



Welcome to *Professionalism*

Issue 35

In this issue we provide updates on our activities and technical projects for July - September 2022

Proposed revisions to the definitions of Listed Entity and Public Interest Entity in the Code

In July 2022, APESB issued an exposure draft ED 05/22 which proposes revisions to the definitions of listed entity and public interest entity (PIE) in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The exposure draft proposes to maintain the existing Australian requirements and application material in determining PIEs, with a request for specific comments as to whether additional categories of entities should be included as a PIE within the Australian specific provisions.

It is proposed that the amendments will be effective as of 1 January 2025, with early adoption permitted.

Comments on the proposed revisions were originally due by 28 October 2022. However, at the September 2022 APESB meeting, the Board determined to extend the comment period until **12 December 2022**.

Read the [Technical Alert](#).

Read the [Exposure Draft](#).

Upcoming amending standard on Quality Management-related Conforming Amendments to the Code

At the September 2022 Board meeting, the Board approved the issue of an amending standard *Quality Management-related Conforming Amendments to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*. The amending standard aligns with the revisions made by the IESBA in April 2022 to the IESBA Code. The proposals also make conforming and consequential amendments to the Code for terminology, concepts and principles used in the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* and the AUASB's Quality Management Standards.

The revisions will be effective as of 1 January 2023, with early adoption permitted. The proposed amending standard that was considered by the Board at the September 2022 meeting can be found [here](#). The final standard is expected to be issued late October 2022.

Upcoming Exposure Draft

Proposed Quality Management-related conforming amendments to other APESB pronouncements

The Board has approved the issue of an Exposure Draft, which comprises proposed revisions to:

- APES 315 *Compilation of Financial Information*;
- APES 325 *Risk Management for Firms*;

- APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document*;
- APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with Public Document*; and
- APES GN 31 *Professional and Ethical Considerations relating to Low Doc Offering Sign-offs*.

The proposed revisions align the above pronouncements with the reissued APES 320 and AUASB's Quality Management Standards and address matters on the APESB Issues Register.

The proposed effective date for the revisions is 1 April 2023, with early adoption permitted. The proposed exposure draft that was considered by the Board at the September 2022 meeting can be found [here](#). The exposure draft is expected to be issued by late October 2022.

Technology Surveys for Forensic Accounting and Valuation Services

APESB has developed two surveys to obtain feedback from professional accountants on the use of recent and emerging technologies in forensic accounting and valuation services. The surveys aim to understand how artificial intelligence and digital technologies are being used by accountants and to determine whether additional professional and ethical obligations or guidance are required in APES 215 *Forensic Accounting Services* and APES 225 *Valuation Services*. The surveys take approximately 10 to 20 minutes to complete and close on **28 October 2022**.

Complete the surveys at the following links:

