



## **ISSUES REGISTER FOR APESB PROFESSIONAL PRONOUNCEMENTS**

**Current as at 5 March 2024**

### **Note to Stakeholders**

The following is a summary of issues raised by stakeholders in relation to APESB pronouncements. Issues have been compiled by standard or guidance note, with the intended response and current status. Members of the professional accounting bodies, firms, professional bodies and other stakeholders are encouraged to report to APESB via the APESB website ([www.apesb.org.au](http://www.apesb.org.au) then Standards & Guidance/Issues Register) any new issues that need to be addressed by APESB when a pronouncement is next updated or reviewed.

Issues are entered into the register when brought to the attention of APESB by external stakeholders or through identification during internal reviews of the standard or guidance note. The issue remains on the register until it has been resolved to the satisfaction of the Board.

**APES 110 : Code of Ethics for Professional Accountants (including Independence Standards)  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
110.1	A professional body provided feedback in a submission on APES 320 <i>Quality Management for Firms that provide Non-Assurance Services</i> as to whether the new 'Role and Mindset' provisions in the Code are more appropriate than 'Independence' in other APESB pronouncements.	This issue has been noted.	Low	APESB will consider this matter during future reviews of relevant pronouncements.
110.2	In July 2023, CA ANZ wrote a letter to APESB requesting a requirement be included in the Code for members to report wrong doing committed by other members to the relevant professional accounting body. This change would see alignment with a requirement currently in place for New Zealand CA ANZ members.	This issue has been noted.	Medium	The Board discussed this project request at the March 2024 Board meeting. The Board will consider a project proposal alongside research on similar requirements in other jurisdictions at their June 2024 Board Meeting.
110.3	Technical Staff have noted that within APES 110 some references to ASA 610 may need to be updated. The definition of Engagement Team and the Conformity with International Pronouncements currently refer to the November 2013 version of ASA 610, while the footnote to paragraph 605.1 refers to the December 2021 compiled version.	This issue was noted during the recent project to prepare a compiled version of APES 110.	Low	APESB will address this matter in a future revision of APES 110.
110.4	Technical Staff have noted that in Section 330, under the heading "Application Material" there are three AUST requirement paragraphs. Technical Staff believes this heading should be amended to "Requirements and Application Material."	This issue was noted during the recent project to prepare a compiled version of APES 110.	Low	APESB will address this matter in a future revision of APES 110.

**APES 110 : Code of Ethics for Professional Accountants (including Independence Standards)  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
110.5	Technical Staff have noted that paragraph R400.74(b) in APES 110 includes a cross reference to paragraph R400.73(a) to (c). However, the same paragraph in the current IESBA Code cross references to R400.73(b) to (c).	This issue was noted during the recent project to prepare a compiled version of APES 110.	Low	On investigation, Technical Staff found that in APES 110 prior to the restructured Code issued in 2018, this para reference was (b) to (c). The IESBA changed the reference to (a) to (c) in the restructured Code and APESB replicated this change. By the 2020 IESBA Handbook, the cross-reference had been changed back from (b) to (c) but was not included as a change in an amending standard. APESB will address this matter in a future revision of APES 110.
110.6	Technical Staff have noted that APESB pronouncements may require conforming amendments to ensure they align with revisions made to APES 110 in the last few amending standards. The conforming amendments would include updating definitions and cross-references to paragraphs in APES 110.	This issue was noted during a review of APESB pronouncements to consider the impact of the technology provisions in the Code.	Medium	Technical Staff will start a project in 2024 on Code conforming amendments to other APESB pronouncements. Once the Technology Amending Standard is released, Technical Staff will commence a review of APESB pronouncements and will provide an update to the Board at the June 2024 Board Meeting.
110.7	Technical Staff are to continue to monitor the changing technological landscape to determine if any amendments are required across APESB's suite of pronouncements.	This matter was discussed at the March 2024 Board Meeting.	Medium	Technological developments will be a consideration in the Code conforming amendments project which commences in 2024. Technical staff will also continue monitoring technological advancements and assessing their impact, if any, on APESB's pronouncements.

