

Meeting Highlights

17 NOVEMBER 2023

1. Register of Interests

The Board noted Agenda Item 2 *Register of Interests*.

2. Update on APESB's Work program for 2023

The Board noted Agenda Item 3 *Update on APESB's Work program for 2023*.

The Board noted the significant amount of activities undertaken by APESB in the 2023 calendar year, including the broad range of stakeholder engagements, ethics outreach through roundtables on sustainability and tax planning, and working with international organisations to influence the development and adoption of professional and ethical standards for accountants, in Australia and globally. In addition, APESB strengthened the independence standards for auditors of public interest entities in relation to non-assurance services, fees and the independence of those involved with group audit engagements.

3. Proposed revisions to APES 110 for Technology

The Board noted Agenda Item 4 *Proposed revisions to APES 110 for Technology*.

The Board considered the responses to the exposure draft on Technology-related Revisions to the Code. The Board disagreed with a respondent's comment that the amendments represent covert changes to the fundamental principles of the Code. The amendments are based on the IESBA's global standard, and the IESBA has followed an extensive global due process over the last four years. It should also be noted that the Public Interest Oversight Board (PIOB) has certified that the IESBA has complied with its global public due process.

Due to concerns raised by respondents, the Board agreed to clarify the conditions when confidential information can be disclosed by amending paragraph R114.3 to include the words "*or information in respect of which the duty of confidentiality applies,*" and due to this change, the paragraph will become an AUST paragraph.

The Board approved the issue of the Amending Standard *Technology-related Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* and the related Basis for Conclusions, with an effective date of 1 January 2025.

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4. Proposed amendment to APES 110 on reporting breaches

The Board noted Agenda Item 5 *Proposed amendment to APES 110 on reporting breaches*.

The Board agreed to consider a new project on whether a new requirement should be included in the Code, which would require members of a professional accounting body to report the unethical behaviour of other members to the applicable professional body. The Board will consider a project proposal outlining the scope and timeline for this project in early 2024.

5. International and other activities

The Board noted Agenda Item 6 *International and other activities*.

The Board considered the report on *Audit Quality in Australia* that the Financial Reporting Council (FRC) released in November 2023, which included recommendations and a section on professional and ethical standards and their enforceability in Australia.

6. Update on Sustainability

The Board noted Agenda Item 7 *Update on Sustainability*.

The Board considered the update on sustainability and discussed the developments occurring at both the international and local levels.

The Board noted that the IESBA's exposure draft on sustainability ethics and independence standards is expected to be released in early 2024. APESB plan to conduct roundtables on these international proposals in 2024.

7. Post-implementation review of APES 330 *Insolvency Services*

The Board noted Agenda Item 8 *Post-implementation review of APES 330 Insolvency Services*.

The Board received an update on the post-implementation review being performed for APES 330 *Insolvency Services* (APES 330), including the engagement with the

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professional bodies, APES 330 Taskforce Members and the Australian Restructuring, Insolvency and Turnaround Association (ARITA).

The Board considered the current inquiry into corporate insolvency that is underway and have determined to wait for the Government's response to this inquiry to assess if any further revisions to APES 330 are necessary.

APESB will continue to monitor the Government's response to the insolvency inquiry and will consider any resulting amendments, in addition to required quality management-related conforming amendments, at a future Board Meeting in 2024.

8. Proposed revised APES 310 Client Monies

The Board noted Agenda Item 9 *Proposed revised APES 310 Client Monies*.

The Board considered the submissions received to the exposure draft on APES 310 *Client Monies* and considered additional amendments to address practical challenges faced by professional accountants in complying with the standard, such as opening trust accounts with banks.

The Board favourably note the professional accounting bodies have agreed to undertake further engagement with the large banks about the opening of trust accounts by accountants in public practice.

The Board will consider the outcome of this stakeholder engagement as well as further work to be undertaken by Technical Staff on the use of limited assurance engagements for client bank accounts at a Board Meeting in the first half of 2024.

9. Update on Parliament Inquiries relating to the accounting profession

The Board noted Agenda Item 10 *Update on Parliament Inquiries relating to the accounting profession*.

The Board considered the key themes in the submissions made to the Parliamentary Joint Committee (PJC) inquiry into Ethics and Professional Accountability, which were generally consistent with the majority of the issues raised in APESB's submission to the Inquiry. The appearance of the APESB Chairman and CEO at a public hearing of the inquiry has been postponed to early 2024.

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10. Update from AUASB

The Board noted Agenda Item 11 *Update from AUASB*.

The Board received an update from AUASB, which included its highlights for 2022/2023, current projects relevant to APESB and future opportunities and challenges. The Board noted the importance of continued collaboration with AUASB on current and future projects.