

# Ethics and values in a rapidly changing business climate

CA ANZ  
Global Ethics Day Webinar  
20 October 2021



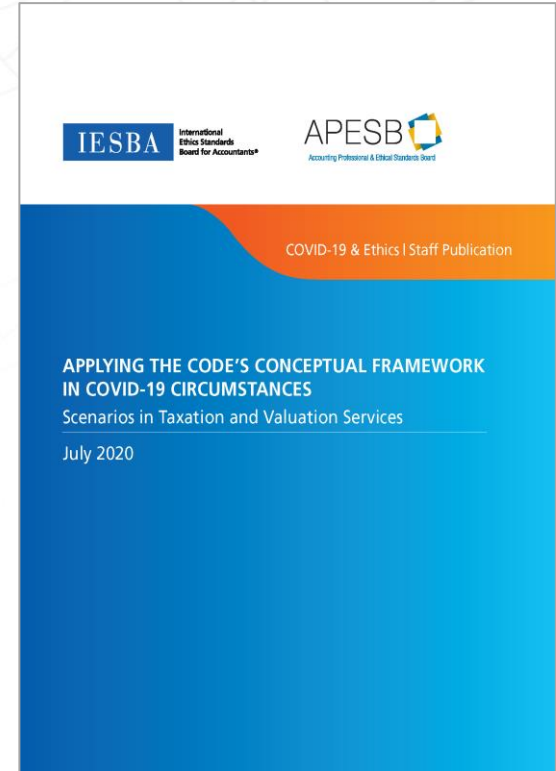
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Chief Executive Officer

# APESB's Role and Mandate

Independent National Standard Setter (NSS) of professional and ethical pronouncements (15 standards & 6 guidance notes) covering:

- APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*;
- Conformity with accounting and auditing standards;
- Firm pronouncements; and
- NAS – compilations, taxation, valuation, forensic accounting, insolvency, corporate finance and financial planning.

APESB contributes to international standard setting through submissions and as a member of the IESBA NSS Group.



# Audit Regulation & Inquiries

Australia - PJC Inquiry into Regulation of Auditing.

UK – Kingman and CMA Reviews, Brydon Report, FRC overhaul and Big 4 operational separation resulting from large collapses.



Audit firm faces possible £250m claim and FRC investigations ongoing



Audit firm fined £6.5m. Auditor fined £325k and banned for 15 years



Germany - entity collapsed in 2020 with €1.9b fictitious assets, unqualified audit reports and alleged audit failures

Image 1: [Carillion's Failure: The Many Questions That Need Answers \(forbes.com\)](#)  
Image 2: [BHS collapse 'fuels public distrust of business' - BBC News](#)  
Image 3: [Billion-dollar fraud: inside the five-year Wirecard investigation \(afr.com\)](#)

# Australian PJC Inquiry's recommendations

## Recommendation 3

- Establish defined categories and associated fee disclosure requirements for audit and non-audit services and develop a list of prohibited non-audit services

## Recommendation 4

- The auditor's independence declaration must specifically confirm that no prohibited non-audit services have been provided

## Recommendation 5

- Consider revising APES 110 to include a safeguard that no audit partner can be incentivised for selling non-audit services to an audited entity

## Recommendation 7

- Amend Corporations Act to mandate audit tender every 10 years (or explain why not)

# Current APESB projects

## Non-assurance Services & Fees

- IESBA plus to address PJC recommendations.
- Tax planning and advisory services / Referral source %.
- APESB NAS survey.

## APES 230 Financial Planning Services

- APES 230 issued 2013.
- Hayne Royal Commission 2018/2019.
- Ongoing legislative and regulatory changes.

## APES 320 Quality Management

- Reissue and refocus on quality management for NAS.
- Use extant requirements & high-level alignment to ASQM 1.
- APESB webinar 8 November 2021.

## APES 330 Insolvency Services

- Small business insolvency reforms.
- Independence and fee requirements for Restructuring Practitioners.

# APESB Strategy 2021-25

***APESB Pronouncements being readily known, easily understood and quickly bought into practice with a focus on the SMP sector***

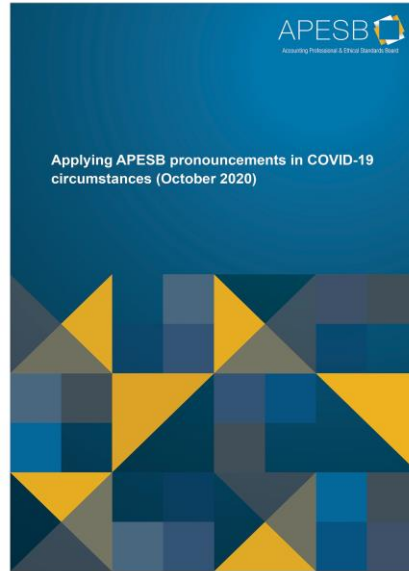
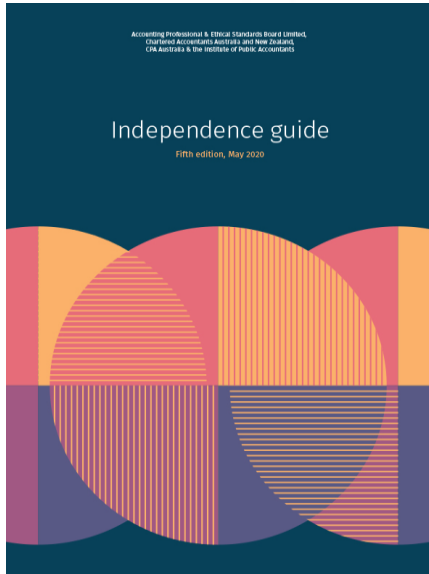


- Developing NAM with the IESBA TWG
- Respond to the IESBA's Technology ED
- Focus on forensic accounting and valuation services



- Value Reporting Foundation
- IFAC focus on a globally accepted and consistent sustainability system
- ISSB to be launched at UN Climate Change Conference 2021 – COP26

# Guidance on APESB Pronouncements



# Further Information

For more information visit [www.apesb.org.au](http://www.apesb.org.au)

Follow the APESB [LinkedIn page](#) for timely updates,

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