APES 205 : Conformity with Accounting Standards  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES 210 : Conformity with Auditing and Assurance Standards  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES 215 : Forensic Accounting Services  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 220 : Taxation Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
220.1	<p>Technical Staff note that paragraphs 3.9 and 3.12 in APES 220 relating to confidentiality currently refer to 'a legal, regulatory, or professional obligation of disclosure'. Technical Staff are of the view that this reference needs to be amended to 'a legal, regulatory, or professional right or duty to disclose' to align with the confidentiality provisions in Subsection 114 <i>Confidentiality</i> of APES 110.</p>	<p>This issue was noted during the project on whistleblowing.</p>	Low	<p>Technical staff will consider this matter in the next revision of APES 220.</p>
220.2	<p>Technical Staff note that paragraph 3.12 in APES 220 requires a Member to notify the Client, Employer or relevant third party if they provide confidential information in accordance with a legal, regulatory or professional obligation of disclosure. This requirement also does not align with the intent of the Whistleblower protection legislation to allow disclosures to be made confidentially. Consideration should be given to whether the approach used in the NOCLAR provisions requiring the application of professional judgement in determining whether to inform the client, employer or relevant third party could be used.</p>	<p>This issue was noted during the project on whistleblowing.</p>	Low	<p>Technical staff will consider this matter in the next revision of APES 220.</p>
220.3	<p>An issue was raised with APESB Technical Staff about the interplay of paragraph 4.3 of APES 220 with guidance released by the Tax Practitioners Board (TPB) on supervisory agreements and supervision and control, in particular in relation to whether an individual should be an employee of the registered tax agent.</p> <p>TPB advised that they are in the process of reviewing this guidance period with a public consultation process to take place in early 2021. Consideration will need to be given to this revised guidance and the impact, if any, on APES 220.</p>	<p>This issue has been noted.</p>	Medium	<p>In October 2021, the TPB released Information Sheet TPB(I) 36/2021 Supervisory arrangements under the <i>Tax Agent Services Act 2009</i>. The guidance clarifies that supervisory arrangements may be in place with an individual who is not an employee of the registered tax agent.</p> <p>APESB Technical Staff will consider the guidance in the information sheet for any applicable revisions to APES 220.</p>

**APES 220 : Taxation Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
220.4	Technical Staff have identified the need to consider the impact on APES 220 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	APESB will consider any conforming amendments in the next revision of APES 220.
220.5	The IESBA will be releasing amendments to the IESBA Code relating to Tax Planning Services in April 2024. APES 220 will need to be reviewed and consideration given to the impact, if any, of the new provisions on Tax Planning Services in the Code.	This issue was noted by Technical Staff in 2023 during an update on IESBA's Tax planning service project.	Medium	APESB will consider any amendments in the next revision of APES 220.



APES 225 : Valuation Services  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 230 : Financial Planning Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
230.1	<p>Members in Public Practice who provide credit advice are regulated under the <i>National Consumer Credit Protection Act</i> and not the <i>Corporations Act 2001</i>. APES 230 requires Members to act in the best interests of their Client, which is defined in the standard as Division 2 of Part 7.7A of the Corporations Act.</p> <p>While Members in Public Practice providing credit advice can comply with the general obligation to act in their Client's best interest, they cannot comply with the remaining obligations defined in Division 2. However, ASIC has stated in RG 175.239 that satisfying the safe harbour of Section 961B in Division 2 is not the only way to demonstrate an individual is acting in their Client's best interest.</p>	<p>This matter was raised in the Six Month Review of APES 230.</p>	Medium	<p>Based on a recommendation from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, a Best Interest Duty was included in the National Consumer Credit Protection Act 2009 (NCCP Act). This duty became effective from 1 January 2021.</p> <p>In 2021, the Australian Law Reform Council (ALRC) commenced a review to reform Financial Services Legislation (refer to issue 230.7). The final report, issued in January 2024, recommended consolidating overlapping regulatory regimes for financial products and services contained in the <i>Corporations Act 2001</i>, <i>NCCP Act</i>, <i>Australian Securities and Investments Commission Act 2001</i> and the <i>Superannuation Industry (Supervision) Act</i>. However, there are significant differences in the regulatory regimes making it challenging to consolidate without addressing policy differences. Once the Government's response to the ALRC review is released, APESB will consider any impact on APES 230.</p>

