

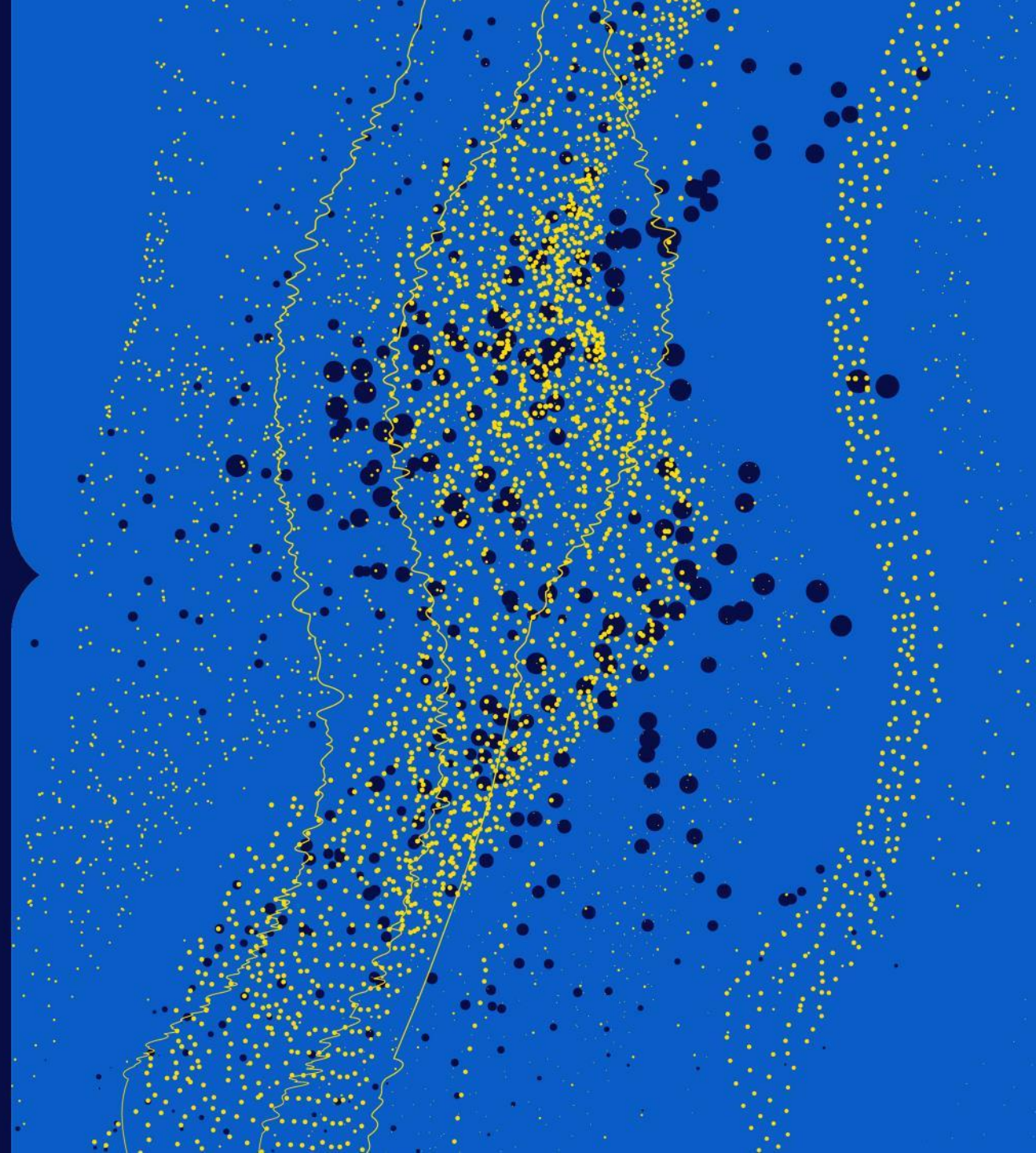
# Housekeeping

1. Communication will be managed through Chat on the right-hand side of the screen.
2. For any trouble shooting questions, please send a message in Chat and a CPA staff member will contact you.
3. For any questions for the presenter, please submit your questions to Everyone in Chat on the right-hand side of the screen.
4. Questions will be addressed at the end of the webinar.
5. Microphones and cameras will remain on mute for attendees for the duration of the webinar.

