

## AGENDA PAPER

**Item Number:** 3  
**Date of Meeting:** 17 November 2023  
**Subject:** Update on APESB's Work Program for 2023

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Action Required     For Discussion     For Noting     For Information

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### Purpose

To provide an update on activities undertaken in 2023 with respect to APESB's work program in each of the Board's four strategic pillars.

### Background

APESB's vision is to achieve exemplary levels of professionalism and ethical behaviour in the accounting profession. APESB promotes professionalism and ethical behaviour and strives to maximise the integrity of the accounting profession through [four strategic pillars](#); Standards, Engagement, Influence and Ethics Outreach.

### Matters for Noting

#### Standards

During 2023, APESB developed and issued the following high-quality professional and ethical standards, guidance notes and guidance material in the public interest:

- The revised [APES 325 Risk Management for Firms](#) (APES 325) aligns the terminology, concepts and principles with the reissued APES 320 and AUASB's Quality Management Standards.
- The revised [APES 315 Compilation of Financial Information](#) (APES 315) conforms with changes to APES 205 and aligns with the reissued APES 320 and AUASB's Quality Management Standards.
- The revised [APES 345 Reporting on Prospective Financial Information prepared in connection with a Public Document](#) (APES 345) now incorporates references to the whistleblower protection legislation, NOCLAR, Section 114 *Confidentiality* of the Code and the reissued Quality Management Standards APES 320 and ASQM 1.
- The revised [APES 350 Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document](#) (APES 350) aligns the terminology,

concepts and principles with the reissued APES 320 and AUASB's Quality Management Standards and Section 114 *Confidentiality* of the Code.

- [APES GN 31 Professional and Ethical Considerations relating to Low Doc Offering Sign-offs](#) (APES GN 31) to align the terminology, concept and principles with the reissued APES 320 and AUASB's Quality Management Standards.
- In May 2023 released, the [Compiled Code \(December 2022\)](#), based on the November 2018 restructured Australian Code and incorporating all amending standards issued between 2020-2022
- The revised [APES 215 Forensic Accounting Services](#) (APES 215) addresses ASIC staff's concerns relating to evidence presented to the court under section 50 of the *Evidence Act 1995* and updates to align with the reissued quality management-related conforming amendments.
- The [Revisions to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\) Relating to the Definition of Engagement Team and Group Audits](#) align the definitions with auditing and assurance standards, clarify the independence requirements for group audits and include a new Section 405 that applies to group and component auditors.
- [Applying the Code's Conceptual Framework to Independence Practical Guidance for Auditors in Technology-related Scenarios](#) was jointly released by APESB and the IESBA to assist professional accountants in navigating the ethical challenges and opportunities created by technological advancements.
- The revised guidance [APES 110 Code Prohibitions applicable to Auditors for all Audit and Review Engagements 2023](#) incorporates changes based on the Compiled Code (December 2022), particularly addressing Fees and NAS amendments and new prohibition of providing NAS to PIE audit clients, which might create a self-review threat.
- The revised [APES 225 Valuation Services](#) (APES 225) included amendments requiring Members in Business to comply with Section 210 *Conflict of Interest* of APES 110, aligning provisions with Section 114 *Confidentiality* of APES 110, quality management-related conforming amendments and Technology-related revisions.
- The revised [APES GN 30 Outsourced Services](#) (APES GN 30) address matters raised during the post-implementation review, quality management-related conforming amendments and new examples addressing overseas employment contracts.
- The Revisions to the Definitions of Listed Entity and PIE in the Code, expected to be issued November 2023, expands the definition of PIE and provides guidance on the factors to consider when determining whether an entity should be subject to the additional independence requirements applicable to PIEs.
- The Proposed [Technology-related Revisions to the Code](#) align with IESBA's final pronouncement, which incorporates technology-related considerations into the fundamental principles of Professional Competence and Due Care and Confidentiality. The Exposure Draft was open for public comment between 1 September and 21 October 2023 (refer to Agenda Item 4 of this Board meeting for the proposed final Standard).
- The revised APES 310 *Client Monies* (APES 310) (Agenda Item 9 of this Board Meeting) will be presented to the Board for approval. It incorporates quality management-related conforming amendments and aligns with the revised ASAE 3100 *Compliance Engagements*.

