



Welcome to Professionalism

Issue 36

APESB Board & Staff wish you a wonderful festive season

and a Happy New Year.

Our last eNewsletter for 2022 provides updates on APESB's activities and technical projects for October - December 2022.

Amendments to the Non-Assurance Services (NAS) provisions of the Code

On 21 December 2022, APESB issued amendments to the Non-Assurance Services (NAS) provisions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The amendments align with the International Ethics Standards Board for Accountant's (IESBA's) revisions to the IESBA Code and incorporates additional requirements and guidance with respect to tax services to address Australian regulatory concerns.

The NAS provisions now prohibit an auditor providing NAS to their public interest entity clients that may create a self-review threat. There are also new

requirements to strengthen the communication with those charged with governance, such as audit committees and boards.

The amendments are effective from **1 July 2023**, with early adoption permitted.

Read the [Media Release](#).

Read the [Amending Standard](#).

Read the [Basis for Conclusions](#).

New Compiled Code of Ethics

APESB has issued a compiled Code of Ethics which incorporates the restructured Code and five amending standards relating to Part 4B, Role and Mindset, Objectivity of an Engagement Quality Reviewer, Fees and Quality Management-related Conforming Amendments.

Details on how the amending standards have impacted the restructured Code are set out in the compilation details of the compiled Code of Ethics (November 2022).

Read the [Compiled Code of Ethics](#).

Read the [Technical Alert](#).

APESB 2021/2022 Annual Report

APESB 
2022 Annual Report
is available now.



APESB's key highlights and achievements over the 12-month period to 30 June 2022 include:

- Providing input to global ethical and independence standards and supporting the IESBA's Technology Expert's Group.
- Releasing the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* (APES 320), which complements the quality management standards issued by the Australian Auditing and Assurance Standards Board (AUASB).
- Completing projects on Fees, Objectivity of Engagement Quality Reviewers and Insolvency Services.
- Progressing projects on Quality Management-related conforming amendments, non-assurance services and conformity with accounting standards.
- Providing multiple opportunities for stakeholders to engage on professional and ethical matters such as quality management, group audit independence and technology.

Access the Annual Report [here](#).

Quality Management-related conforming amendments to the Code

In November 2022, APESB issued Quality Management-related conforming amendments to the Code which are effective from **1 January 2023**, with early adoption permitted.

The amendments align the Code with the IESBA Code and contain conforming and consequential amendments for terminology, concepts and principles used in the reissued APES 320 and the AUASB Quality Management Standards, which apply to Australian assurance practices.

Read the [Amending Standard](#).

Read the [Technical Update](#).

Revised APES 205 *Conformity with Accounting Standards*

On 25 October 2022, APESB issued a revised APES 205 *Conformity with Accounting Standards* (APES 205) to address recent Australian Accounting Standards Board (AASB) changes.

The AASB has removed the application of the 'Reporting Entity' Concept, which impacts the ability to prepare Special Purpose Financial Statements for certain for-profit private sector entities and increases the disclosure requirements for certain not-for-profit private sector entities.

APES 205's accompanying Basis for Conclusions will assist stakeholders to understand the background to the revisions, and it includes a decision tree that illustrates how the AASB amendments are expected to apply in practice.

The revised APES 205 will be effective from **1 January 2023**, with early adoption permitted.

Read the [Standard](#).

Read the [Technical Alert](#).

Read the [Basis for Conclusions](#).

Exposure Draft Open for Comment *Proposed standard APES 215 Forensic Accounting Services*



In December 2022, APESB issued exposure draft ED 07/22 which proposes revisions to APES 215 *Forensic Accounting Services* (APES 215) to address concerns relating to evidence presented to the court under section 50 of the *Evidence Act 1955* and for Quality Management-related conforming amendments.

APESB is seeking feedback on the proposed amendments, as well as specific feedback on how Artificial Intelligence or digital technologies are being used in forensic accounting and whether this impacts APES 215. Comments are requested by **20 February 2023**.

Read the [Technical Alert](#).

Read the [Exposure Draft 07/22](#).

Reminder

Quality Management Standard effective from 1 January 2023

The reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* (APES 320) becomes effective from 1 January 2023. To assist Members in Public Practice make a smooth transition to the new requirements, APESB have set out below a summary of relevant information.

Reissued APES 320 and supporting Mapping Table

APESB reissued [APES 320](#) to specifically focus on non-assurance practices primarily due to AUASB's issue of its suite of Quality Management Standards. To facilitate hybrid firms' adoption of APES 320 for non-assurances services, APESB developed APES 320 in a manner which:

- maintains consistency with the components of ASQM 1; and
- retains most of the existing APES 320 requirements and guidance material to minimise disruption to

firms.