# TEN QUESTIONS OF THE APESB

Channa Wijesinghe (CEO, APESB)  
Brendan O'Connell (Chair, EPS CoE)

28 June 2023





# Ten Questions of the APESB

1. How is the APESB responding to current reports in the media of ethical concerns with the behaviour of PwC personnel?

# Ten Questions of the APESB

- **Media Statement on the PwC matter**
  - released 6 June 2023 – available on [APESB's website](#)
  - APESB will monitor and assess impact on its standards
- **IESBA Consultation Paper on Proposed Strategy and Work Plan for 2024-2027:**
  - APESB's response will recommend:
    - IESBA undertake a project on firm leadership and cultural issues
    - Thought leadership activities or guidance on leadership and culture
  - Submissions due **7 July 2023**
- **Senate Inquiry into consulting services**
  - APESB Submission (on [APESB's website](#)) made in April 2023
  - Emphasises the importance of ethical standards

# Ten Questions of the APESB

2. What changes have the IESBA implemented to the conceptual framework in the International Code of Ethics for technology?

Will APESB adopt these changes?



# Ten Questions of the APESB

## IESBA Technology Revisions to the Code

- Issued in early April 2023, effective Dec 2024
- Guides ethical mindset and behavior of PAs in dealing with changes brought by technology

Draws attention to the **competence, confidentiality, & leadership** imperatives of the digital age

Considers ethical threats from **use of technology & complexity** when exercising professional judgement

Addresses the ethical dimension of **using output of technology**

Strengthens **auditor independence** for technology-related services & business relationships

Applies to assurance on **non-financial information** (e.g., ESG disclosures)



# Ten Questions of the APESB

3. What are the ethical considerations accountants should be aware of when using the outputs of technology, such as Chat-GPT?

# Ten Questions of the APESB

- The nature of the activity to be performed by the technology.
- The expected use of, or extent of reliance on, the output of the technology.
- Whether the accountant has the ability, or has access to an expert with the ability, to understand, use and explain the technology and its appropriateness for the purpose intended.
- Whether the technology used has been appropriately tested and evaluated for the purpose intended.
- Prior experience with the technology and whether its use for specific purposes is generally accepted.
- The employing organisation's oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology.
- The controls relating to the use of the technology, including procedures for authorising user access to the technology and overseeing such use.

**Factors to consider when a PA intends to use the output of technology**

Learn more:

*Technology-related Revisions to the Code*



# Ten Questions of the APESB

4. Can you provide a brief update on the progress of the International Sustainability Standards for Reporting, Assurance, Ethics and Independence Standards?

# Ten Questions of the APESB

## International Sustainability Standards Infrastructure



### IESBA actions on Sustainability:

- IESBA held 4 global roundtables on Sustainability in Paris, Sydney, Singapore and New York in March and April 2023
- Feedback gathered from these global roundtables to be considered at the IESBA Board Meeting in June 2023
- Aim to issue an Exposure Draft for Sustainability Ethics and Independence Standards by December 2023



# Ten Questions of the APESB

5. What approach is likely to be adopted in the new ethics and independence standards?

# Ten Questions of the APESB

## Sustainability Assurance

- IESBA developing ethics and independence standards for sustainability assurance irrespective of:
  - Whether the engagements are carried out by a professional accountant (PA) or other sustainability assurance provider (**profession-agnostic**)
  - The reporting and assurance frameworks used to prepare and assure sustainability information (**framework-neutral**)
- **Key premise:** The new standards to be equivalent to those that apply to audits of financial statements for sustainability assurance engagements of heightened public interest, i.e., where the sustainability information is:
  - Reported in accordance with a general-purpose reporting framework
  - Is required by law or regulation? (CSRD in Europe)
  - Publicly available to support decision-making by investors or other stakeholders

## Sustainability Reporting

- IESBA also developing ethics standards for sustainability reporting
- Currently no call from the international regulatory community for IESBA to develop ethics standards for reporting that are profession-agnostic



# Ten Questions of the APESB

6. APES 215 *Forensic Accounting Services* has recently been revised.

What are the key changes and the implications for Members who provide those services?

# Ten Questions of the APESB

- Board approved the revised APES 215, which was issued on 23 June 2023
- Key revisions include:
  - Quality management-related conforming amendments
  - Specific examples and definitions to provide greater clarity regarding distinction between:
    - Lay Witness Service – where Member giving evidence that are directly observed or perceived and **does not require** Member's specialised knowledge derived from training, study or experience
    - Expert Witness Service – where Member's Report is to communicate evidence which **refers to** Member's specialised knowledge derived from training, study or experience, then Member must comply with section 5 of APES 215
  - Requirement for Members in Business and Public Practice undertaking Forensic Accounting Service to comply with section 200, 220 and 300 of the Code respectively
  - Differentiation between observed and scientific facts
  - Amendments to definition of "Other Evidence" to remove references to 'summary' to prevent any confusing with a 'summary' presented under section 50 of the *Evidence Act 1995*
- Pronouncement to be effective from **1 October 2023**



# Ten Questions of the APESB

7. What is the APESB's position in respect of IESBA's proposed revisions to the Code addressing tax planning and related services?

