

Media Release

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New auditor rotation rules to enhance independence

To enhance the independence of the external audit process, the Accounting Professional and Ethical Standards Board (APESB) has released new professional and ethical requirements on the length of time audit partners can perform their role. The new requirements on audit partner rotation will come into effect on 1 January 2019.

APESB Chair, The Honourable Nicola Roxon, said, “The impact of the new requirements is substantive. It is important that auditors understand how the changes impact them, and how these changes interact with relevant Australian laws and regulations, so they can apply the rules appropriately.”

“The APESB has published a practical guide to assist with implementation, the *Audit Partner rotation requirements in Australia-Technical Staff Questions & Answers*. This will be a valuable tool for auditors and audit firms as they navigate the new rules and comply with the requirements,” said Ms Roxon.

The requirements can be found in the *Close-off Document: Amendments to Long Association of Personnel with an Audit or Assurance Client requirements in APES 110 Code of Ethics for Professional Accountants*. The requirements align with provisions released by the International Ethics Standards Board for Accountants (IESBA).

“Audit partner rotation requirements strengthen the independence of auditors, and investors and other stakeholders’ confidence on appropriate audit tenure. At the same time, the requirements recognise that strong audit outcomes also come from deep knowledge and understanding of a client’s business and operations, gained over a period of time,” said Ms Roxon.

The Close-off Document and the Technical Staff Q&A publication are available on the APESB website www.apesb.org.au.

You can keep up to date with APESB standards via our website www.apesb.org.au, by downloading our app from one of the app stores below or following us on LinkedIn.

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Notes to Editors:

APESB is the National Standards Setter that sets the code of ethics and professional standards by which members of Australia’s three major professional accounting bodies (CPA Australia, Chartered Accountants Australia and New Zealand and the Institute of Public Accountants) are required to abide.