

AGENDA PAPER

Item Number: 3
Date of Meeting 5 March 2024
Subject: Review of APESB's Issues Register

Action required For discussion For noting For information

Purpose

To provide the Board with an update on APESB's Issues Register as of 5 March 2024.

Background

The APESB Issues Register is available on the [APESB website](#) to inform stakeholders of issues reported to the APESB or identified by an internal technical review in respect of each APESB professional pronouncement. The document is updated periodically to reflect the activities of the APESB Technical Work Program.

Consideration of Issues

(a) Summary of changes from the 2023 Issues Register

A summary of key matters resolved from the 2023 Issues Register, new matters recorded on the Issues Register and key developments for current issues are noted below:

Key matters resolved from the 2023 Issues Register

- **Revision to APES 215 *Forensic Accounting Services (APES 215)***

A revised APES 215 *Forensic Accounting Services* was issued in June 2023. As part of the revision, APESB addressed concerns raised by the staff of the Australian Securities and Investments Commission (ASIC) relating to evidence presented to the court under section 50 of the *Evidence Act 1995*. Additionally, conforming amendments were made to align with the reissued APES 320 *Quality Management for Firms that provide Non-Assurance Services* and the AUASB's revised quality management standards.

- **Revision to APES 225 Valuation Services (APES 225)**

APESB issued a revised APES 225 *Valuation Services* in September 2023. The revision incorporated quality management-related conforming amendments, as well as amendments for whistleblower protection legislation, technology-related revisions and updates to align with Section 114 *Confidentiality* and Section 225 of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110).

- **Revision to GN 30 Outsourced services (APES GN 30)**

APESB issued a revised GN 30 on 14 September 2023, which incorporated quality management-related conforming amendments and provided additional guidance concerning geographical location.

Matters added to the Issues Register

| Pronouncement | New matters |
|---|--|
| <p>APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i></p> | <p><u>Consideration of a requirement to report unethical behaviour</u></p> <p>CA ANZ have requested that APESB consider whether APES 110 should require members of professional accounting bodies to report the unethical behaviour of other members to the applicable professional body.</p> <p><u>Editorial amendments</u></p> <p>During a recent project to compile APES 110, Technical staff identified three editorial amendments that need to be addressed:</p> <ul style="list-style-type: none"> • correcting inconsistent references to versions of ASA 610; • changing a heading within Section 330 from 'Application Material' to 'Requirements and Application Material' to recognise the three AUST requirement paragraphs within this section; and • amending paragraph R400.74 (b) to align with the IESBA Code. <p><u>Code conforming amendments to other APESB pronouncements</u></p> <p>Technical staff have identified that APESB's pronouncements other than APES 110 may require conforming amendments to align with recent amendments made to APES 110. Once the Technology Amending Standard has been released, Technical Staff will commence a review of all APESB pronouncements and advise the Board of the pronouncements that require amendment at the June 2024 Board Meeting.</p> |
| <p>APES 220 <i>Taxation Services</i></p> | <p>In April 2024, the IESBA is expected to release a final pronouncement on Tax Planning Services provisions in the IESBA Code. APESB will need to consider whether any amendments are required to APES 220 to align with the new requirements in the Code.</p> |
| <p>APES 310 <i>Client Monies</i></p> | <p>During the due process for ED 04/23, a concern was raised as to whether the requirement of having a limited Assurance Engagement for co-authorised client banking transactions was too onerous. The Board considered this matter at their November 2023 Board Meeting</p> |

| Pronouncement | New matters |
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| | and requested further work be conducted on this matter. An update will be provided to the Board in the first half of 2024. |

Progress on matters on the Issues Register

| Pronouncement | Progress on current matters |
|--|--|
| APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> | APESB commenced an artificial intelligence and digital technology project in 2020. In early 2024, APESB will issue an amending standard on Technology-related revisions to APES 110. Technology-related issues were considered as part of the review and revision process for APES 215 <i>Forensic Accounting Services</i> and APES 225 <i>Valuation Services</i> . Technical Staff will continue to work on this project in 2024. |
| APES 230 <i>Financial Planning Services</i> | <p>There have been a number of reviews in the Financial Planning Services Industry that have progressed in 2023.</p> <p>The Treasury released its final response to the Quality of Advice Review Final Report on 7 December 2023. Consultation with industry and consumer stakeholders will commence in early 2024, aiming for the implementation of this model later in the year. Following the implementation of the Delivering Better Financial Outcome packages, the Financial Planners and Advisers Code of Ethics 2019 will be reviewed.</p> <p>The ALRC's final report for its review of Financial Services Laws was released on 18 January 2024. The government is considering the report and recommendations and has not yet released a response.</p> <p>Technical staff will continue to monitor the developments in the financial industry to determine if any amendments are required to APES 230.</p> |
| APES 310 <i>Client Monies</i> | To obtain information about the ability of Members to open a trust account, APESB issued an Exposure Draft (ED 04/23), which sought feedback on challenges faced by members in complying with APES 310. The Board have considered the feedback received, and Technical Staff are undertaking further work on this matter. In addition, the Professional Bodies are contacting the big 4 banks in Australia to highlight this issue. An update on this will be provided to the Board later in 2024. |
| APES 330 <i>Insolvency Services</i> | APESB commenced a post-implementation review of APES 330 in October 2023. The review will continue into 2024, as the Board agreed to wait for the Government to release its response to a parliamentary inquiry on corporate insolvencies. |

Staff Recommendation

The Board note the 2024 APESB Issues Register.

Material presented:

Agenda Item 3 (a): APESB Issues Register

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Date: 19 February 2024