Technical Staff have prepared a [mapping table](#) to assist firms in transitioning from the existing APES 320 to the reissued APES 320. This mapping table is especially useful for sole practitioners and SMPs.

Further information is also contained in the [Media Release](#) and the [Basis for Conclusions](#).

Video clip: History & Philosophy of APES 320

In November 2022, APESB released a [video clip](#) which outlines the history and the philosophy of the reissued APES 320. Further instalments will be released in the near future on the key revisions to APES 320.

Recorded APES 320 Webinar

In May 2022, APESB recorded a webinar on the reissued APES 320. During the one-hour webinar APESB and AUASB Technical Staff covered:

- 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.

The [slides](#) and the webinar recording can be accessed [here](#) using passcode z58\$bvEs.

APESB Stakeholder Engagements

21st World Congress of Accountants



In November 2022, APESB Director Rachel Grimes AM and APESB Principal Jacinta Hanrahan attended the 21st World Congress of Accountants in Mumbai. The congress was a great opportunity to reflect on how building trust and enabling sustainability will shape the future of the accounting profession.

Across many sessions at the congress, ethics was acknowledged as the foundation of trust in the accounting profession. Upholding strong independence standards and continuous development and maintenance of knowledge, especially on sustainability, was seen as critical to the accounting profession remaining respected and relevant.

A presentation on the Congress was provided to the APESB Board at their December 2022 meeting. The slides can be accessed [here](#).

IESBA global panel discussions on the definition of PIE

In October 2022, APESB's CEO and IESBA Board Member Mr Channa Wijesinghe shared Australia's experience in the development and adoption of an expanded local definition of Public Interest Entity (PIE) as part of two global panel discussions jointly hosted by International Federation Accountants (IFAC), IESBA and ASEAN Federation of Accountants (AFA) and the Pan African Federation of Accountants (PAFA).

The panels also included other IESBA Board Members who provided insights from their own jurisdictions as

well as the global perspective.

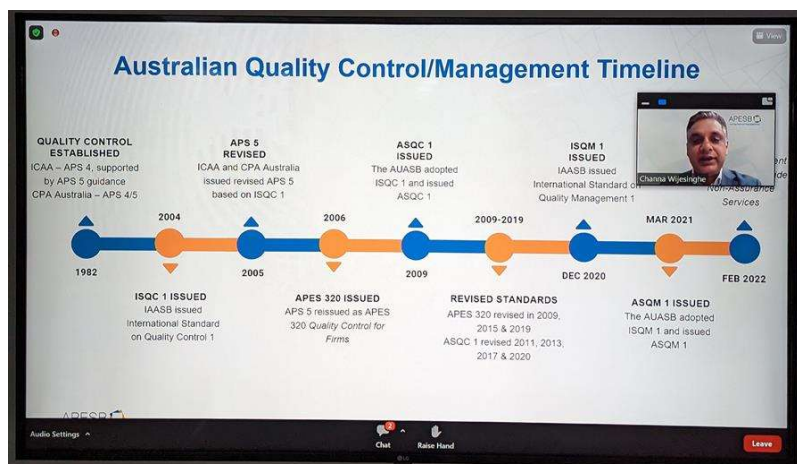
Mr Wijesinghe outlined the process undertaken in Australia in 2010/11 to adopt an expanded PIE definition, which involved extensive stakeholder consultation and included obtaining support from the audit and prudential regulators and professional accounting bodies.



CA ANZ Online Event on APES 320

On 17 November 2022, APESB CEO Mr Channa Wijesinghe, and APESB Senior Technical Manager Mr Jon Reid presented at a CA ANZ online event on the reissued APES 320.

APESB's presentation focused on how members can have a smooth transition to the reissued Standard. The event was well-attended with over 250 members attending the live session. This event provided an opportunity to promote and raise awareness on the reissued APES 320.



APESB December Board Meeting

APESB held its quarterly board meeting on 7 December 2022. The Board approved the amending standard for Non-Assurance Services (NAS) provisions in the Code and an exposure draft to revise APES 215 *Forensic Accounting Services*. In addition, the board considered updates on:

- International and other activities
- Sustainability
- Awareness of APESB Pronouncements
- Post implementation review for APES 305 and APES GN 30
- World Congress of Accountants (WCOA) 2022
- The Technology project

You can read the highlights of the December 2022 Board meeting [here](#).



