



Welcome to *Professionalism*

Issue 27

*In this issue we provide updates on our activities
and technical projects for July - September
2020.*

APESB issues Amending Standard - Part 4B of APES 110

In September, APESB issued amendments to Part 4B of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The key changes in the amending standard are to Part 4B of the Code to align with the terms and concepts used in the *Standard on Assurance Engagements (ASAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The amending standard is effective from 1 July 2021 with early adoption permitted.

Read the [Technical Alert](#)

Read the [Amending Standard](#)

New resources to assist with the application of the Code of Ethics

APESB continues to support members in the application of the restructured Code of Ethics with the publication of further resources:

APES 110 Code of Ethics Prohibitions

The new APES 110 Code of Ethics Prohibitions publication includes guidance to cover all audit and review engagements and it provides a summary of strictly prohibited non-assurance services and prohibited non-assurance services based on materiality or other factors. It also includes a summary of prohibitions relating to interests, relationships and actions or matters which need to be assessed against the enhanced conceptual framework.

Read the [Technical Alert](#)

Download [APES 110 Code of Ethics Prohibitions](#)



Applying the Code's Conceptual Framework in COVID-19 Circumstances

APESB and IESBA staff collaborated on this publication, which uses four hypothetical scenarios covering services or activities relating to taxation and valuation services to illustrate the application of the conceptual framework when identifying, evaluating and addressing threats to

compliance with the fundamental principles of the Code, specifically created by COVID-19 circumstances.

This is the first document that was developed under the auspices of the IESBA National Standards Setters (IESBA NSS) Working Group and the Working Group organisations comprise APESB (Australia); Chartered Professional Accountants Canada; the Chinese Institute of Certified Public Accountants; the Independent Regulatory Board for Auditors (South Africa); the UK Financial Reporting Council; and the American Institute of Certified Public Accountants (US).

Read the [Technical Alert](#)

Download [Applying the Code's Conceptual Framework in COVID-19 Circumstances](#)

Using Specialists in the COVID-19 Environment: Including Considerations for Involving Specialists in Audits of Financial Statements

This is the second document that was developed under the auspices of the IESBA National Standards Setters (IESBA NSS) Working Group. The joint publication between the IESBA, the International Auditing and Assurance Standards Board (IAASB) and the staff of the American Institute of Certified Public Accountants (AICPA) assists professional accountants in business and public practice when using specialists in the COVID-19 environment.

Read the [Press Release](#)

Download [Using Specialists in the COVID-19 Environment: Including Considerations for Involving Specialists in Audits of Financial Statements](#)

Exposure Draft ED 02/20 Comments Closing Soon

A reminder that the comment period for APESB's exposure draft, Proposed revisions to APES 305 *Terms of Engagement* closes this Thursday 15 October 2020. Comments can be submitted via our website by clicking on the box below:

Stakeholder Engagement

APESB Senior Technical Manager, Jacinta Hanrahan, made a presentation to the CA ANZ Disciplinary panel presentation in August. Jacinta provided participants with an overview of the key changes in the restructured Code of Ethics and information on new APESB resources relating to the application of the new Code.

View the [presentation](#)

In September, APESB CEO, Channa Wijesinghe was a guest panellist on the CPA Australia webinar, *Independence requirements are changing – what you need to know*. Channa provided an update on the Australian and International standard-setting environments and the Independence Guide publication.

View the [presentation](#)

APESB Submission

APESB lodged a submission which raised significant concerns relating to the AASB's Exposure 302 *Draft Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Certain For-Profit Private Sector Entities*. The Exposure Draft proposes increased disclosures in special purpose financial reports relating to compliance with recognition and measurements requirements of Australian Accounting Standards, and the APESB is concerned about the scope of the proposals (i.e. the number and type of entities that these proposals would apply to) and the significant cost of implementing these proposals.

Read [APESB's submission on AASB's Exposure Draft 302 on Disclosures in Special Purpose Financial Statements](#).

CPA Australia Podcast

APESB CEO, Channa Wijesinghe, was a guest speaker on the CPA Australia SMSF Auditors: Independence and

Code of Ethics podcast. Hosted by Josephine Haste, CPA Australia's Policy Advisor, Ethics & Professional Standards and with fellow guest Kellie Grant, Director of SMSF Risk and Strategy, Australian Tax Office, Channa discusses the changes in the restructured Code of Ethics that impact auditors of SMSFs including the critical importance of not assuming a management responsibility and the limited exemption when a service may be considered 'routine or mechanical'.



International Engagement

In August 2020, we welcomed Chair of the Technology Working Group for IESBA, Brian Friedrich, to present at our Board meeting.

Brian provided an update on the IESBA's Technology Project and its key findings and recommendations, including the critical role of ethics and professional judgement. We thank Brian for his informative presentation and knowledge.

View the [Presentation](#)



Brian Friedrich

International News

The Monitoring Group released its *Strengthening the International Audit and Ethics Standard-Setting System* report in July 2020. The report includes recommendations which maintain many of the strengths of the existing system, with the inclusion of a multi-stakeholder standard-setting system, with enhanced oversight to improve the independence of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA).

Read the [report](#)

Read [APESB's response](#)

Exploring the IESBA Code

View further installments on the **Exploring the IESBA Code** series:

- [Part 8: Responding to Non-Compliance with Laws and Regulations \(for PAIBs\)](#)
- [Part 9: Responding to Non-Compliance with Laws and Regulations \(for PAPPs\)](#)
- [Part 10: Pressure to Breach the Fundamental Principles](#)

View the Board meeting papers and recordings of the recent IESBA meetings:

- [22 July 2020](#)
- [14 September - 1 October 2020](#)

The next IESBA meeting will be held 30 November - 9 December 2020.

[Register](#) to attend the next APESB Meeting

**16 November 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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