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Welcome to *Professionalism*

Issue 41

In this issue we provide updates on APESB's activities and technical projects for January to March 2024.



**APESB appearances at Parliamentary Inquiries
relating to the accounting profession**

During the first quarter of 2024, APESB appeared at two public hearings of ongoing Parliamentary Inquiries:

- the inquiry into management and assurance of integrity by consulting services to the FPAR Committee on 23 February 2024; and
- the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Ethics and Professional Accountability: Structural challenges in the Audit, Assurance and Consultancy Industry on 1 March 2024.

The opening statements made on [23 February 2024](#) and [1 March 2024](#) are available on APESB's website, as well as a [diagram](#) of the three-tier global standard-setting system which was presented at both Inquiries.

APESB was pleased to note that during the Inquiries, it was acknowledged that the professional and ethical standards developed by APESB are robust, comprehensive and comparable to the International standards.

APESB March 2024 Board Meeting

APESB held its quarterly Board meeting on 5 March 2024.

The Board considered the project proposal on APES 110 relating to the reporting of breaches. The Board requested that Technical Staff undertake preliminary research on instances where other organisations or jurisdictions have reporting of breach provisions and whether there are whistleblower protections in place. The Board will reconsider the project proposal in conjunction with research outcomes at the June 2024 Board Meeting.

The Board approved the closure of the AI & Digital Technologies project with a matter to be added to the Issues Register to continue monitoring technology developments from an ethical perspective.

The Board also discussed the Issues Register for 2024, and updates on sustainability, tax planning services,

financial planning and parliamentary inquiries relating to the accounting profession.

In a [video clip](#) posted on LinkedIn, Jacinta Hanrahan, APESB's Principal, provides an overview of key decisions made and projects discussed at this meeting, or you can read the highlights of the March 2024 Board meeting [here](#).



APESB 2024 Issues Register

APESB has issued its 2024 [Issues Register](#). The register has been updated to include the following matters:

- consideration of incorporating a requirement to report unethical behaviour in APES 110
- editorial amendments required to APES 110
- a new work stream to review APESB's suite of pronouncements for conforming amendments to maintain alignment and consistency with APES 110
- consideration of changes to APES 220 Taxation Services for proposed Tax Planning Services provisions in APES 110
- whether the limited assurance engagement for co-authorisation of client banking transactions specified in APES 310 *Client Monies* is an appropriate safeguard.

Recent APESB Submissions

**Treasury Exposure Draft on the Tax Agent
Code of Professional Conduct**

In January 2024, APESB made a [submission](#) to the Treasury's draft Tax Agent Services (Code of Professional Conduct) Determination 2023. In the submission, APESB supported the proposed amendments and emphasised the need to ensure consistency between the Tax Practitioners Board's Code of Professional Conduct and APESB's suite of professional standards.

Treasury Exposure Draft on Climate-Related Financial Disclosure Legislation

In February 2024, APESB made a [submission](#) to the Treasury's exposure draft legislation on climate-related financial disclosures. In the submission, APESB raised concerns about the implementation date for Group 1 entities due to the standards on sustainability financial reporting, assurance and ethics not yet being finalised. APESB also reiterated the importance of professional and ethical standards and urged that the legislation should specifically refer to APES 110.

APESB also raised concerns about the role and expertise required for assurance providers and the adaptability of the legislation for future revisions. The submission also highlighted the two exposure drafts released by the IESBA on ethical standards for sustainability reporting and assurance. Further information on the Treasury Consultation Paper can be found [here](#).

IESBA issues proposed IESSA and Ethics Standards Relating to Sustainability Reporting and Using the Work of an External Expert

On [29 January 2024](#), the IESBA released two new exposure drafts (EDs) for public consultation:

- [International Ethics Standards for Sustainability Assurance ED](#)
- [Using the Work of an Expert ED](#)

As noted in the IESBA's media release, the proposed standards aim to foster greater trust in all publicly communicated sustainability information through the application of a consistent ethical approach.

Comments on Using the Work of an External Expert ED are due by **30 April 2024** and on the Sustainability ED by **10 May 2024**.



IESBA Sustainability Related Webinars

The IESBA held three interactive global webinars between February to March to present the key proposals in the exposure drafts. Further information on the interactive webinars can be found in the IESBA's [media release](#).

For the [webinar](#) on 5 March 2024, Channa Wijesinghe, IESBA Sustainability Taskforce member presented alongside Mr Richard Huesken, IESBA Sustainability Task Force Member, and IESBA Technical Staff Ms. Laura Leal, Principal, Mr Jon Reid, Principal, Ms Szilvia Sramko, Principal on the proposed sustainability reporting and assurance ethical standards. The IESBA Chair, Gabriela Figueiredo Dias, made the introductory remarks at this webinar, which was moderated by the IESBA Director Mr Geoffrey Kwan.

APESB Virtual Roundtable on Sustainability and Use of Expert

APESB held a virtual roundtable on Tuesday 26 March 2024 seeking stakeholder feedback on two exposure drafts (EDs) issued by the IESBA on the proposed International Ethics Standards for Sustainability Assurance and Using the Work of an External Expert.

A presentation on the key proposals was provided by APESB's CEO and IESBA Board Member, Channa Wijesinghe and IESBA Director Geoff Kwan. The slide deck used during the roundtable is available on the [APESB website](#).

Stakeholder are encouraged to make submissions directly to the IESBA, as it is important for the IESBA to hear concerns/issues from a wide range of stakeholder perspectives. Alternatively, Australian stakeholders are invited to submit comments to the APESB via the [International Exposure Drafts](#) page or by email to: sub@apesb.org.au by **19 April 2024**.

International Developments



Strategic partnership between IESBA and IAF

In early February 2024, the International Accreditation Forum (IAF) and the IESBA announced a strategic partnership to advance the use of a common framework of high standards of ethical conduct to underpin trust in the assurance of sustainability information. The cornerstone of the partnership is the IAF's stipulation to national accreditation bodies around the world that the

IESBA's proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) are to be used when accrediting and authorizing conformity assessment bodies to carry out assurance work on corporate sustainability disclosures.

Further information is available in the [media release](#).

IESBA Board Meetings

IESBA held a Board meeting in person in New York between 18-20 March 2024. APESB CEO, Channa Wijesinghe attended these meetings in his capacity as an IESBA Board Member.

During the meeting, the IESBA discussed the Firm Culture and Governance work stream. Channa Wijesinghe as Chairman of this Working Group led the discussions. The Board approved the Terms of Reference for the Firm Culture and Governance Project.

The Board also received an update on the Collective Investment Vehicles, Pension Funds and Investment Company Complexes project and an update from IAASB's staff on feedback received on their proposed International Standard on Sustainability Assurance. Click here for the [Board Meeting Papers](#).

The next IESBA Board meeting will be held on 10-13 June 2024 in New York.



IESBA releases a high-level summary of Prohibitions in the IESBA Code for Audits of Public Interest Entities

On 18 March 2024, the IESBA released a [high-level summary of prohibitions](#) in the IESBA Code, focusing on independence for audits of public interest entities (PIEs). The high-level summary will guide users through non-assurance services, relations, interests or circumstances that are prohibited for PIE audits. Further information can be found in the IESBA's [media release](#).

[Register](#) to attend the next APESB Meeting

26 June 2024

(Hybrid meeting Melbourne/Zoom)



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APESB is governed by an independent board of directors whose primary objective is to develop and issue, in the public interest, high-quality professional and ethical pronouncements. These pronouncements apply to the membership of the three major Australian professional accounting bodies (CPA Australia, CA ANZ and the IPA).

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