



## Welcome to *Professionalism*

### Issue 33

In this issue we provide updates on our activities and technical projects for January - March 2022.

### ***APESB reissues APES 320 Quality Management for Firms that provide Non-Assurance Services***

In February 2022, APESB released the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* (APES 320), which is effective from 1 January 2023, with early adoption permitted. This Standard replaces APES 320 *Quality Control for Firms*. APES 320 was reissued primarily due to the new Quality Management Standards issued by the Australian Auditing and Assurance Standard Board (AUASB), which are effective from December 2022.

APES 320 is now a specific quality management standard for non-assurance practices with high-level alignment to ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial*

*Information, or Other Assurance or Related Services Engagements* (ASQM 1) issued by the AUASB. In addition, appendices 1 and 2 of the reissued APES 320 assist hybrid firms to determine which quality management standards to comply with and which services are covered by the Standard.

Read the [Standard](#)

Read the [Basis for Conclusion](#)

Read the [Mapping Table](#)



## **APESB Webinar on reissued APES 320**

APESB will host a webinar on the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* on **3 May 2022** from 12 pm -1 pm.

During the one-hour webinar APESB and AUASB Technical Staff will cover:

- The background to the reissue of APES 320 and ASQM 1;
- An outline of key revisions to APES 320, including considerations for SMPs;
- The types of services covered by APES 320 and ASQM 1; and
- Planning considerations for 'hybrid' firms that provide assurance and non-assurance services.

APESB encourages accountants in public practice, firms and interested stakeholders to attend this webinar.

Click here to [register](#)

**APESB issued amendments to the Code on  
the**

## objectivity of reviewers

APESB has released the Amending Standard *Amendments to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing the Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers*, which is effective on or after 1 January 2023 with early adoption permitted.

The amending standard adds a new section to the Code (Section 325) which provides guidance on identifying, evaluating, and addressing threats to objectivity that might arise for engagement quality reviewers or appropriate reviewers. There is also new guidance material to clarify the interaction of the long association provisions in the Code with the requirements of ASQM 2 *Engagement Quality Reviews* (issued by the AUASB).

Read the [Standard](#)

Read the [Technical Update](#)

## APESB re-exposes referral source provisions of the Code

APESB has issued ED 01/22 *Proposed Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (ED 01/22) to seek feedback on amended proposals for the referral source dependency provisions in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The amended provisions have been developed in light of the range of stakeholders' views and suggestions on these provisions submitted in response to ED 03/21 *Proposed Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*, issued May 2021.

The proposed key changes in ED 01/22 include:

- Amending the provision regarding fee dependency on a referral source by introducing a 30% threshold and a five-year cumulative period for addressing threats.
- Clarifying which Member can perform a review when assessing fee dependency for either the

- Engagement Partner, Office of a Firm or the Firm.
- Amending the drafting of the extant guidance paragraph AUST 410.14.1 A1 to be consistent with the IESBA drafting approach.
  - Establish an additional requirement to clarify actions to be taken if fee dependency on a referral source continues past 5 years.

APESB is seeking respondents' specific comments and feedback on the potential action to be taken if the threshold and cumulative time period are met.

The proposed amendments will be effective for engagements beginning on or after 1 January 2023. Early adoption of the proposed Standard will be permitted.

Read the [Technical Alert](#)

Read the [Exposure Draft 01/22](#)

Comments are requested by **29 April 2022**.

## APESB Board Meeting Highlights

On 7 February 2022, APESB held a board meeting and approved the issue of the revised APES 320 as *Quality Management for Firms that provide Non-Assurance Services*.

You can read the highlights of the February 2022 board meeting [here](#).

On 10 March 2022, APESB held a quarterly board meeting where the board considered updates on:

- International and other activities;
- Proposed project on conforming amendments to APESB Pronouncements for Quality Management;
- the Technology Project;[\[JR\]](#)
- APES 230 *Financial Planning Services*;
- Proposed revisions to the Code for the definitions of Listed Entity and Public Interest Entity;
- Proposed revisions to Non-Assurance Services provisions of the Code; and
- Proposed revisions to Fee-related provisions of the Code.

You can read the highlights of the March 2022 board meeting [here](#).



### **APESB Roundtable on IESBA proposals relating to Technology and Independence considerations for Group Audits**

The APESB will hold a roundtable in the week commencing 9 May 2022 to engage with stakeholders on two new exposure drafts released by the International Ethics Standard Board for Accountants (IESBA):

- [\*Proposed Technology-related Revisions to the Code\*](#) (released 18 February 2022); and
- [\*Proposed Revisions to the Code Relating to the Definition of Engagement Team and Group Audits\*](#) (released 28 February 2022).

The roundtable will provide an opportunity to discuss how the proposals would apply in the Australian environment and help inform APESB in drafting their submissions to the IESBA's proposals.

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 **22 April 2022**.

The IESBA are also holding global webinars on these Exposure Drafts. Interested stakeholders are invited to register with the IESBA.

