

Exposure Draft 01/20: Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

Review of Submissions – General Comments

Exposure Draft 01/20: Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

Note: Specific comments relating to Exposure Draft 01/20 are addressed in a separate table. This table excludes minor editorial changes.

| Item No. | Paragraph No. in ED | Respondent | Respondents' Comments | Change made to standard? |
|----------|---------------------|------------|---|--------------------------|
| 1 | N/A Glossary | AUASB | On behalf of the Office of the Australian Auditing and Assurance Standards Board (AUASB) I am pleased to comment on the APESB's Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards). In particular, the AUASB suggests that the APESB make a small amendment to the definition of 'Assurance Engagement' currently included in Part 4B of the Code. | No |
| 2 | N/A | CA ANZ | Kristen advised you were keen to receive feedback in relation to above. | No |
| 3 | N/A | CPA | CPA Australia represents the diverse interests of more than 166,000 members working in over 100 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest. | No |
| 4 | N/A | EY | Ernst & Young welcomes the opportunity to offer its views on the APESB's Exposure Draft 01/20 issued in June 2020. | No |
| 5 | N/A | IPA | On behalf of the Institute of Public Accountants, I submit our review of Exposure Draft ED 1/20 <i>Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</i> . | No |
| 6 | N/A | AUASB | Overall the Office of the AUASB supports the APESB's revisions to Part 4B of APES 110 Code of Ethics for Professional Accountants, to align the APESB's Code with changes made by the International Ethics Standards Board for Accountants (IESBA) to the International Code of Ethics for Professional Accountants (including International Independence Standards). We also support the APESB's proposal to apply the extant definition of 'Assurance Engagement' from the APESB Code, as opposed to adopting IESBA's definition. | No |
| 7 | N/A | CA ANZ | We note from our reading the proposals are bringing like for like changes of the IESBA code into APES 110, which are a consequence of some auditing standards amendments, which we support. | No |

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| 8 | N/A | CPA | <p>CPA Australia supports clear and well-structured professional, accounting, audit and ethics standards which apply consistent terminology and phrasing both within and between issued standards. It is important that the standard setting process follows a logical, sequential, practical and consistent structure to enable professional accountants to easily digest, comprehend and implement the requirements. This is particularly relevant for the application of Independence Standards in assurance engagements where multiple parties are stakeholders to the engagement and it may be unclear when the standards apply and to whom.</p> <p>CPA Australia supports alignment between the standards issued by the International Ethics Standards Board for Accountants (IESBA) and the International Auditing and Assurance Standards Board (IAASB). We further support the alignment of domestic standards issued by the APESB with international standards. The proposed amendments to the Code of Ethics for Professional Accountants (APES 110) appropriately reflect updates to the International Code resulting from changes to ISAE 3000 <i>Assurance Engagements other than Audits or Reviews of Historical Financial Information (revised)</i>. Consistent definitions, glossary, phrasing and referencing remove ambiguity when applying the Code to assurance engagements, which improves understanding, usability and implementation of the requirements by professional accountants.</p> | No |
| 9 | N/A | CPA | CPA Australia welcomes the inclusion of application material to clarify the roles of all parties to an assurance engagement and the amendments to clearly articulate the independence requirements for attestation engagements. The removal of duplicated requirements and application material by updating the definitions serves to simplify the Code and improve its usability. | No |
| 10 | N/A | EY | We are supportive of the Board's efforts to align Part 4B of the Code with the revised assurance terms and concepts in ASAE 3000 (Revised) and believe the Board's proposed revisions to Part 4B substantially accomplish this objective. | No |
| 11 | N/A | IPA | The IPA supports the proposed amendments to APES 110 Part 4B to align with amendments to ASAE 3000 <i>Assurance Engagements Other than Audits of Historical Financial Information</i> and the addition of the material relating to independence requirements where there is a relationship or interest with parties responsible for the 'Underlying Subject Matter or Subject Matter Information'. | No |
| 12 | N/A | AUASB | Should you have any queries regarding this submission, please contact the AUASB Technical Director, Matthew Zappulla at mzappulla@auasb.gov.au . | No |
| 13 | N/A | CA ANZ | Please let me know if you would like to discuss this. | No |

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| 14 | N/A | CPA | Should you have any questions regarding this submission, please do not hesitate to contact Josephine Haste CPA, Policy Adviser – Ethics and Professional Standards on +613 9606 9693 or josephine.haste@cpaaustralia.com.au . | No |
| 15 | N/A | EY | We would be pleased to discuss our comments with members of Accounting Professional & Ethical Standards Board Limited or its staff. Should you wish to do so, please contact Chris George (christopher.george@au.ey.com or on (02) 8295 6051). | No |
| 16 | N/A | IPA | If you would like to discuss our comments, please contact me or our technical advisers Mr Stephen La Greca (stephenlagreca@aol.com) or Mr Colin Parker (colin@gaap.com.au) GAAP Consulting. | No |

RESPONDENTS

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|---|--------|---|
| 1 | AUASB | Auditing and Assurance Standards Board |
| 2 | CA ANZ | Chartered Accountants Australia and New Zealand |
| 3 | CPA | CPA Australia |
| 4 | EY | Ernst & Young |
| 5 | IPA | Institute of Public Accountants |