- The Compiled Code 2023, consisting of the Compiled Code (December 2022) and incorporating the revision to the Definition of Engagement Team and Group Audit, is expected to be released by the end of December 2023.

APESB continued its commitment to creating awareness of its standards and promoting ethical behaviour within the accounting profession in 2023. The following activities demonstrate APESB's significant efforts to increase awareness of APESB's pronouncements under the other three strategic pillars: Engagement, Influence and Ethics Outreach.

**Engagement:** with key stakeholders, including professional accountants, the public, government bodies, regulators and the professional accounting bodies.

- [APESB Roundtable on IESBA's ED on Tax Planning and Related Services](#): on 19 April 2023, APESB held a virtual roundtable to seek stakeholder feedback on IESBA's Exposure Draft *Proposed Revisions to the Code Addressing Tax Planning and Related Services*.
- APESB issued a three-part guidance video series on the revised APES 320 *Quality Management for Firms that provide Non-Assurance Services* between November 2022 and March 2023.
- [CA ANZ Telstra Australia Post Panel Event](#): on 27 April 2023, Channa Wijesinghe (APESB CEO and IESBA Board Member) was part of the panel discussion at the event organised by CA ANZ Victorian Corporate Panel on the impact of AI on the finance profession.
- [CA ANZ Webinar on Professional Accountants in Business – IESBA Code Update](#): on 28 April 2023, Channa Wijesinghe (APESB CEO and IESBA Board Member) presented with IFAC Board Member Taryn Rulton and IESBA Director Geoff Kwan at the CA ANZ webinar, which was moderated by CA ANZ's Josephine Haste. The webinar provided an update on the recent changes to the IESBA Code and an opportunity for PAIBs to discuss the ethical challenges they encounter.
- [Presentation at CPA Australia Reporting Centre of Excellence](#): on 23 May 2023, Channa Wijesinghe (APESB CEO and IESBA Board Member) delivered a Professional Standards update, covering topics on the changing environment for PAIBs and the latest project updates for IESBA and APESB.
- [Presentation at CA ANZ Audit Conference](#): on 24 May 2023, Channa Wijesinghe (APESB CEO) and Jacinta Hanrahan (APESB Principal) presented to the CA ANZ members on strengthening the Auditor Independence requirements. The presentations covered key changes to the Code relating to NAS, Fees and the definitions of Listed Entity and Public Interest Entity.
- [CPA Australia Ten Questions with APESB Webinar](#): on 28 June 2023, Channa Wijesinghe (APESB CEO) presented alongside Brendan O'Connell (Chair of CPA Australia Centre of Excellence for Ethics and Professional Standards). The presentation covered the APESB's latest revisions, including APES 215, NAS, PIE and proposed revisions by IESBA to the Code on Technology, Sustainability, and Tax Planning & Related Services.
- Two Taskforces, APES 215 *Forensic Accounting Services* (APES 215) and APES 225 *Valuation Services* (APES 225), convene meetings to assist APESB in reviewing the standards and obtaining industry-specific expertise.
- [IPA's webinar on APESB update for SMPs](#): on 3 October 2023, Channa Wijesinghe (APESB CEO) presented a webinar for the SMPs, which was moderated by Ms Vicki

Stylianou (Group Executive Advocacy and Policy at IPA). The presentation covered the topics relevant to SMPs, including Fees, APES 310 and developments in Technology and Tax Planning Services.

- [Presentation to CPA Australia's Forensic Accounting Discussion Group](#): on 4 October 2023, APESB Director Brian Morris, who is also the Principal at Morris Forensic and Channa Wijesinghe (APESB CEO), along with Gregory O'Neil (Forensics Manager at TAC), presented an overview of the revised APES 215 issued in June 2023 to CPA Australia's Forensic Accounting Discussion Group.
- [Presentation to CPA Australia's Public Practice Advisory Committee](#): on 4 October 2023, Channa Wijesinghe (APESB CEO) provided an update on APESB's latest revisions to the Code and other pronouncements, recent global developments on Technology and Tax Planning Services and recent ethical failings in the accounting profession.