The Webinars details are as follows:

[\*Proposed Technology-related Revisions to the Code\*](#)  
- 5 April 2022, from 7:00am Eastern Time. Click [here](#) to register.

*Proposed revisions to the Code relating to the Definition of Engagement Team and Group Audits*

- 11 April 2022, from 10:00 am Eastern Time. Click [here](#) to register.

- 19 April 2022, from 10:00 am Greenwich Time. Click [here](#) to register.



## **International Developments**

### **IESBA Technology Expert Group Members Appointed**

On 16 March 2022, The Technology Working Group of the IESBA announced the members of the recently established IESBA Technology Experts Group (TEG), which consist of members with practical experience in using and implementing technology to provide advice and input to IESBA's Technology Working Group. The TEG will receive technical support from Jon Reid, APESB's Senior Technical Manager.

Further information, including details of the members of the TEG can be found on the [IESBA's website](#).

### **Upcoming amendments to the International Code**

The IESBA have approved the following standards which will amend the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code):

- Revisions to the definitions of "listed entity" and "public interest entity" (PIE) – effective for audits of financial statements for periods beginning on or after 15 December 2024.

- Conforming amendments for the IAASB's Quality Management Standards – effective as of 15 December 2022.

The standards are expected to be released in April 2022 after receiving approval from the Public Interest Oversight Board (PIOB).

### **IESBA releases FAQs on Fee-Related revisions to the IESBA Code**

On 31 January 2022, IESBA released IESBA Staff Questions & Answers (Q&As) on the recent revisions to the fee-related provisions of the IESBA Code. The Q&As complement the Basis of Conclusions for the final standard and are designed to provide guidance on the application of the revised fee-related provisions in the IESBA Code.

Read the [FAQs](#).



## **International Sustainability Standards Board**

### **Update on appointments to the inaugural ISSB**

The IFRS Foundation Trustees are seeking applicants for 12 Board members following its announcements of its formation at the November 2021 COP 26 climate conference. There is currently no specified deadline for applicants. Full roles specifications and details on how to apply are [available here](#).

The following roles have been announced:

- Emmanuel Faber as ISSB Chair;
- Sue Lloyd as Vice Chair; and

- Janine Guillot as Special Advisor to the ISSB Chair.

The ISSB will focus on climate-related reporting and the development of sustainability disclosure standards and will work closely with the International Accounting Standards Board to ensure the ISSB standards are compatible with IFRS accounting standards.

Further information can be found on the [IFRS Foundation's website](#).

### **IFRS Foundation and Global Reporting Initiative (GRI) collaboration**

The IFRS Foundation and GRI have announced on 24 March 2022 to co-ordinate their work programmes and standard-setting activities related to sustainability reporting activities. The collaboration agreement is to ensure sustainability information is compatible and interconnectedness of investor-focused that meets the needs of the capital market.

Further information can be found on the [IFRS Foundation's website](#).

## **SMP News**

European Federation of accountants and auditors for SMEs (EFAA) published the [Emergence of sustainability reporting: Implications for SMPs and EFAA response](#) on 28 March 2022.

The publication examines the challenges for SMPs in providing high-quality sustainability reporting and assurance services. As ESG and sustainability reporting requires new skills and expertise, it emphasises the importance of professional accountants to be competent by continuing professional development and their commitment to ethical Code.

EFAA assists SMP to support sustainability by:

- Advocacy and awareness-raising
- Shaping policy and standard



- Capacity building

Further information can be found on the [SMPs Supporting Sustainability's webpage](#)

## **APESB Presentations**

### **Presentation to Institute of Chartered Accountants of Sri Lanka**

On 17 February 2022, Channa Wijesinghe, APESB CEO, presented to the Australia Chapter of the Institute of Chartered Accountants of Sri Lanka on Accounting Ethics and Regulation in Australia.

Channa's presentation focused on APESB's role and mandate, the critical role of accounting ethics, the co-regulatory environment in Australia, APESB's key technical projects and the strategic plan for 2021-2025. This event provided an opportunity to promote professionalism and the ethical conduct of accountants and raise awareness of APESB's activities.

Read the [presentation](#)

## **International News**

### **IESBA Board Meetings**

The most recent IESBA Board Meeting was held between 14-16 March 2022, covering the following topics:

- Emerging Issues and Outreach Committee Update which included Sustainability and ESG-related Initiatives
- Technology Fact-Finding and Thought Leadership
- IFAC Update: Adoption and Implementation of International Standards, focusing on the IESBA Code
- Benchmarking Independence Provisions for Audits of Public Interest Entities
- IESBA Strategy and Work Plan
- Tax Planning and Related Services
- PIE Rollout Initiative

Click here for the [Board Meeting Papers](#)

APESB's CEO Channa Wijesinghe attended the meeting in his capacity as a IESBA Board member. Channa has also been appointed to IESBA's Tax Planning and Related Services Taskforce.

The next IESBA Board Meeting will be held between 6 and 8 June 2022.



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

**3 June 2022  
(Zoom meeting)**





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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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