# Ten Questions of the APESB

- APESB generally agrees with IESBA's proposals.
- Key recommendations included:
  - Clarify the description of tax planning services, regarding exclusions, durations of related services, and ongoing treatment of transfer pricing compliance arrangements;
  - Clearly state the inclusion of related services in the scope of section 280 and 380
  - Clarify the drafting of the public interest considerations;
  - Addressing uncertainty in determining a credible basis for a tax planning service, including when circumstances change;
  - Reframe the stand-back test to prioritize the consequences for professional accountants and firms;
  - Review the proposed actions for professional accountants in business
  - Introduce documentation for circumstances of uncertainty and high risk
  - Clarify the responsibilities when referring a client to a third-party provider

Submission released in May 2023 – available on [APESB's website](#)



# Ten Questions of the APESB

8. APESB issued an amending standard to the Code of Ethics for the Non-Assurance Services provisions.

Can you tell us about the amendments?

# Ten Questions of the APESB

NAS Revisions – effective 1 July 2023 (globally 15 December 2022)

Introduction of **new self-review threat (SRT) prohibition** for PIE audit clients

New requirements for firm communication with **those charged with governance (TCWG)** for PIE audit clients

More clarifications to assist in the application of the conceptual framework to independence in **identifying, evaluating and addressing threats** created by providing a NAS to an audit client

- **Resources**

- APESB list of APES 110 Prohibitions – **to be released soon**
- IESBA Staff Q&As on NAS – available on [IEASB's website](#)



# Ten Questions of the APESB

9. The Board have approved revisions to the Code of Ethics for the definition of Listed Entity and Public Interest Entity.

Will this change the way in which PIEs are identified in Australia?

# Ten Questions of the APESB

- Board approved PIEs revisions to the Code in May 2023
- Pronouncement to be effective from **1 January 2025**
- IESBA amendments to PIEs provision of the Code in April 2022
- APESB has historically undertaken considerable work relative to the Australian environment:
  - Current Australian requirements on PIEs already include Listed Entities
  - Since 1 January 2013, APESB mandated firms to determine additional PIEs (extant AUST R4008.1)
    - Determination is based on stakeholders, business nature, size & employees
    - Deposit-taking institutions, insurers, superannuation & disclosing entities generally considered as PIEs in Australia (extant AUST 400.8.1 A1)
  - Regulators supported APESB's final position
- APESB's position is higher than revised IESBA provisions – unlikely to significantly impact determining PIEs in Australia



# Ten Questions of the APESB

10. What are the other standard setting projects on APESB's agenda that members should be aware of?

# Ten Questions of the APESB

Exposure Draft	Key revisions	Comment period closes
<b>APES 225</b> <i>Valuation Services</i>	<ul style="list-style-type: none"><li>• Quality management-related conforming amendments</li><li>• Technology, Conflict of Interest and Confidentiality related revisions in the Code</li><li>• Exercise professional judgment on Whistleblower protection legislation and NOCLAR</li></ul>	<b>21 July 2023</b>
<b>APES GN 30</b> <i>Outsourced Services</i>	<ul style="list-style-type: none"><li>• Explaining “Geographical Location” – to include country details of outsourced service or cloud computing</li><li>• Definition of “Network”</li></ul>	<b>21 July 2023</b>
<b>APES 310</b> <i>Client Monies</i>	<ul style="list-style-type: none"><li>• Definition of “Assurance Engagement”</li><li>• Template Assurance Reports</li></ul>	<b>18 August 2023</b>

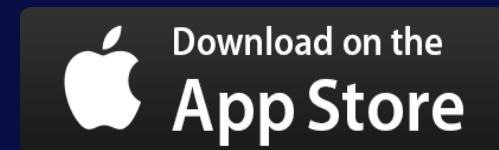
- **Audit Partner Rotation (Long Association) requirements – Listed Entities & APRA regulated entities**
  - The transition period to have “3 years cooling off period” will end on **31 December 2023 – 5 years rotation will now apply**
  - APESB Technical Staff Q&As – available on [APESB's website](#)



