

Technical Alert

22 March 2021

Proposed amendments to the Code addressing the objectivity of engagement quality reviewers

Accounting Professional & Ethical Standards Board Limited (APESB) invites comments from accountants, professional accounting bodies, firms, regulators and other stakeholders on an exposure draft to amend APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to address the objectivity of engagement quality reviewers and other appropriate reviewers.

The proposals will ensure the Code is aligned with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA).

The proposed amendments include adding a new section in the Code (Section 325), which provides guidance on identifying, evaluating and addressing threats to objectivity that might arise in relation to engagement quality reviewers or appropriate reviewers. Additional application material also clarifies the interaction of the long association provisions in the Code with the requirements in ASQM 2 *Engagement Quality Reviews* (issued by the AUASB).

APESB is seeking respondents' specific comments and feedback on the option of incorporating an Australian paragraph to enhance and clarify the requirement that an audit engagement partner cannot undertake the role of engagement quality reviewer for the same audit client without completing a two-year cooling-off period between the two roles.

APESB also invites comments regarding these proposed amendments from small and medium-sized firms. Respondents are encouraged to submit their comments via the website.

The Exposure Draft, which includes details of the proposed revisions, is available on the APESB website: www.apesb.org.au. Feedback on the proposed changes should be received by the APESB no later than **18 June 2021**.

Keep up to date with APESB standards via our website www.apesb.org.au by downloading our app from one of the app stores below or following us on [LinkedIn](#).

– ENDS –



Technical Enquiries:

Mr Channa Wijesinghe
Chief Executive Officer
Email: channa.wijesinghe@apesb.org.au
Phone: 03 9642 4372