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Firm culture and governance to be a global focus

Recent ethical failings in large firms in Australia have led to multiple government inquiries, especially those failings that occurred at firms and involved accountants who are required to comply with APESB's professional and ethical standards. These standards are clear on the fundamental ethical obligations of professional accountants, such as maintaining confidentiality and addressing conflicts of interest.

Due to these occurrences in Australia and overseas, APESB raised this concern with the International Ethics Standards Board for Accountants (IESBA) in its [July 2023 submission](#) to the IESBA's *Proposed Strategy and Work Plan for 2024-2027*. As a consequence, the IESBA considered whether to undertake a project on the validity and effectiveness of the IESBA Code on matters such as firm leadership and culture.

At its December 2023 Board meeting, following in-depth deliberation on the global stakeholder feedback on its *proposed Strategy and Work Plan 2024-2027*, the IESBA approved a new work stream on the topic of "*Firm Culture and Governance*" in its final [Strategy and Work Plan for 2024-2027](#).

APESB's CEO and IESBA Member, Channa Wijesinghe, has been appointed as the Chair of this [IESBA Working Group](#). The IESBA will consider, with a view to approval, the proposed Terms of Reference for the Working Group at its March 2024 Board meeting.

"We are pleased that the IESBA agrees with our view and has included a project on firm culture and governance as a strategic priority in its 2024-2027 Strategy and Work Plan. I also take this opportunity to congratulate our CEO, Channa Wijesinghe, on his appointment as the Chair of this Working Group," said APESB Chair Nancy Milne OAM.

"Ethics is the very foundation upon which public trust in the work of professional accountants is built," said IESBA Chair Gabriela Figueiredo Dias. *"Therefore, it is imperative that accounting and audit firms build an organisational culture that values high ethical standards as the guiding star of consistent and ethically robust behaviours and decisions. It is only with the right ethical culture and governance that firms can safeguard public confidence in their accounting, audit and consulting work."*

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Note to editors: APESB is the National Standards Setter that sets the code of ethics and professional standards by which members of Australia's three major professional accounting bodies (CPA Australia, Chartered Accountants Australia and New Zealand and the Institute of Public Accountants) are required to abide.