



Welcome to *Professionalism*

Issue 37

In this issue we provide updates on APESB's activities and technical projects for January - March 2023.

APESB February 2023 Board Meeting

APESB held its quarterly Board meeting on 23 February 2023. The Board approved 5 revised pronouncements relating to Quality Management-related conforming amendments, and an exposure draft relating to the definition of Engagement Team and Group Audits in the Code. The Board also approved the newly Compiled Code incorporating 6 amending standards (to be issued in April 2023).

The Board also considered updates on:

- Sustainability
- International and other activities
- IESBA's Tax Planning and Related Services project
- APESB's Issues Register

You can read the highlights of the February 2023 Board meeting [here](#).

Quality Management-related conforming amendments to other APESB pronouncements

APESB issued the following revised pronouncements throughout March 2023, predominantly relating to Quality Management-related conforming amendments:

- [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 pronouncements became effective 1 April 2023 and Technical Updates can be viewed [here](#).

Exposure Draft Open for Comment

Proposed revisions to the Code for Engagement Team – Group Audits

APESB issued an Exposure Draft *Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Relating to the Definition of Engagement Team and Group Audits* (ED 01/23) on 21 March 2023.

ED 01/23 incorporates changes made by the IESBA to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* with Australian specific changes to maintain the existing requirements relating to the definition of Engagement Team and to retain that term in Part 3 of the Code for consistency with other APESB pronouncements.

APESB is seeking stakeholder feedback on ED 01/23 by **19 May 2023**.

Read the [Technical Alert](#).

Read the [Exposure Draft](#).

Video Clips on the Reissued APES 320

APESB released further video clips on the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* in January 2023 outlining [key revisions](#) and March 2023 on [adoption considerations](#) for firms, including Small-to-Medium Practices (SMPs).

APESB's [mapping table](#) assists firms to transition to the reissued APES 320. Also refer to the [Basis for Conclusions](#) and the [Reissued Standard](#).

APESB Virtual Roundtable on Tax Planning and Related Services

APESB will hold a virtual roundtable on Wednesday 19 April 2023 to seek stakeholder feedback on IESBA's Exposure Draft *Proposed Revisions to the Code Addressing Tax Planning and Related Services* to help inform APESB's submission to IESBA due by 18 May 2023. IESBA's Exposure Draft can be found [here](#).

The proposed amendments respond to public interest concerns about tax avoidance and the role played by consultants, including professional tax advisers. Further information about this event, including registration details, can be found [here](#).

Alternatively, Australian stakeholders are invited to submit comments to the APESB via the [International Exposure Drafts page](#) or by email to: sub@apesb.org.au by **4 May 2023**.

APESB 2023 Issues Register

APESB updated its Issues Register in March 2023, including the removal of resolved matters and the closure of issues relating to the definition of member in guidance notes and independence requirements in other jurisdictions for non-assurance services.

The 2023 Issues Register can be found on the [APESB's website](#).

APESB submission on Treasury's Consultation Paper on

Climate-related financial disclosures

In February 2023, APESB made a submission to The Treasury's *Climate-related financial disclosure – Consultation Paper December 2022*, which sought stakeholder views on key considerations for the design and implementation of standardised, internationally-aligned climate-related disclosures in Australia. APESB's submission highlights APESB's key role in developing and maintaining a robust ethical framework to underpin Australia's reporting and assurance activities.

Read the [submission](#).



International News

IESBA Board Meetings

The most recent IESBA Board meeting was held in person in Abu Dhabi (UAE) between 13-17 March 2023, covering the following topics:

- Sustainability
- Use of Experts
- PIE Rollout
- Emerging Issues and Outreach Committee
- Strategy and Work Plan 2024-2027
- IESBA Communication Update
- IAASB-IESBA Coordination Activities

The meeting included a joint Abu Dhabi Accountability Authority-IESBA panel session on the role of ethics and the accountancy profession in enhancing ethical culture within organisations.

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

APESB CEO, Channa Wijesinghe attended the meeting in his capacity as an IESBA Board Member.

The next IESBA Board Meeting will be held between 12-16 June 2023 in New York.

Sustainability-related Developments



International Sustainability Standards Board (ISSB)

In January-February 2023, the ISSB released a corporate reporting [webinar series](#) on the ISSB's proposed standards on general requirements for sustainability-related disclosures (IFRS S1) and climate-related disclosures (IFRS S2) to assist companies prepare for the standards.

The ISSB held meetings in January, February and March 2023. The ISSB intend to issue the final IFRS S1 and S2 in the latter part of Q2 2023 and the Board has tentatively decided that the standards will become effective 1 January 2024.

Meeting papers and summaries can be found [here](#).

International Auditing and Assurance Standards Board (IAASB)

At the IAASB Board meeting 20-24 March 2023, the Board considered further amendments to proposed ISSA 5000 addressing sustainability assurance. The IAASB anticipates issuing an Exposure Draft for ISSA 5000 by Jun 2023, to be open for public

comment until November 2023, with the final standard issued in the second half of 2024.

Refer to the IAASB March Board papers [here](#).

International Ethics Standards Board for Accountants (IESBA)

In December 2022, the IESBA approved two new projects related to sustainability. The Sustainability Project will develop profession-agnostic independence standards for sustainability assurance and ethics provisions for sustainability reporting and assurance. The Experts Project will develop ethics and independence standards addressing the 'use of experts' (including in sustainability assurance).

IESBA Global Sustainability Roundtables

In late March and early April 2023, the IESBA held four global roundtables in Paris, Sydney, Singapore and New York to obtain stakeholder input to help shape the development of new ethics and independence standards for the Sustainability and Experts projects. The Sydney roundtable on 30 March was hosted by APESB and held at Chartered Accountants Australia and New Zealand's offices.

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



APESB and CPA Australia interactive panel event on global sustainability developments

On 30 March 2023, APESB and CPA Australia held a joint interactive panel event in Sydney on global developments in ethics and assurance for sustainability. The discussion was moderated by APESB CEO and IESBA Member Channa Wijesinghe and included the following distinguished panellists:

- Mark Babington – Executive Director of Regulatory Standards at the Financial Reporting Council UK and IESBA Member

- Bill Edge – Chair of the Australian Auditing and Assurance Standards Board (AUASB) and Member of the International Auditing and Assurance Standards Board
- Doug Niven – Chief Accountant, Australian Securities and Investments Commission (ASIC)
- Marje Russ – Chair of the New Zealand Auditing and Assurance Standards Board (NZAuASB)



APESB's Work Program outlines the key milestones and timelines associated with the development and review of standards and guidance notes, as well as the development of new pronouncements. Click here to view the [Work Program](#).

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

31 May 2023
(Hybrid meeting -
Adelaide)



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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