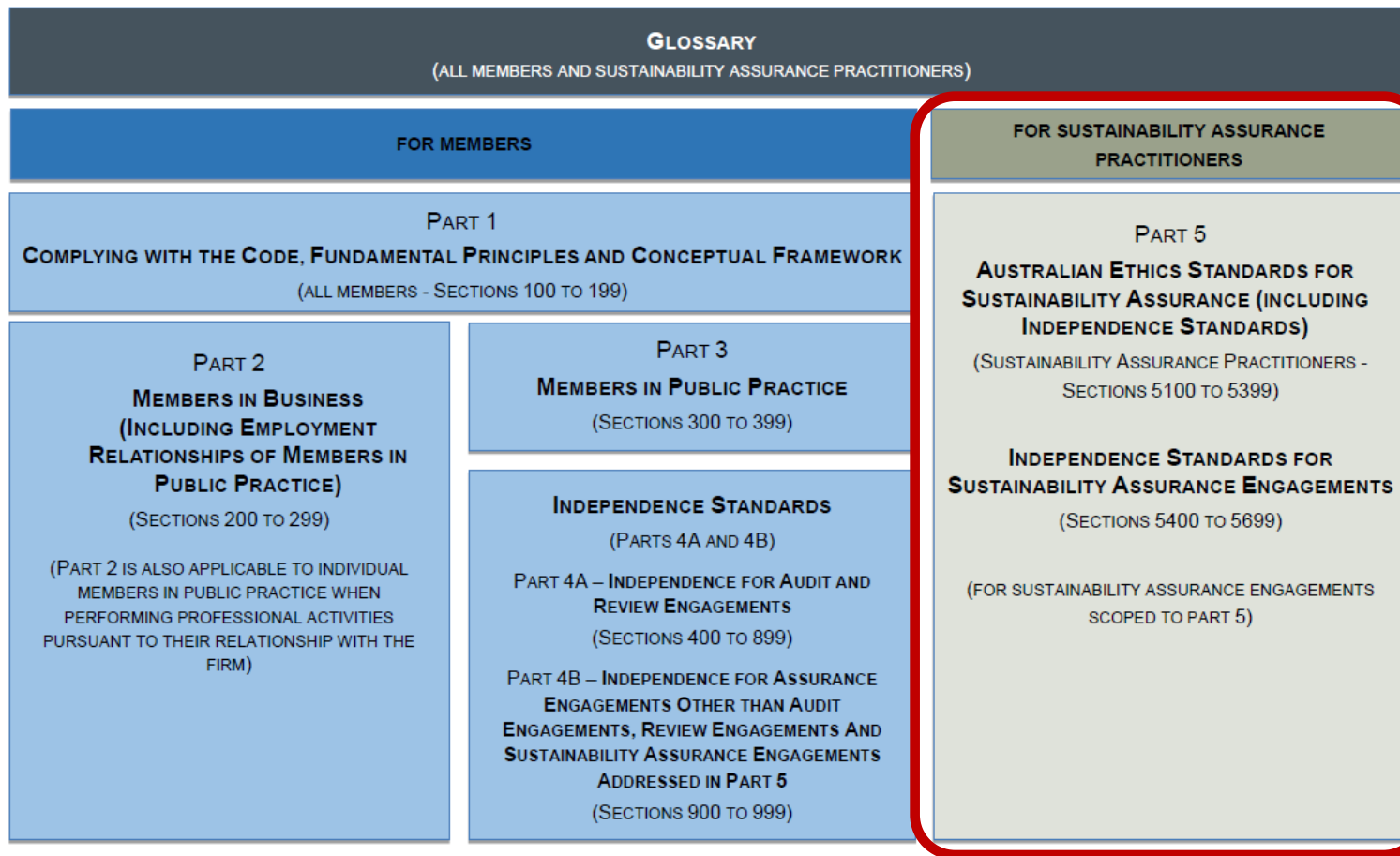
Enhances existing ethics provisions in APES 110 to be fit-for-purpose for sustainability reporting



For Professional Accountants



Framework neutral



# Key Characteristics of AESSA (New Part 5)



Equivalent to Ethics and Independence Standards for Audit



Profession-Agnostic (for All Practitioners)



Standalone (New Part 5 of APES 110)



Framework-Neutral

# Which Engagements Does the AESSA Apply to?

## SCOPE OF ETHICS AND INDEPENDENCE STANDARDS: A SCALABLE AND PROPORTIONAL APPROACH



### Ethics (Sections 5100-5390)

Apply to:

- All sustainability assurance engagements (SAEs); and
- Any other professional service provided to the same sustainability assurance client

### Independence Standards (Sections 5400-5600)

Apply **only** to SAEs:

- On sustainability information reported in accordance with a general purpose framework; and
- Which is:
  - Required by law or regulation; or
  - Publicly disclosed to support decision-making by investors or other users

### SAEs Outside the Scope of the Independence Standards in AESSA

SAEs not covered by the Independence Standards in Part 5 are subject to the Independence Standards in Part 4B of the APES 110:

- Practitioners who are professional accountants must continue to apply Part 4B
- Practitioners who are not professional accountants are encouraged to comply with Part 4B

# General Approach to Independence Standards in AESSA

Relationships, interests and circumstances that might create threats to independence in context of an audit engagement might also create threats in context of SAE

Equivalent to independence standards applicable to audit engagements (Part 4A), but addressing sustainability-specific issues

Fees

Gifts and Hospitality

Actual and Threatened Litigation

Financial Interests & Loans and Guarantees

Business Relationships

Family and Personal Relationships

Recent Services and Employment with the Client

Long Association

Provision of Non-Assurance Services to the Client

# Questions?



# Further Information

For more information visit [www.apesb.org.au](http://www.apesb.org.au)

Follow the APESB [LinkedIn page](#) for updates

To download APESB's mobile app:



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