

## AGENDA PAPER

**Item Number:** 4  
**Date of Meeting:** 6 March 2025  
**Subject:** International and Other Activities

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Action required     For discussion     For noting     For information

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### Purpose

To provide an update to the Board on the following:

- The IESBA Board Meetings;
- International and Other Developments of Interest; and
- APESB Presentations, Submissions and Other Activities.

### International Ethics Standards Board for Accountants (IESBA)

#### IESBA Board Meetings

The IESBA held an in-person Board Meeting in New York, United States of America (USA), from 2 to 6 December 2024. The meeting included the following key agenda items:

- Sustainability including Sustainability Communications Update;
- Using the Work of an External Expert;
- Adoption & Implementation (A&I) Working Group;
- Mid-Cycle Strategy Review;
- Public Interest Entity (PIE) Rollout; and
- Firm Culture and Governance (FCG).

At the meeting, the IESBA approved two standards relating to Sustainability:

- the *International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting*; and
- *Revisions to the Code Addressing Using the Work of an External Expert*.

The final pronouncements were subsequently certified by the Public Interest Oversight Board (PIOB) on the 16<sup>th</sup> of January 2025. The IESBA considered a communications plan for the launch of the standards in January 2025, emphasising ongoing efforts to support adoption and

implementation. Further information on the IESBA Sustainability standards is set out in Agenda Items 8 and 9 of this Board meeting.

The IESBA considered and accepted the [Firm Culture and Governance Working Group's Final Report](#). Based on the Working Group's recommendations, the IESBA approved a [project proposal](#). This project aims to develop a new standard for accounting firm culture and governance that promotes ethical values and related non-authoritative materials (NAMs) and will commence in 2025. Further information on the IESBA's Firm Culture and Governance Project is set out in Agenda Item 5 of this Board meeting.

The IESBA approved the Terms of Reference for the Adoption and Implementation (A&I) Working Group, which will initially focus on launching the Sustainability and Experts Standards, collaborating with IFAC and IAASB, and developing implementation materials.

The IESBA also considered a mid-cycle update on its [Strategy and Work Plan 2024-2027](#), agreeing on its work plan for 2025 – 2027. Priorities for 2025 include three new workstreams from Q3 2025, i.e., profession-agnostic independence standards for sustainability assurance engagements (SAEs) under Part 4B of the Code, post-implementation review of its NOCLAR standard, and information gathering on the role of Chief Financial Officers (CFOs) and other senior professional accountants in business.

The IESBA received an update on the IAASB's Listed Entity and Public Interest Entity project.

The IESBA December 2024 Board Meeting highlights are at Agenda 4(a). The next quarterly IESBA meeting will be held in New York, USA, from March 10 to 12, 2025.

## **International and Other Developments**

### ***International Auditing and Assurance Standards Board (IAASB)***

#### **IAASB issues Post-Exposure Consultation & Invitation to Comment on its Listed and Public Interest Entities Project**

On 10 February 2025, the IAASB released the [Post-Exposure Consultation: Invitation to Comment Before the IAASB Finalizes the Narrow Scope Amendments to the ISQMs and ISAs as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code](#).

The IAASB's consultation outlines its final position, rationale, and approach to broader differential requirements for listed and public interest entities in the ISQMs and ISAs. The IAASB's final position differs from the [Exposure Draft of the IAASB PIE Track 2 Project](#) (ED-PIE Track 2) due to a divergence issue between IAASB PIE proposals and the [IESBA PIE Revisions](#). The key difference compared to ED-PIE Track 2 is that the definition of Public Interest Entity (PIE) has not been adopted for the ISQMs and ISAs. Rather, the definition of Publicly Traded Entity (PTE) has been adopted, which is fully aligned with the definition in the IESBA Code.

The IAASB remains committed to its original proposals and will revisit the decision to adopt the IESBA's PIE definition and extend differential requirements to PIE audits at a later date.

The IAASB invites feedback by March 27, 2025. Further details are available in the IAASB's [media release](#).

## ***International Federation of Accountants (IFAC)***

### ***IFAC CEO calls for Additional Engagement On IESSA***

On 19 December 2024, IFAC CEO Lee White issued a statement highlighting the IESSA's complexity and practicability challenges, including value chain considerations. Mr White proposed a summit to bring together IESBA, IFAC and representatives of its members, as well as key stakeholders, including users of the standards and practitioners, within the first quarter of 2025 to help address practicability challenges and successful adoption. Further details are available in the IFAC's [media release](#).

### ***IFAC Congratulates Jens Poll as New President and Giancarlo Attolini as Deputy President of Accountancy Europe***

On 20 December 2024, IFAC congratulated Professor Jens Poll on his appointment as President of Accountancy Europe for the 2025-2026 term and Mr Giancarlo Attolini as Deputy President. IFAC also welcomed Mr Eelco van der Enden as the new CEO of Accountancy Europe. Further details are available in the IFAC's [media release](#).