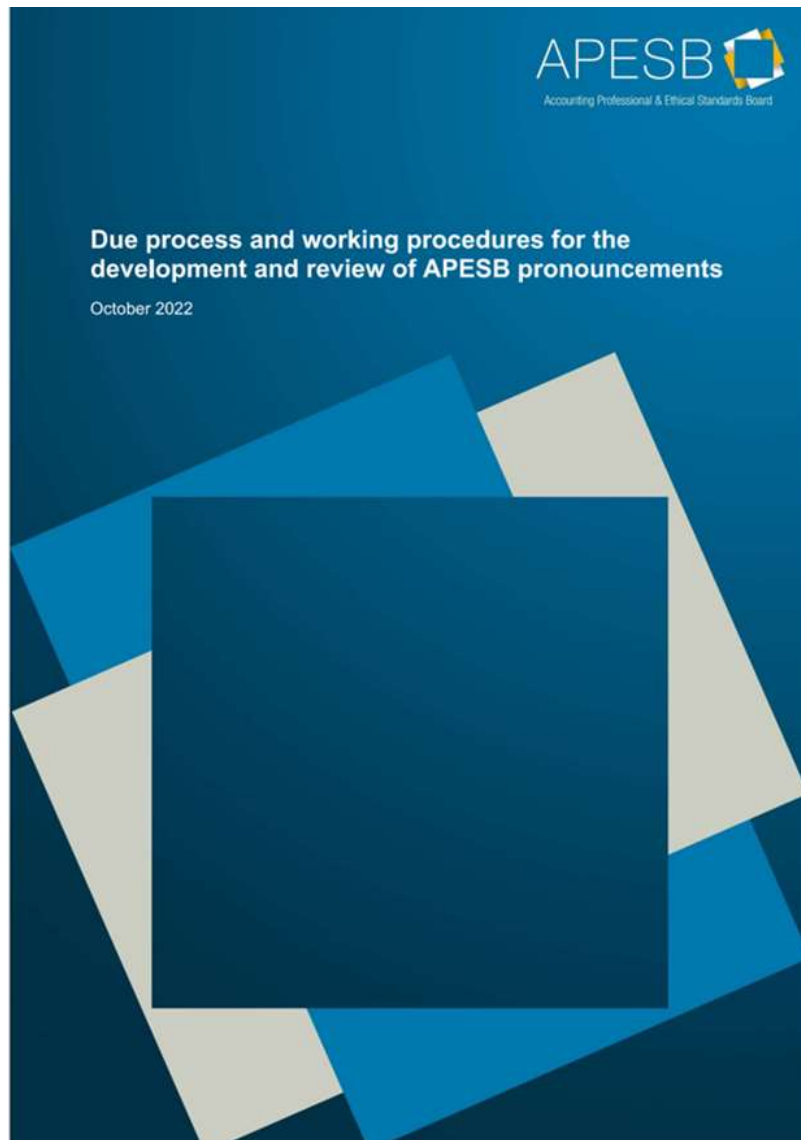
[Forensic Accounting Services](#)

[Valuation Services](#)

APESB revises its Due Process document

APESB has revised its *Due process and working procedures for the development and review of APESB pronouncements* document. This document describes the processes and procedures followed by APESB in developing and reviewing professional and ethical pronouncements.

Read the revised Due Process document [here](#).



APESB and AUASB joint webinar on PIEs and Listed Entities

On 26 August 2022, the APESB and AUASB hosted a joint Webinar on proposed revisions relating to PIEs covering:

- the background to the IESBA and IAASB projects on Listed Entity and PIE;
- an outline of proposed key revisions to the Code for the definition of Listed Entity and PIEs in APESB's ED 05/22; and

- an overview of the proposed key revisions to ISA 700 and the impact on the auditor's report.

The webinar was co-hosted by APESB CEO, Channa Wijesinghe and AUASB Technical Director, Matthew Zappulla, with presentations from Jacinta Hanrahan (APESB Principal) and Johanna Foyster (AUASB Senior Project Manager).

Click [here](#) to watch the recording of the webinar and [here](#) to read the slides.



APESB September Board Meeting

APESB held a quarterly board meeting on 23 September 2022. The Board considered the amending standard on quality management-related conforming amendments to the Code, proposed revisions to APES 205 *Conformity with Accounting Standards* to address AASB projects, the APESB Due process document, and an exposure draft proposing quality management-related conforming amendments to 5 APESB pronouncements, which are discussed above. Other items on the agenda included:

- Sustainability;
- International and other activities;
- IESBA's Tax planning and related services project;
- APES 215 *Forensic Accounting Services* project;
- Proposed compilation of the Code; and
- APESB's Technology project.

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

APESB Submission on the AUASB Agenda Consultation

On 28 July 2022, APESB made a submission to the AUASB on its Agenda Consultation for the 2022-2023 period (Consultation Paper). APESB supports the proposed strategic priorities and projects outlined in the Consultation Paper, including the high priority on the Extended External Reporting (EER)/Sustainability Project and the development of Australian sustainability-focused standards. APESB encouraged the AUASB to consider providing additional guidance on conducting an appropriate review to assess the independence of SMSF auditors who may be reliant on a referral source in the next review of GS 009 *Auditing Self-Managed Superannuation Funds*.

APESB will continue to work closely with the AUASB in developing cohesive and robust standards for the Australian auditing profession.

