

AGENDA PAPER

Item Number: 6
Date of Meeting: 5 March 2024
Subject: Proposed Project on APES 110 and reporting breaches

Action Required For Discussion For Noting For Information

Purpose

To obtain the Board's approval to commence a project to consider whether APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110) should be updated to require members of a professional accounting body to report the unethical behaviour of other members to the applicable professional body.

Background

Chartered Accountants Australia and New Zealand (CA ANZ) announced a comprehensive review of the CA ANZ By-Laws and related regulatory and administrative arrangements relating to the Professional Conduct Framework (PCF review) in July 2022. The PCF review concluded in May 2023, with the [final report](#) released alongside the Independent Review of the recommendations and the CA ANZ Committee's Response to the Independent Review. The review noted that some of the matters could be addressed through revisions to CA ANZ's By-Laws and some matters through other means.

In July 2023, CA ANZ wrote to APESB about the PCF review and a recommendation relating to the alignment of disclosure obligations for Australian and New Zealand members. The recommendation sought the introduction of a requirement in the By-Laws for Australian members to report wrongdoing committed by other members to align with current requirements imposed on New Zealand members.

The letter noted that the obligation in New Zealand is established by the NZICA Code of Ethics (NZICA Code) rather than NZICA Rules or By-Laws. Therefore, CA ANZ have requested the APESB to consider whether a like provision should be included in APES 110.

At the November 2023 Board Meeting ([Agenda Item 5](#)), the Board considered the request from CA ANZ and agreed to consider a project proposal on APES 110 and reporting breaches at a future Board Meeting.

Consideration of issues

This project proposal is intended to inform the Board about whether to commence a project to include a requirement in APES 110 for members to report the unethical behaviour of other members to the applicable professional body.

The project will be undertaken through desktop research, targeted stakeholder engagement and a public consultation process. It is expected to be completed by the end of the year.

Refer to Agenda Item 6(a) for the proposed project plan on APES 110 and reporting breaches.

Staff Recommendation

The Board approve the project proposal for a new project to consider whether APES 110 should be revised to require members to report the unethical behaviour of other members to the applicable professional body.

Material Presented

Agenda Item 6(a) Project Proposal on APES 110 and reporting breaches

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