***Influence:*** *the national and international agenda in relation to professional and ethical standards.*

- **International developments:**

- APESB made two submissions to the IESBA:
  - IESBA's [Proposed Revisions to the Code Addressing Tax Planning and Related Services](#) on 25 May 2023 and
  - IESBA's [Proposed Strategy and Work Plan 2024-2027](#) on 11 July 2023.
- Throughout the year, APESB CEO Channa Wijesinghe, in his role as an IESBA Board Member, attended IESBA Board meetings and numerous other IESBA-related engagements, including taskforce meetings for the Tax Planning Services project and the Sustainability project. He has also participated in the IESBA Planning Committee meetings since January 2023.
- APESB hosted an IESBA roundtable in Sydney in March 2023 to obtain Trans-Tasman stakeholders' input for the development of IESBA's new Ethics and Independence Standards for Sustainability Reporting and Assurance.
- Channa Wijesinghe (APESB CEO and IESBA Board Member) presented a [global webinar on IESBA's Tax Planning & Related Services Exposure Draft](#) for the Asian region on 28 February 2023. During the webinar, he explained the key proposals in the IESBA's Exposure Draft *Proposed Revisions to the Code Addressing Tax Planning and Related Services*.
- Channa Wijesinghe (APESB CEO and IESBA Board Member) delivered a presentation to the International Organisation for Standardisation (ISO) Committee on the IESBA Code (including independence standards) and the IESBA's Sustainability project in April 2023.
- APESB participated in the IESBA's National Standard Setters Group virtual meetings held in June and November 2023.
- Jon Reid (Senior Technical Manager) provided technical support to the IESBA Technology Expert Group (TEG) until his employment concluded in May 2023. TEG provided advice and input to IESBA's Technology Working Group.
- Continued engagement with the New Zealand Auditing and Assurance Standards Board (NZAuASB) on Trans-Tasman matters of mutual interest.

- **National developments:**

- APESB made three national Submissions to the Government Inquiries:

- A [submission](#) to the Senate Finance and Public Administration Committees on the inquiry into management and assurance of integrity by consulting services on 21 April 2023.
- A [submission](#) to the NSW Government's Upper House Public Accountability and Works Committee on the inquiry into the NSW Government's use and management of consulting services on 17 July 2023.
- A [submission](#) to the Parliamentary Joint Committee (PJC) on Corporations and Financial Services inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry on 31 August 2023.
- APESB also made two national submissions to the Treasury's Consultation Paper:
  - A [submission](#) to the Treasury's Climate-related financial disclosure – Consultation Paper December 2022 on 17 February 2023.
  - A [submission](#) to the Treasury's Climate-related financial disclosure – Consultation Paper June 2023 on 21 July 2023.
- On 31 May 2023, APESB hosted the Professional Standards Councils' (PSC) Chair, Mr John Vines OAM, and CEO, Ms Roxane Marcelle-Shaw, who presented to the APESB Board on professional standards legislation and the role of PSC.
- On 2 August 2023, APESB held a Workshop with some key stakeholders –in response to the PJC inquiry into Ethics and Professional Accountability. The feedback received during the Workshop assisted APESB in preparing its submission to the PJC.

***Ethics Outreach:*** *promoting that professionalism and ethical conduct drive the behaviour of accountants and conducting outreach activities in collaboration with key stakeholders.*

- On 30 March 2023, APESB and CPA Australia co-hosted an interactive panel event in Sydney on Global developments in Ethics and Assurance for Sustainability. The panel was moderated by Channa Wijesinghe (APESB CEO and IESBA Board Member). The panel also included Mark Babington (Executive Director of Regulatory Standards at the FRC UK and IESBA Member), Bill Edge (Chair of AUASB and IAASB Member), Doug Niven (Chief Accountant of ASIC), and Marje Russ (Chair of NZAuASB).
- On 9 October 2023, Channa Wijesinghe (APESB CEO) participated in the media production of CPA Australia's Ethics and Governance Study Guide.
- 2021-2025 Focus Areas pages on [Sustainability](#), [Technology](#) and [Small and Medium Practices](#) have been released on the APESB website on 13 October 2023.

## Recommendation

The Board note the update on activities undertaken during the year with respect to APESB's work program.

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**Date:** 2 November 2023