



Welcome to *Professionalism*

Issue 26

In this issue we provide updates on our activities and technical projects for April - June 2020.

Former Auditor General Colin Murphy PSM joins APESB

In May, we welcomed Mr Colin Murphy PSM as APESB's newest Board member. Colin is the former Auditor General for Western Australia, where he served the Parliament of Western Australia for more than 11 years. Colin also served as a Board member for the AUASB for 9 years. Colin's extensive experience in finance and government will make him an invaluable contributor to

APESB's future development of professional and ethical standards.

Colin replaces outgoing director, Mr John Cahill, who provided valuable insights from a CFO's perspective to the development of APESB pronouncements. We thank John for his service and valuable contributions to the APESB and we wish him all the very best for the future.

Read the [Media Release](#)



APESB publishes the Independence Guide - 5th edition

APESB, in collaboration with the three Professional Accounting Bodies in Australia, CA ANZ, CPA Australia and the IPA, issued the *Independence Guide – Fifth Edition*, in May 2020.

The Independence Guide – Fifth Edition has been substantially rewritten to include 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.

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.

[Read the Technical Alert](#)

[Download the Independence Guide - 5th edition](#)



Proposed revision of the Independence Standards relating to Other Assurance Engagements (Part 4B) – exposure draft

APESB invites comments from stakeholders on the proposed revision of the Independence Standards relating to Other Assurance Engagements (Part 4B of the Code). The proposed amendments will make the provisions in Part 4B for assurance engagements (other than audit and review engagements) consistent with the revised terms and concepts in assurance standards (ISAE 3000/ASAE 300).

Comments on the exposure draft are requested by **31 July 2020** and can be submitted via the APESB [website](#).

Read the [Technical Alert](#)

Read the [Exposure Draft](#)

APESB marks 100 Board Meetings milestone

The APESB celebrated its 100th Board Meeting on 25 June 2020.

Since it was first established in February 2006 as an independent national standard setting body, the APESB has played a pivotal role in the Australian accounting profession.

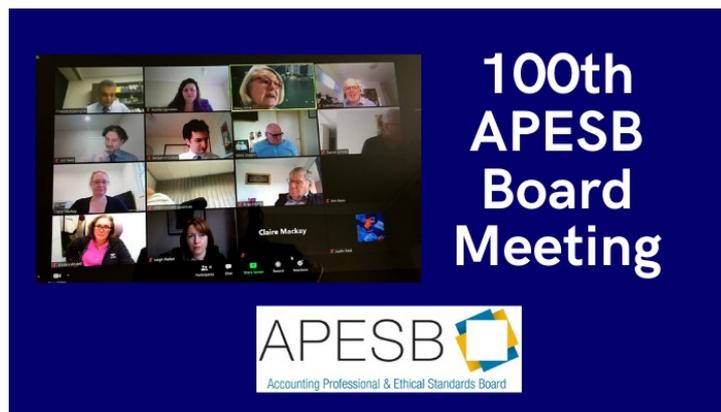
From issuing a comprehensive suite of professional and ethical pronouncements to developing guidance to assist the accounting profession, the APESB has provided leadership in ethical thinking and practice.

The APESB engages with a broad range of stakeholders, including the public, government bodies, regulators and the Professional Accounting Bodies, in its development of professional and ethical standards. Internationally, the APESB represents Australia in the National Standard Setters Group of the International Ethics Standards Board for Accountants (IESBA) and it has made many

submissions on IESBA exposure drafts to influence the international standards.

Over the years, the APESB has presented information sessions, webinars, roundtables and appeared at many professional conferences. It has also held several thought leadership events featuring international stakeholders and engaged with students and the Academic community.

We thank all the past and current Board members and staff for their contributions over the years, and a special thanks to the members of the Professional Accounting Bodies and Taskforce members, who provided their input and expertise on the development of pronouncements.



APESB launches new website and mobile app

Coinciding with APESB's 100th Board Meeting was the launch of a new look website. We wanted to provide our stakeholders with a more simplified and informative way to access our pronouncements. One of the main things you will notice is the change to the [Standards & Guidance](#) page. APESB pronouncements are now grouped by category: General, Firm and Specialist, with an explanatory introduction for each pronouncement. There is also a consolidated list of all pronouncements by number category for both current and superseded. The website also features a new [Consultations & Projects](#) page which includes information on all current

APESB projects and relevant papers associated with each project stage.

The APESB mobile app has also had a refresh, and like the website, the pronouncements are grouped by category, making it easier for you to access the standards on the go. The mobile app is free and available for both iOS and Android devices. To download the app, click on the icons below.



International News

The IESBA hosted the National Standard Setters (NSS) meeting in conjunction with the IAASB in May 2020 via video conference. APESB Chairman, Nancy Milne OAM and APESB CEO, Channa Wijesinghe represented the APESB and provided feedback from an Australian perspective on IESBA projects on Taxation Services and the definition of Public Interest Entity.

The IESBA NSS has established a working group to consider the ethical challenges and other issues facing professional accountants in relation to the COVID-19 pandemic. APESB CEO, Channa Wijesinghe is a member of this group. The first of the COVID-19 working group meetings was held on 10 June 2020.

Read [IESBA Staff Q&A COVID-19: Ethics and Independence Considerations](#)

Exploring the IESBA Code

To assist professional accountants and other business professionals address challenging situations, the IESBA released further installments of **Exploring the IESBA Code** series:

- [Part 4: The Conceptual Framework – Addressing Threats](#)
- [Part 5: How to apply the Conceptual Framework to Independence](#)
- [Part 6: Conflicts of Interest](#)
- [Part 7: Inducements](#)

The IESBA hosted a virtual Board Meeting in June 2020. Read the [Board Meeting Highlights and Decisions](#).

APESB Submissions

APESB welcomed the opportunity to provide feedback on the IESBA exposure draft on the *Proposed Revisions to the Fee-related Provisions of the Code* and the *Proposed Revisions to Non-Assurance Services Provisions of the Code*.

Read the submissions:

- [APESB's submission to IESBA's ED on Fees](#)

Overall, APESB was generally supportive of the proposals of the IESBA's project to revise the fee-related provisions in the IESBA's *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), but expressed some concerns about the unintended consequences if the IESBA Code requires auditors to take responsibility for the disclosure of audit fees and other fees paid by an audit client. APESB also raised concerns with respect to the need for additional clarity on the application of the conceptual framework and the appropriateness of the proposed thresholds for fee dependency levels.

- [APESB's submission to IESBA'S ED on Non-Assurance Services](#)

APESB strongly supports the proposals in the Non-Assurance Services (NAS) exposure draft, in particular, the removal of materiality qualifiers for services provided to audit clients that are Public Interest Entities (PIEs) and prohibiting the provision of any NAS to PIE audit clients which creates a self-review threat and/or advocacy threat in relation to the assurance engagement.

APESB noted the current public and political interest in this topic in Australia and encouraged the IESBA to make the prohibitions in the IESBA Code clearer and more enforceable.

Register to attend the next APESB Meeting

**28 August 2020
(Zoom meeting)**



APESB is governed by an independent board of directors whose primary objective is to develop and issue, in the public interest, high-quality professional and ethical pronouncements. These pronouncements apply to the membership of the three major

Australian professional accounting bodies (CPA Australia, CA ANZ and the IPA).

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