Read the [submission](#).

APESB submission on the IESBA Strategy Survey

In July 2022, APESB made a submission to the IESBA on its Strategy Survey 2022. The survey sought stakeholders' views on key environmental trends, developments or issues the IESBA should consider during the development process for its next Strategy and Work Plan for 2024-2027. APESB supports the IESBA focussing on sustainability reporting and assurance, as rapid developments in this area necessitate the establishment of appropriate ethical and independence standards on a timely basis. APESB encouraged the IESBA to develop a new part of the IESBA Code that explicitly applies to sustainability assurance.

APESB supports the IESBA encouraging countries to adopt the IESBA Code and that application material/resources tailored for different jurisdictions may assist this process.

APESB noted recent ethical failures in large firms in a few G20 jurisdictions and encouraged the IESBA to undertake thought leadership activities in collaboration

with the IAASB on firm culture, leadership and quality management.

Read the [submission](#).



International Developments

IESBA Handbook 2022 Edition

The 2022 edition of the *Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)* was released by the IESBA in September 2022. The new Handbook incorporates the following revisions to the IESBA Code that become effective in December 2022:

- revisions to the non-assurance services and fee-related provisions;
- revisions to address the objectivity of an engagement quality reviewer and other appropriate reviewers; and
- quality management-related conforming amendments.

Further information can be found [here](#).



International Sustainability Standards Board (ISSB)

ISSB proposed sustainability disclosure standards

The ISSB received over 1,300 submissions on its first two proposed standards, with over 700 on general sustainability-related disclosure requirements and over 600 on climate-related disclosure requirements. The feedback came from accounting bodies, audit firms, investors, preparers, public interest bodies, regulators and standard setters from various jurisdictions across six continents. Further information can be found [here](#).

At the September 2022 ISSB meeting, the Board discussed the feedback received, how the exposure drafts should be redeliberated and mechanisms to enable entities with varied capabilities and preparedness to apply the proposals. Further details from the meeting can be found [here](#).

IFRS Foundation completes consolidation with Value Reporting Foundation

The consolidation of the Value Reporting Foundation (VRF) into the IFRS Foundation was completed on 1 August 2022 to support the ISSB's work. The VRF's Sustainability Accounting Standards Board standards will be embedded into ISSB standards and the VRF's Integrated Reporting Framework (IRF) will help connect financial statements and sustainability-related financial disclosures. The International Accounting Standards Board (IASB) and ISSB are jointly responsible for the IRF and will collaborate to integrate it into standard-setting projects. Further information can be found [here](#).

SMP News

Reminder: Quality Management effective from 1 January 2023

On 1 Jan 2023, APES 320 *Quality Management for Firms that Provide Non-Assurance Services* becomes effective. SMPs who require assistance with understanding the

transition may read the Standard [here](#), or watch the APESB and AUASB joint webinar [here](#).

International News

IESBA Board Meetings

The IESBA held a Board Meeting in person and via video conference between 12-16 September 2022, covering the following topics:

- Sustainability
- Tax Planning and Related Services
- Technology Fact Finding and Thought Leadership
- Engagement Team-Group Audits
- PIE Rollout
- Emerging Issues and Outreach Committee
- Technology Project
- Strategy and Work Plan 2024-2027

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

APESB CEO, Channa Wijesinghe attended the meeting in his capacity as an IESBA Board Member together with his Technical Advisor, Ms Kristen Wydell, General Manager, Professional Standards at CA ANZ.

The next IESBA Board Meeting will be held on 29 November and 2, 7 & 15 December 2022.



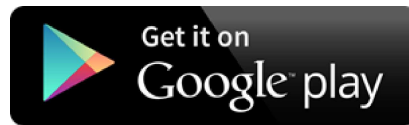


IESBA issued a Questions & Answers publication to assist national standard setters, IFAC member bodies and professional accountants in public practice as they adopt and implement revisions to the non-assurance services provisions of the IESBA Code. Click here to see the [publication](#).

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

7 December 2022
(Hybrid meeting - Melbourne)





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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