

Meeting Highlights

31 MAY 2023

1. Register of Interests

The Board noted Agenda Item 2 *Register of Interests*.

APESB Director Mr Damien Moore has confirmed to the APESB that he has no involvement with the historical tax work performed by PwC that predates his appointment, which is now part of the Federal Government's inquiry.

Mr Moore was appointed in his personal capacity to the APESB in November 2022 following his nomination by the Institute of Public Accountants (IPA). Mr Moore is a past President of the IPA and was a director on the IPA Board for 12 years. He was formerly the Chief Executive Officer of Scope Business Advisors. In March 2021, Mr Moore joined the PwC Adelaide office as a Director and was not an employee of PwC prior to that date.

2. Proposed revised APES 215 *Forensic Accounting Services*

The Board noted Agenda Item 3 *Proposed revised APES 215 Forensic Accounting Services*.

The Board discussed the outcome of the exposure draft due process and agreed to clarify the application of the standard depending on whether the service involves an Expert Witness Service.

The Board approved the issue of the revised APES 215 *Forensic Accounting Services* and the related Basis of Conclusions, with an effective date of 1 October 2023.

3. Proposed revised APESB guidance on APES 110 Prohibitions

The Board noted Agenda Item 4 *Proposed revised APESB guidance on APES 110 Prohibitions*.

The Board considered a revised APES 110 *Prohibitions applicable to Auditors for all Audits and Review Engagements 2023* Document. The revised document has been updated to include the prohibitions in the Amending Standard on Non-Assurance Services which are effective from 1 July 2023.

The Board approved the issue of the revised *APES 110 Prohibitions Document 2023*.

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4. Proposed revisions to APES 225 *Valuation Services*

The Board noted Agenda Item 5 *Proposed revisions to APES 225 Valuation Services*.

The Board considered the draft exposure draft, which proposes amendments to address matters on the issues register and to incorporate quality management conforming amendments.

The Board approved the issue of the exposure draft on proposed revisions to APES 225 *Valuation Services*.

5. Proposed revisions to APES GN 30 *Outsourced Services*

The Board noted Agenda Item 6 *Proposed revisions to APES GN 30 Outsourced Services*.

The Board considered the draft exposure draft, including proposed amendments to address matters identified in a post-implementation review and quality management conforming amendments.

The Board approved the issue of the exposure draft on proposed revisions to APES GN 30 *Outsourced Services*.

6. International and other activities

The Board noted Agenda Item 7 *International and other activities*.

The Board discussed the IESBA's Consultation Paper on its proposed Strategy and Work Plan for 2024 to 2027 and the submission that APESB will make. The comment period for IESBA's Consultation Paper closes on 7 July 2023. Further details are available on the [IESBA website](#).

7. Update on Sustainability

The Board noted Agenda Item 8 *Update on Sustainability*.

The Board discussed the developments occurring at both national and international levels on sustainability and ESG reporting.

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Given the rapid progress in sustainability developments, the Board has agreed to establish a task force on sustainability. Applications for the taskforce will be sought later in the year.

8. Proposed revisions to APES 310 *Client Monies*

The Board noted Agenda Item 9 *Proposed revisions to APES 310 Client Monies*.

The Board considered the draft exposure draft, which proposes amendments to incorporate quality management conforming amendments, references to APES 110 and to align with the revised ASAE 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board (AUASB).

The Board agreed to seek specific feedback on whether Members have experienced challenges in complying with the requirements of the standard, including opening a trust account or operating a client bank account.

The Board approved the issue of the exposure draft on proposed revisions to APES 310 *Client Monies*.

9. Update on developments relating to APES 230 *Financial Planning Services*

The Board noted Agenda Item 10 *Update on developments relating to APES 230 Financial Planning Services*.

The Board considered the recent developments in legislative reforms and the potential impacts on APES 230. The Board agreed no amendments to APES 230 are necessary at this point but will continue to monitor relevant developments.

10. Proposed revisions to APES 110 for the definitions of Listed Entity and Public Interest Entity

The Board noted Agenda Item 11 *Proposed revisions to APES 110 for the definitions of Listed Entity and Public Interest Entity*.

The Board considered the outcome of the due process for ED 05/22 *Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

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In considering the approval of the amending standard, the Board noted that since 2013 Australia has maintained higher requirements for determining Public Interest Entities (PIEs) compared to both the extant *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) and the revisions in the IESBA final pronouncement issued in April 2022.

The Board also noted that both the audit and prudential regulators supported the proposed revisions to APES 110 relating to the definitions of Listed Entity and PIE. They were also of the view that the extant Australian position in determining PIEs should be maintained as they are not aware of any issues in applying the extant provisions in practice over the last decade.

The Board discussed the interaction of the proposed Australian-specific requirements with the IESBA provisions. To clarify the connection, the wording in the proposed paragraph AUST R400.18 A3 will be enhanced to include the concept of 'reflecting the significant public interest in the financial condition' in the lead-in paragraph. In addition, the proposed paragraph will be elevated to a requirement consistent with the requirements in R400.17 and R400.18.

The Board approved the issue of the amending standard *Revisions to the Definitions of Listed Entity and Public Interest Entity in APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* and the related Basis for Conclusions.

11. Proposed revisions to APES 110 for Engagement Team – Group Audits Independence

The Board noted Agenda Item 12 *Proposed revisions to APES 110 for Engagement Team – Group Audits Independence*.

The Board discussed the outcome of the exposure draft due process and noted the support for the proposed revisions to the engagement team definition and group audit considerations to align with the requirements of Australian Auditing and Assurance Standards. The Board agreed to retain the term engagement team in Part 3 of the Code to ensure consistency with APESB's other pronouncements, particularly APES 320 *Quality Management for Firms that provide Non-Assurance Services*.

The Board approved the issue of the amending standard *Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Relating to the Definition of Engagement Team and Group Audits*.