International News

IESBA Board Meetings

IESBA held a Board Meeting on 29 November - 2 December, 7 and 15 December 2022 which covered the following topics:

- Engagement Team Group Audits
- Sustainability
- Tax planning and Related Services
- Technology Fact-Finding and Thought Leadership

- The rollout of the Revised Public Interest Entity (PIE) Definition
- Emerging Issues and Outreach Committee (EIOC) update
- Technology Project
- Strategy and Work Plan 2024-2027

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

The IESBA Board approved final standards on Technology and Independence for Group Audits. The Board also approved the release of an exposure draft relating to tax planning and related services. Stakeholders can expect the release of these documents in late January 2023.



Sustainability-related Developments



International Sustainability Standards Board (ISSB)

The ISSB held two meetings during November 2022, with key matters considered including:

- Climate-related scenario analysis is to be used to report on climate resilience and to identify the risks and opportunities to support disclosures.

- Comparative information will be limited to estimates for the previously disclosed reporting period exclude forward-looking estimates.
- Sustainability-related financial disclosures should be simultaneously released with the related financial statements. Some transitional relief may be provided.
- Further clarification will be provided on disclosures relating to climate-related risks and opportunities and the impact on the entity's financial strategy and decision-making, its plan to transition to a lower-carbon economy and its climate-related decisions meeting.

Further information is available in the updates from the [1-3 November](#) and [15-16 November](#) meetings.

In the 13-15 December 2022 Board meeting, the ISSB continued to discuss the fundamental concepts and terms within Exposure Draft IFRS S1 and the proposed requirements for disclosure of greenhouse gas emissions and industrial-based materials in Exposure Draft IFRS S2. International Sustainability Standards Board agenda and meeting papers are available [here](#).

The ISSB is planning to release IFRS S1 and IFRS S2 in early 2023.

International Auditing and Assurance Standards Board (IAASB)

At their December 2022 meeting, the IAASB considered the proposed drafting of select parts of the proposed ISSA 5000 addressing sustainability assurance. Refer to the IAASB December Board papers [here](#).

The IAASB plans to issue an exposure draft by September 2023 with a comment period of 120 days. The final pronouncement is expected to be released between December 2024 to March 2025.

International Ethics Standards Board for Accountants (IESBA)

The IESBA have released a publication, [Continuing with the Development of Global Ethics and Independence Standards for Sustainability Reporting and Assurance](#), which provides an overview of the sustainability-related decisions made by the Board at its recent meeting and how those decisions will shape the Board's work in 2023 and beyond.

The IESBA will undertake two new projects that will deliver the following:

Sustainability Project

- Profession-agnostic independence standards for use by all *sustainability assurance practitioners*
- Specific ethics provisions relevant to *sustainability reporting and assurance*

Experts Project

- Specific ethics and independence provisions addressing the *use of experts* by organizations as well as in the context of audit and assurance engagements (including sustainability assurance)

APESB's CEO and IESBA Member, Mr Channa Wijesinghe, has been appointed to the Working Group for the IESBA's project on developing global independence standards for sustainability assurance practitioners.

IESBA Staff Publication on the IESBA Code applying to Greenwashing

The IESBA have released a staff publication which includes guidance to address concerns about greenwashing. This publication highlights the relevance and applicability of the Code to ethics-related challenges arising from professional accountants' involvement in sustainability reporting and assurance, especially in circumstances related to greenwashing.

Read the [guidance publication](#).

APESB and NZ XRB joint letter to the IESBA on its Sustainability project

APESB and the New Zealand External Reporting Board (XRB) submitted a joint letter to the IESBA on the proposed approach to be adopted in the IESBA Code to develop ethics and Independence standards for sustainability reporting and assurance.

Read the [APESB/NZ XRB letter](#).



Global roundtables on Sustainability

The IESBA are planning to hold global roundtables on sustainability in Paris, Sydney, Singapore and New York in late March to early April 2023.

APESB will update stakeholders on when registrations will be open for the Sydney roundtable.

SMP News

On 31 October 2022, the International Federation of Accountants (IFAC) released the [first instalment in a three-part publication series](#) to assist SMPs with implementing the IAASB's quality management standards which was issued in December 2020.

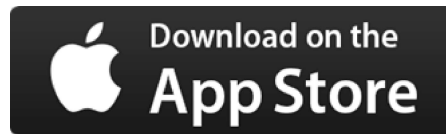
The publication includes practical guidance for implementing IAASB's standards, such as developing a project implementation plan, risk assessment process and assigning roles and responsibilities. Instalment two focuses on developing implementation plan, and Instalment three focuses on monitoring and remediation.

Office Closure

The APESB office will be closed from 5pm Friday 23 December 2022 and will reopen at 9.00am Monday 16 January 2023.

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

23 February 2023
(Hybrid 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).

You have received this eNewsletter because you registered to receive APESB updates from the APESB website. Please click on the link below if you wish to unsubscribe.

[Preferences](#) | [Unsubscribe](#)