New Independence Guide - an essential tool for auditors


In 2018, APESB issued the restructured Code of Ethics for Professional Accountants (including Independence Standards), which became effective on 1 January 2020. The revisions to the Code, which is mandatory for audits and reviews in Australia, make auditor independence requirements stronger, clearer, and more enforceable by regulators and monitoring bodies.

The Independence Guide – Fifth Edition has been updated after seven years representing a substantial rewrite to incorporate changes to the restructured Code, including the following:

- application of the enhanced conceptual framework in the restructured Code to independence for audits, reviews and other assurance engagements as set out in Parts 4A and 4B of the restructured Code.
- provides a wide range of independence issues encountered by accountants and auditors, including prohibited non-assurance services, interests, relationships and actions. The application of the enhanced conceptual framework now prohibits some services that were previously permitted.
- practical examples and scenarios to guide auditors in understanding their independence obligations under the Code.

Auditor independence is essential for a robust audit regulatory framework and has received recent attention at the Parliamentary Joint Committee’s (PJC) inquiry on audit regulation in Australia, as well as globally.

The Independence Guide – Fifth Edition is an essential tool for assisting members of the professional accounting bodies in understanding their independence obligations under the restructured Code as well as enforcement of the new requirements by regulators and monitoring bodies. The guide may also be useful for Chief Finance Officers and Audit Committees to develop an understanding of the revised auditor independence requirements.

APESB acknowledges the valuable contributions from the Professional Accounting Bodies and various stakeholders, including regulators, standard-setting bodies and accounting firms during the process of developing the Independence Guide – Fifth Edition.


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