**APES 230 : Financial Planning Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
230.2	<p>Technical Staff have identified the need to consider the potential implications on APES 230 of the Code of Ethics for professional planners issued by the Financial Adviser Standards and Ethics Authority (FASEA).</p>	<p>This issue has been noted.</p>	<p>Low</p>	<p>FASEA released their Financial Planners and Advisers Code of Ethics in February 2019.</p> <p>FASEA's operations ceased on 31 December 2021, with ASIC's Financial Services Credit Panel becoming the single disciplinary body for financial advisers and FASEA's standard development functions, including the FASEA Code, being transferred to Treasury.</p> <p>In the Government's response to the Quality of Advice review, which was released on 7 December 2023, it specified that the Financial Planners and Adviser Code of Ethics 2019 will be reviewed after the implementation of the Delivering Better Financial Outcomes package.</p> <p>Technical Staff will continue to monitor developments and any impact on APES 230.</p>

**APES 230 : Financial Planning Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
230.3	Some stakeholders continue to raise issues in respect of the professional fees requirements in APES 230 and their effectiveness in practice.	The Board discussed this issue and determined to engage with key stakeholders to explore the issues.	Medium	<p>As noted in Issue 230.1, a Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was held from 2017-2019.</p> <p>Technical Staff are monitoring the implementation of laws and regulations stemming from the Royal Commission findings to ascertain the impact, if any, on APES 230.</p> <p>In 2021, the Australian Law Reform Council (ALRC) commenced a review to reform Financial Services Legislation (refer to issue 230.7). APESB will continue to monitor this review and its impact on APES 230.</p>
230.4	Technical Staff have identified the need to consider the potential implications on APES 230 of the findings from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.	This issue has been noted.	Low	Technical Staff will continue to monitor the implementation of laws and regulations by the government stemming from the findings at the Royal Commission.
230.5	Technical Staff note that paragraphs 3.12 and 3.15 in APES 230 relating to confidentiality currently refer to 'a legal, regulatory, or professional obligation of disclosure'. Technical Staff are of the view that this reference needs to be amended to 'a legal, regulatory, or professional right or duty to disclose' to align with the confidentiality provisions in Subsection 114 <i>Confidentiality</i> of APES 110.	This issue was noted during the project on whistleblowing.	Low	Technical staff will consider this matter in the next revision of APES 230.

**APES 230 : Financial Planning Services  
Issues Register**

No.	Issue	Response	Priority	Current Status
230.6	<p>Technical Staff note that paragraph 3.15 in APES 230 requires a Member to notify the client or relevant third party if they provide confidential information in accordance with a legal, regulatory or professional obligation of disclosure. This requirement also does not align with the intent of the Whistleblower protection legislation to allow disclosures to be made confidentially. Consideration should be given to whether the approach used in the NOCLAR provisions requiring the application of professional judgement in determining whether to inform the client or relevant third party could be used.</p>	<p>This issue was noted during the project on whistleblowing.</p>	Low	<p>Technical staff will consider this matter in the next revision of APES 230.</p>
230.7	<p>The ALRC are undertaking an inquiry to simplify Australian financial services law in response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The first interim report from the ALRC was issued on 30 November 2021 with other interim reports due on 30 September 2022 and 25 August 2023. The final report was issued on 18 January 2024.</p>	<p>The issue has been noted.</p>	Medium	<p>APESB made a submission on the first ALRC interim report on 25 February 2022. The final report was issued on 18 January 2024. Technical Staff will monitor the response from the Government on the ALRC's final report and assess whether there is any impact on APES 230.</p>
230.8	<p>Technical Staff have identified the need to consider the impact on APES 230 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i>.</p>	<p>This issue was noted during the development of the project proposal for quality management amendments.</p>	Low	<p>APESB will consider any relevant conforming amendments in the next revision of APES 230.</p>

APES 305 : Terms of Engagement  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 310 : Client Monies  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
310.1	A professional body provided feedback that some Members in Public Practice are still experiencing difficulties in establishing bank accounts that meet the requirements of APES 310. The issue is that the trust accounts are not considered statutory trust accounts, the terms of the bank account do not exclude the right of set off and the bank account name will not include the word 'trust'.	This issue has been noted.	Medium	<p>When this matter was raised by the professional body, APESB agreed to consider this issue as part of a post-implementation review to be performed in APESB's current strategic period.</p> <p>As part of the post-implementation review process, APESB issued Exposure Draft (ED 04/23) on proposed amendments to APES 310 for public comment in May 2023. The ED requested stakeholders' feedback on any challenges that members face in complying with APES 310. The professional bodies provided feed back that their Members were still encountering difficulties in opening a trust account that complied with APES 310.</p> <p>The Board considered the outcome of the ED due process at their November 2023 Board meeting and requested Technical Staff undertake further work on this matter. The professional bodies have agreed to engage with the big 4 banks in Australia and will liaise with Technical Staff on the outcomes of this process.</p> <p>In February 2024, CA ANZ advised APESB that they had received a response from NAB and will engage further to determine of the bank's controlled monies accounts comply with APES 310. Technical Staff will continue to liaise with the professional bodies on this matter.</p>