### ***IFAC Welcomes New Advisory Group Members from 15 Jurisdictions***

On 3 February 2025, IFAC welcomed New Advisory Group Members to four different panels. Mr. Brett Maloney (IPA, Australia) has replaced Mr. Andrew Conway (IPA Australia) on the Professional Accountancy Organization Development and Advisory Group. Further details on the new members and departing members are available in IFAC's [media release](#).

### ***IFAC Releases 2024 Global Adoption Status Snapshot (International Standards)***

On 14 January 2025, IFAC released the [2024 Global Adoption Status Snapshot](#), highlighting the wide adoption of international standards in IFAC member jurisdictions. The 2024 update showcases success stories, identifies factors that advance adoption and implementation, and highlights opportunities for further collaboration and connected learning. More information about the report can be found in the IFAC's [media release](#).

## ***Public Interest Oversight Board (PIOB)***

### ***The PIOB announces the new composition of the PIOB Standard-Setting Boards Nominations Committee***

On 11 December 2024, the PIOB announced the first rotation of members on its Standard-Setting Boards Nominations Committee (SSB NomCo) since the Committee's establishment in 2021, when the PIOB assumed responsibility for appointments to the IAASB and the IESBA.

From January 2025, Mr Richard Thorpe will succeed Ms Liz Murrall as Chair of the SSB NomCo. The following members were renewed for another term: Mr Guy Andrade, Mr Tatsumi Yamada, Ms Onome Joy Adewuyi, Mr Naweed Lalani and Ms Kris Peach. Meanwhile, Ms Mara Cameran and Mr Wallace Gregory will rotate off the Committee.

Further details are available in the PIOB's [media release](#).

### *The Monitoring Group appoints Board Members to the PIOB*

On 19 December 2024, the Monitoring Group announced that Mr Han Yi, the CEO of the Korea Accounting Institute (KAI), will join the PIOB in January 2025. In addition, Mr Dave Sullivan and Ms Tshegofatso Modise have been re-appointed for additional three-year terms commencing on 1 January 2025. Further details on these appointments are available in the Monitoring Group's [media release](#).

### **UK Financial Reporting Council (FRC UK)**

#### *FRC publishes Inspection Findings for the Tier 2 And 3 Audit Firms*

On 16 December 2024, the FRC UK published [2024 Inspection and Supervision for Tier 2 and Tier 3 Audit Firms](#). The report noted progress made by firms but also identified challenges in achieving consistent audit quality, especially in the PIE sector. The report further highlighted the ongoing need for firms to embed effective systems of quality management and strengthen their commitment to continuous audit quality improvement. Further details are available in the FRC UK's [media release](#).

#### *FRC to lead the governance of Wates Principles for Large Private Companies*

On 16 December 2024, the FRC announced that it would take over governance of the [Wates Corporate Governance Principles for Large Private Companies](#) following Sir James Wates CBE's decision to step down as Chair of the Wates Principles Coalition Group. Sir James spent seven years developing the Wates principles, creating a framework to support good governance and build public trust through clear reporting. Further details are available in the FRC UK's [media release](#).

### **Public Company Accounting Oversight Board (PCAOB)**

#### *Imposing a \$500,000 Fine, PCAOB sanctions Baker Tilly US, LLP for Quality Control Violations*

On 14 January 2025, the PCAOB announced a settled disciplinary order sanctioning Baker Tilly US, LLP for violations of PCAOB rules and quality control standards.

During 2018 and 2019, PCAOB inspectors found significant deficiencies in the Firm's audit engagements, particularly in testing of internal controls, accounting estimates, and executing engagement quality reviews. Despite being aware of these issues, the Firm failed to make effective changes to its engagement performance and monitoring policies and procedures. The 2021 and 2022 PCAOB inspections revealed similar deficiencies in the Firm's quality control systems. As a result, the PCAOB imposed sanctions, including a \$500,000 penalty and mandatory quality control improvements. Further details are available in the PCAOB's [media release](#).

*PCAOB posts new knowledge checks to help auditors gauge understanding of new Quality Control Standard*

On 13 February 2025, the PCAOB posted a new series of [knowledge checks](#) designed to help auditors gauge their understanding of important aspects of QC 1000, *A Firm's System of Quality Control*. Topics covered in the knowledge checks include risk assessment, roles and responsibilities under QC 1000, considerations related to ethics and independence, and more. The knowledge checks are the latest PCAOB [resources](#) to help auditors implement PCAOB standards and rules. Further details are available in the PCAOB's [media release](#).

