



## Welcome to *Professionalism*

### Issue 29

*In this issue we provide updates on our activities and technical projects for January - March 2021.*

### **APESB marks 15-year anniversary milestone**

In February 2021, APESB marked its 15th anniversary setting professional and ethical standards, in the public interest, for Australia's accounting professionals.

The APESB will celebrate this anniversary by hosting a virtual panel discussion on 21 May 2021. The panel discussion (moderated by APESB Chairman Nancy Milne OAM) will be on '*Business Ethics, the pace of digitalisation and the accountants' role in a post-Covid environment*'. Our panel members:

- Kevin Dancey (United States): IFAC Chief Executive Officer
- Dr Stavros Thomadakis (Greece): IESBA Chairman
- Dr Attracta Lagan (Australia): Business Ethicist

- Ming Long AM (Australia): Diversity Council  
Australia Deputy Chair

Should you wish to attend this event, please register your interest by email to: [enquiries@apesb.org.au](mailto:enquiries@apesb.org.au) before close of business on 10 May 2021.



Read the [Media Release](#)

### **APESB's Strategic Plan 2021 - 2025**

APESB has released its five-year Strategy and Work Plan for 2021 to 2025. As APESB moves into its new strategic period, it will continue to build on the high levels of public trust in the accounting profession, and work towards:

- Strengthening auditor independence requirements in relation to non-assurance services and transparency of fee arrangements;
- Implementing changes to requirements for quality and risk management systems of firms to redefine professional practice;
- Developing resources at a national and global level to guide ethical conduct; and
- Supporting and engaging with the SMP community.

Read the [APESB's Strategic Plan](#)

### **Amendments to the Code to promote the Role and Mindset expected of accountants**

APESB has issued an amending standard to APES 110 *Code of Ethics for Professional Accountants* (including

*Independence Standards*) (the Code) to promote the Role and Mindset Expected of Professional Accountants.

Key revisions to the Code include a new requirement for members to have an inquiring mind when applying the conceptual framework and application material on professional judgement, an inquiring mind and other matters to consider such as bias, organisational culture and firm culture when applying the conceptual framework.

The revisions are effective from 1 January 2022.

Read the [Technical Update](#)

Read the [Standard](#)

## **Exposure Drafts Open for Comment**

APESB currently has two exposure drafts open for comment. We are seeking comments from a wide range of stakeholders including small and medium firms. The exposure drafts are as follows:

### **Proposed revisions to APES GN 30 *Outsourced Services***

APES GN 30 *Outsourced Services* (APES GN 30) provides guidance to members in public practice who are involved in providing or utilising outsourced services.

The revisions to APES GN 30 are to align with recent changes to APES 305 *Terms of Engagement* whereby Members are required to document and communicate details of outsourced services to clients.

These revisions include amendments to the definitions of cloud computing and material business activity, and additional examples on determining outsourcing situations.

Read the [Technical Alert](#)

Read the [Exposure Draft](#)

Comments on the proposed revisions are due by **28 April 2021**

## Proposed revisions to the Code addressing the Objectivity of Engagement Quality Reviewers

APESB is seeking feedback on a new proposed amending standard to the Code, which provides guidance on identifying, evaluating and addressing threats to objectivity, that might arise in relation to engagement quality reviewers or appropriate reviewers. The proposals also aim to clarify 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.

Read the [Technical Alert](#)

Read the [Exposure Draft](#)

Comments are due by **18 June 2021**

## APESB publishes new guidance on Whistleblowing & Confidentiality



WHISTLEBLOWING & CONFIDENTIALITY -  
APESB TECHNICAL STAFF PUBLICATION  
February 2021



In February 2021, APESB issued *Whistleblowing & Confidentiality - APESB Technical Staff*

*Publication.* This publication provides guidance on applying the Code and other APESB pronouncements to situations that may lead to whistleblowing.

Professional accountants' roles in various businesses, public sector entities and serving clients in public practice make it more likely that they will encounter situations involving whistleblowing, whether as the recipient of information or as the party who discovers actual or suspected breaches of laws and regulations.

This publication includes eight hypothetical scenarios which cover both Members in Business and Members in Public Practice, including auditors.