**APES 310 : Client Monies  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
310.2	Technical Staff have identified the need to consider the impact on APES 310 from changes to APES 320 and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Medium	Conforming amendments incorporated in the ED 04/23 issued in May 2023. No issues were noted during the due process.
310.3	A concern has been raised that the requirement of having a limited Assurance Engagement performed on co-authorised client banking transactions was onerous, and that other safeguards could be implemented to address any threats.	This issue was noted during the due process for ED 04/23.	Medium	At the November 2023 Board Meeting, the Board requested Technical Staff undertake further work on this matter and provide an update to the Board in the first half of 2024.



APES 315 : Compilation of Financial Information  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

**APES 320 : Quality Management for Firms that provide Non-Assurance Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
320.1	<p>In February 2022, APESB reissued APES 320 as <i>Quality Management for Firms that provide Non-Assurance Services</i>. Key changes in the reissued APES 320 include the change in scope to only apply to non-assurance practices of firms and high-level alignment of APES 320's elements to the components of the Auditing and Assurance Standards Board's ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> which will apply to Australian assurance practices.</p> <p>At the February 2022 Board meeting, the Board agreed to a post-implementation review of the reissued APES 320 within two years of issue, or earlier if deemed necessary. This review will include reviewing the interaction between APES 320 and APES 325.</p>	This issue has been noted.	Low	APESB will undertake a post-implementation review of APES 320 during 2024.

APES 325 : Risk Management for Firms  
Issues Register

No.	Issue	Response	Priority	Current Status
325.1	As noted in Issue 320.1, at the February 2022 Board meeting, the Board agreed to a post-implementation review of the reissued APES 320 within two years of issue, or earlier if deemed necessary. This review will include reviewing the interaction between APES 320 and APES 325.	This issue has been noted.	Low	APESB will undertake a post-implementation review of APES 320 during 2024, and consider the implications, if any, on APES 325.

**APES 330 : Insolvency Services  
Issues Register**

<b>No.</b>	<b>Issue</b>	<b>Response</b>	<b>Priority</b>	<b>Current Status</b>
330.1	At the November 2021 Board meeting, the Board approved the issue of the revised APES 330 which was issued on 15 December 2021 with an effective date of 1 April 2022. The Board also agreed to undertake a post-implementation review after 1 April 2023 due to the newness of the reforms and significantly different nature of the appointments. This also provides an opportunity to assess the Federal Government's other insolvency reforms.	The Issue was noted at the November 2021 Board meeting.	Medium	<p>APESB commenced a post-implementation review of APES 330 in October 2023. During the review it was noted that the Government has not yet responded to a Parliamentary Inquiry into Corporate Insolvency.</p> <p>At the November 2023 Board Meeting, the Board agreed to wait for the government's response to allow Technical Staff to assess whether any amendments to APES 330 are necessary.</p>
330.2	Technical Staff have identified the need to consider the impact on APES 330 from changes to APES 320, noted in Issue 320.1, and the issue of AUASB's quality management standard ASQM 1 <i>Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements</i> .	This issue was noted during the development of the project proposal for quality management amendments.	Low	APESB will consider any relevant conforming amendments in the next revision of APES 330.

APES 345 : Reporting on Prospective Financial Information Prepared in Connection with a Public Document  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES 350 : Participation by Members in Public Practice in Due Diligence Committees in Connection with a Public Document  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 20 : Scope and Extent of Work for Valuation Services  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 21 : Valuation Services for Financial Reporting  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			



APES GN 30 : Outsourced Services  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 31 : Professional and Ethical Considerations relating to Low Doc Offering Sign-offs  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 40 : Ethical Conflicts in the Workplace - Considerations for Members in Business  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			

APES GN 41 : Management representations  
Issues Register

No.	Issue	Response	Priority	Current Status
	No current issues			