*PCAOB Staff Report outlines 2025 Inspection Priorities with a focus on driving improvements in Audit Quality*

On 13 February 2025, the PCAOB released its [Staff Priorities for Inspections 2025](#). The report highlights risks and considerations for auditors to consider in current and upcoming audits, as well as priority sectors and industries for PCAOB inspection staff. Areas of inspection emphasis for 2025 include audit areas with increased use of technology, including the use of generative artificial intelligence; quality control (QC) procedures, including independence and client acceptance procedures for firms entering alternative practice structures; and culture at audit firms. Further details are available in the PCAOB's [media release](#).

***Association of Chartered Certified Accountants (ACCA)***

*The Institute of Internal Auditors and ACCA extend the MoU for three more years*

On 16 December 2024, the Institute of Internal Auditors (IIA) and ACCA announced the extension of their existing memorandum of understanding (MoU). This will further strengthen and extend cooperation between the two bodies, allowing them to continue working closely together to advance their respective professions globally. A key component of the MoU is a focus on joint research efforts across critical topics such as cybersecurity, technology and data evolution, diversity and ESG. Further details are available in the ACCA's [media release](#).

***U.S Securities and Exchange Commission (US SEC)***

*SEC announces Chief Accountant Paul Munter to retire from Federal Service this month*

On 14 January 2025, the US SEC announced that Chief Accountant Mr Paul Munter plans to retire from federal service effective January 24, 2025. Mr Munter joined the agency in 2019, was named Acting Chief Accountant in 2021, and was appointed Chief Accountant in January 2023. Further details are available in the US SEC's [media release](#).

*Mark T. Uyeda named Acting Chairman of the SEC*

On 21 January 2025, the US SEC announced that President Donald J. Trump had designated Mr Mark T. Uyeda as Acting Chairman of the agency. Before joining the SEC, Acting Chairman Uyeda was appointed by Governor Arnold Schwarzenegger to serve as the Chief Advisor to the California Corporations Commissioner, the state's securities regulator. Further details are available in the US SEC's [media release](#).

## ***Australian Securities & Investments Commission (ASIC)***

### **ASIC appoints Mr Scott Gregson as CEO**

On 16 January 2025, ASIC announced the appointment of Mr Scott Gregson as Chief Executive Officer (CEO). Mr Gregson will join ASIC on 17 March 2025 following a nearly 30-year career with the ACCC and will take over from ASIC's retiring interim CEO, Mr Greg Yanco. Further details are available in the ASIC's [media release](#).

### **ASIC Updates Guidance to Help Directors Prevent Insolvent Trading**

On 6 December 2024, ASIC updated its regulatory guide, Regulatory Guide 217 Duty to Prevent Insolvency Trading: Guide for Directors (RG 217), to provide new guidance on the safe harbour provisions. The revised Regulatory Guide includes additional practical examples to provide further guidance on obtaining professional advice and enhance safe harbour guidance with practical examples. Further details are available in the ASIC's [media release](#).

### **Lead Auditor of Greensill Group suspended by Companies Auditors Disciplinary Board Until June 2026**

On 13 December 2024, ASIC announced the suspension of Mr Joseph John Santangelo, a registered company auditor (RCA) and partner of Nexia Sydney Audit Pty Ltd, for failing to adequately perform his duties in auditing the group financial statements of Greensill Capital Pty Ltd and its subsidiaries. He is barred from auditing companies until June 2026. Mr Santangelo was also ordered to pay ASIC's costs of \$375,000 and provide undertakings, including not practising as an RCA from 1 June 2024. Further details are available in the ASIC's [media release](#).

### **Financial Services and Credit Panel issues registration prohibition order against financial adviser**

On 11 February 2025, the Financial Services and Credit Panel (FSCP) made a two-year registration prohibition order against financial adviser Mr Glenn Paul Meilak, effective 10 February 2025, for systemic lack of care and incompetence in providing advice to his clients. The FSCP found that Mr Meilak had contravened the best interest duty and the appropriate advice obligation, failed to prioritise his clients' interest over his own, and made misleading statements. In addition, the FSCP found that Mr Meilak had not complied with the values of competence and fairness, as well as with Standards 1, 5, and 9 in the FASEA Code of Ethics. Further details are available in the ASIC's [media release](#).

## ***Tax Practitioners Board (TPB)***

### **TPB guidance to support tax practitioners**

On 23 December 2024, the TPB issued new [guidance products](#) explaining the application of 8 new Code items contained in the [Tax Agent Services \(Code of Professional Conduct\) Determination 2024 \(Determination\)](#). The TPB also launched a 4-part webinar series and developed practical guidance and case studies addressing the variety of tax practitioners, from sole practitioners to large firms, to support awareness and voluntary compliance. Further details are available in the TPB's [media release](#).