Read the [Technical alert](#)

Read the [Publication](#)

## **APESB Roundtable on Public Interest Entities**

The APESB will hold a roundtable on 14 April 2021 to engage with stakeholders on the IESBA's exposure draft which proposes revisions to the definitions of Listed Entity and Public Interest Entity (PIE). The roundtable will provide an opportunity to discuss how the proposals would apply in the Australian environment and help inform APESB in drafting their submission to the IESBA.

The roundtable will be led by APESB's CEO Channa Wijesinghe and IESBA Board Member [Ian McPhee](#) AO PSM, and IESBA Principal Geoff Kwan will also be in attendance.

Read the [IESBA ED](#)

Read the [IESBA Technical Staff Supplementary Guidance](#)

Should you wish to attend this event, please register your interest by email to: [enquiries@apesb.org.au](mailto:enquiries@apesb.org.au) before the close of business on 13 April 2021.

## **Auditor Independence for SMSF**

## engagements

In recent months, there has been a significant interest on the Auditor Independence requirements for SMSF engagements which are set out in the Code.

On 16 February 2021, APESB CEO, Mr Channa Wijesinghe, co-presented with Ms Kellie Grant, ATO Director of SMSF Auditors Portfolio, at the SMSF Association annual national conference. The presentation addressed the importance of independence for SMSF auditors and provided an overview of how the provisions in the Code, including the conceptual framework, apply in the SMSF context.

For further guidance on Auditor Independence for SMSF engagements refer to [APESB's Independence Guide](#) or to the ATO's [Guidance on Auditor Independence](#).

Recent articles that consider this matter include:

- [APES 305 to improve due diligence with auditor independence standards](#) – *SMSF Adviser* (25 January 2021)
- [Outsourcing not audit panacea](#) – *Self Managed Super Magazine* (27 January 2021)
- [Definitive fee limits imminent](#) - *Self Managed Super Magazine* (7 April 2021)

## International News

### IESBA NSS Working Group

The Working Group formed by the International and Ethical Standards Board (IESBA) and ethics National Standard-Setters (NSS) from Australia, Canada, China, South Africa, the UK and the US is committed to publishing COVID-19 guidance to support professional accountants in business and public practice. The publications are the initiatives of the Group's mandate to develop implementation support resources to assist accountants effectively apply the Code when facing circumstances created by the COVID-19 pandemic.

In January 2021, the IESBA NSS COVID Working Group released a new resource to assist accountants in

effectively applying the Code when facing situations created by the COVID-19 pandemic.

Read: [\*Ethical and Auditing Implications arising from Government-Backed COVID 19 Business Support Schemes\*](#)

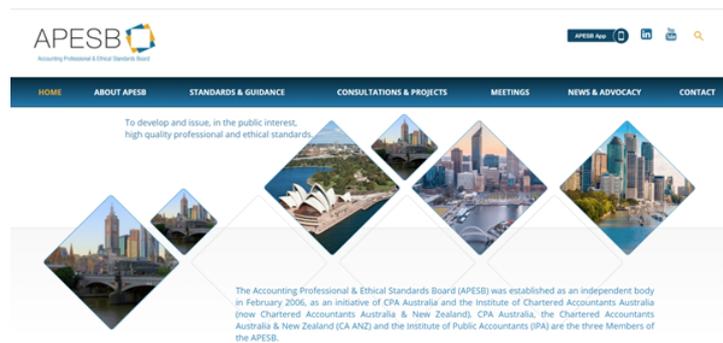
## IESBA Board Meetings

View the Board meeting papers and recordings of the recent IESBA meeting: [March 15-17, 23 & 31 2021](#)

The next IESBA Board Meeting will be held via a series of video conferences on 9-11 June 2021.

## Exploring the IESBA Code

View the final instalment on the **Exploring the IESBA Code** series: [The Building Blocks Instalment](#)



**Visit the Resources page**

## Helpful Resources

The APESB website has a wide range of resources to assist professional accountants with the implementation of the APESB suite of pronouncements. The website also includes links to helpful external resources.

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

10 June 2021  
(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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