# Ten Questions of the APESB

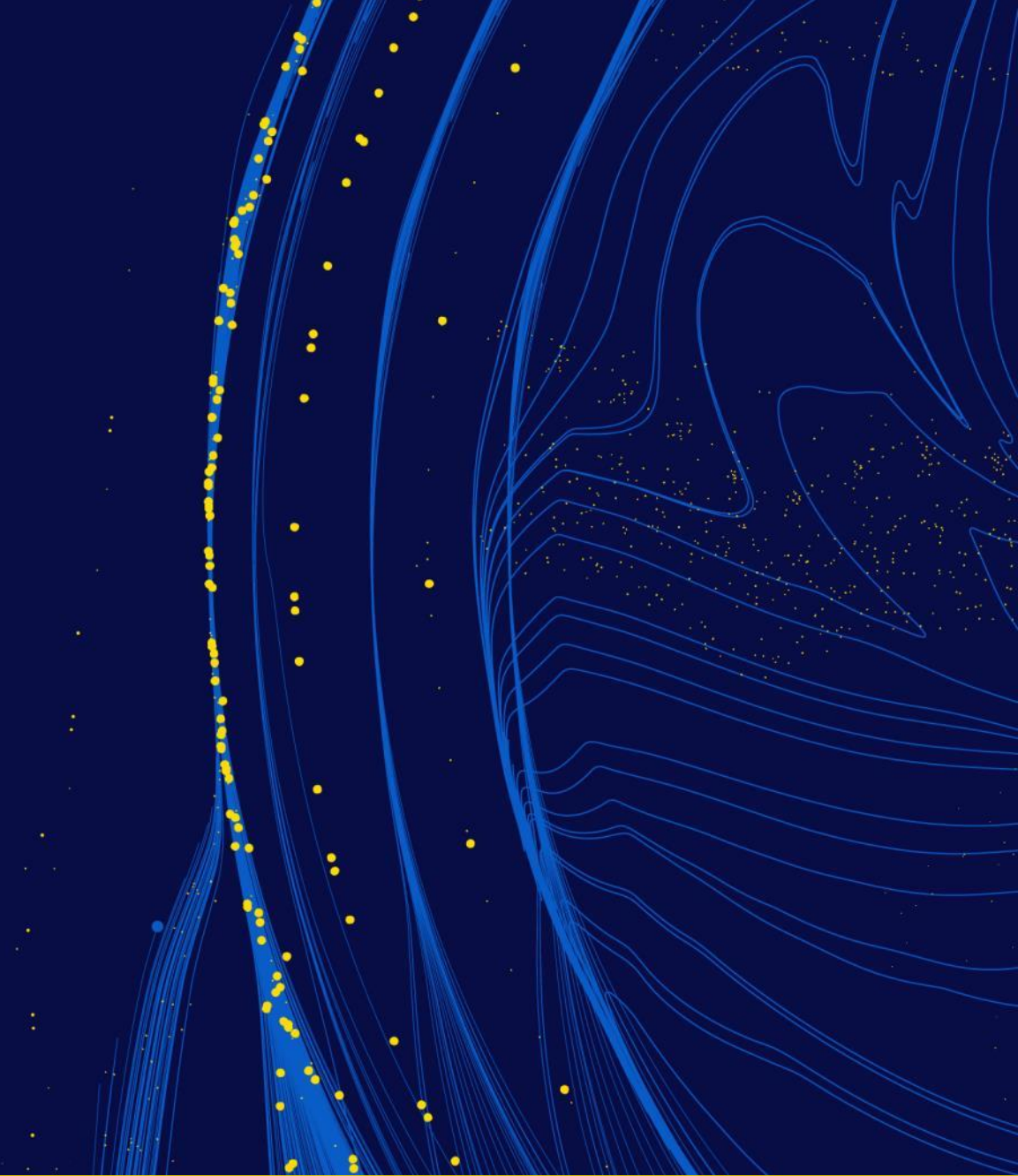
## Further Information

- **Useful links from today's webinar**
  - [Code of Ethics for Professional Accountants \(including Independence Standards\)](#)
  - [Whistleblowing & Confidentiality – APESB Technical Staff Publication](#)
  - [Long Association Technical Staff Q&As](#)
  - [IEASB Staff Q&As on NAS](#)
  - [IESBA Technology-related Revisions to the Code](#)
- For more information visit [www.apesb.org.au](http://www.apesb.org.au)
- Follow the APESB [Linkedln page](#) for timely updates
- To download APESB's mobile app



# QUESTIONS

Please address your questions to  
“All Panelists” in Q&A





# THANK YOU FOR ATTENDING