### Debunking Myths about Breach Reporting

On 30 January 2025, the TPB published guidance on [facts and myths](#) regarding breach reporting obligations for registered tax practitioners, effective from 1 July 2024. It explains the requirements for reporting significant breaches of the Code of Professional Conduct (Code) and provides guidance on the proper reporting of such breaches. Registered tax practitioners are required to report significant breaches by themselves or other practitioners to the TPB, as well as to notify the recognised professional association(s) to which the tax practitioner belongs. Further information about the myths and facts about breach reporting can be found in the TPB's [article](#).

### **Treasury Department (Australia)**

#### Positioning Australia's financial reporting system for the future

On 23 January 2025, the Treasury released a [consultation paper](#) on positioning Australia's financial reporting system for the future. The paper proposes a single, flexible standard-setting body with the combination of the Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB) and Financial Reporting Council (FRC), seeking feedback on the:

- body's structure;
- model of making standards for accounting, sustainability, auditing and assurance;
- transparency measures for the board and committees' roles;
- board and committees' candidates' independence from industry; and
- ways to strengthen governance and oversight arrangements.

Submissions to this consultation can be made by 21 February 2025. Further details are available in Treasury's [media release](#).

#### The Albanese Government is creating a better pathway for financial advisers

On 10 February 2025, the government announced its plan to reform the current education pathway for financial advisers and address adviser shortages by creating a sustainable pathway for new advisers to enter the profession.

Under the new reform, advisers will need a bachelor's degree in any discipline with relevant financial studies, reducing costs and easing career transitions. Key professional requirements are retained, including the need to complete a professional year, pass a financial adviser exam, and engage in ongoing education. The Government will also cancel Stage 2 of the financial adviser registration. These reforms support the Delivering Better Financial Outcomes (DFFO) package, ensuring a stronger, more sustainable financial advice industry.

Further details are available in the Minister's [media release](#).

## APESB Presentations and Other Activities

### IESBA/ UK FRC Engagement with Australian Stakeholders

The IESBA Board Member and FRC UK Executive Director of Regulatory Standards, Mr Mark Babington was in Australia from 19-26 February 2025. He was joined in some of his outreach activities with APESB CEO and IESBA Vice Chair Mr Channa Wijesinghe, including:

- CPA Australia Workshop on the Potential New Obligations for Auditors

On 18 February 2025, Mr Channa Wijesinghe and Mr Mark Babington presented at the CPA Australia workshop, discussing potential new obligations for auditors. The workshop provided a comprehensive overview of the global landscape of auditors' ethics standards for sustainability assurance, including crucial independence standards and the specific ethical obligations of auditors in Australia as they prepare to engage in sustainability assurance.

- Sustainability Standards Panel Discussion Lunch Event at the Institute of Public Accountants (IPA)

On 19 February 2025, Mr Channa Wijesinghe and Mr Mark Babington presented at the IPA Sustainability Standards Panel Discussion Lunch Event. The presentation and panel discussion covered local and global perspectives on Sustainability Standards and provided an update on the IESBA's Firm Culture and Governance project.

- IESBA/UK FRC Regulatory Developments Meeting

On 24 February 2025, Mr Channa Wijesinghe and Mr Mark Babington attended a Regulatory Developments Meeting for the Big 6 firms in Sydney hosted by KPMG. The meeting covered recent regulatory and standards developments from the IESBA and UK FRC, including Sustainability reporting, Using the Work of an External Expert, UK audit quality and financial reporting developments.

The Professional Accounting Bodies also created opportunities for Australian stakeholders and professional accountants to engage with Mr Mark Babington on topics related to Sustainability Reporting and Assurance, as well as UK Audit and Regulatory Developments. Further details of the events hosted by the Professional Accounting Bodies can be found on the [IPA](#), [CPA Australia](#) and [CA ANZ](#) websites.

### 2024 Reflections: Strengthening Ethical Leadership and Building Public Trust in the Accounting Profession

On 24 December 2024, APESB CEO Channa Wijesinghe posted a [LinkedIn article](#) on key reflections on the 2024 year. The article summarised significant national and international developments in professional and ethical standards during the year, including standards revisions, stakeholder engagement and contributions to IESBA's global projects.

Key achievements in 2024 include completing the Technology project, issuing revised APES 310 *Client Monies*, and issuing new standards on Tax Planning. APESB actively participated in federal parliamentary inquiries, made submissions to Treasury Consultation Papers, and hosted a virtual roundtable to obtain stakeholder feedback on those submissions.



Internationally, APESB contributed to the IESBA's projects on Firm Culture and Governance, Sustainability Assurance and Use of External Experts. The article highlighted that APESB's efforts in 2024 contributed to strengthening ethical standards and public trust in the accounting profession.

### **Recommendation**

That the Board note the update on international and other activities.

### **Materials Presented**

Agenda Item 4(a)      IESBA December 2024 Board Meeting highlights

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