

AGENDA PAPER

Item Number: 10
Date of Meeting: 11 September 2025
Subject: Proposed review of APESB guidance documents

<input type="checkbox"/> Action required	<input type="checkbox"/> For discussion	<input checked="" type="checkbox"/> For noting	<input type="checkbox"/> For information
--	---	--	--

Purpose

To obtain the Board's approval for Technical Staff to undertake a review of APESB's guidance documents.

Background

From time to time, APESB develops guidance documents to complement the suite of APESB pronouncements, including APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110). These guidance documents aim to assist Members to understand, implement and comply with the APESB pronouncements.

In December 2017, APESB issued [Audit Partner rotation requirements in Australia Technical Staff Questions & Answers \(Dec 2017\)](#) to provide a practical guide to assist Audit Partners and Firms in implementing the revised Audit Partner rotation requirements in APES 110. The guidance document outlined how the requirements in APES 110 interact with the audit partner rotation requirements in the Corporations Act 2001. Also, it provided Q&As and flowcharts on the application of the new requirements.

In November 2019, the [second edition of the Audit Partner rotation guidance](#) was released, which included additional questions on the impact of the cessation of the transition period (which impacts listed and APRA-regulated entities), the overlay of requirements when providing multiple assurance engagements, and the impact of different lengths of financial years.

In February 2021, APESB released [Whistleblowing & Confidentiality - APESB Technical Staff Publication](#), which provides guidance on applying APES 110 and other APESB pronouncements to situations that may lead to whistleblowing. The publication contains eight hypothetical scenarios which cover both Members in Business and Members in Public Practice, including auditors.

In July 2025, APESB issued the [Amending Standard for Sustainability Assurance and Reporting and the use of External Experts](#) (the Sustainability Amending Standard), which is effective from 1 January 2026. The Amending Standard made substantial changes to APES 110, including the addition of a new Part 5 for Sustainability Assurance, which incorporates ethics and independence standards equivalent to those applicable to audit engagements in Parts 1 to 4A, but addressing sustainability-specific issues. Revisions related to Sustainability Reporting were also made across Parts 1 to 3 of APES 110.

Key Considerations

In light of the substantive changes to APES 110 from the Sustainability Amending Standard, Technical Staff have been reviewing and identifying the impact on other APESB pronouncements and documents. Refer to Agenda Items 7 and 8 of this Board Meeting for the consideration of the implications for APESB pronouncements other than APES 110, and to Agenda Item 9 for the proposed revisions to APESB's Guidance document on APES 110 prohibitions for audit and review engagements.

In addition to the reviews noted above, Technical Staff are of the view that the following guidance documents should be reviewed in light of the matters indicated in the table:

Guidance Document	Matters to be considered in the review
<i>Audit Partner rotation requirements in Australia Technical Staff Questions & Answers (Second Edition, November 2019)</i>	<ul style="list-style-type: none">• New legislative requirements in the <i>Corporations Act 2001</i> on sustainability reporting and assurance, including rotation requirements for auditors providing assurance on mandated sustainability information disclosures.• Extant APES 110 Section 540 <i>Long Association of Personnel (including Partner Rotation) with an Audit Client</i> was amended in the APES 110 Sustainability Amending Standard to include the consideration of involvement of audit partners with sustainability assurance engagements.• New Section 5540 <i>Long Association of Personnel (including Leader Rotation) with a Sustainability Assurance Client</i> (introduced in APES 110 Sustainability Amending Standard)
<i>Whistleblowing & Confidentiality – APESB Technical Staff Publication</i>	<ul style="list-style-type: none">• Revisions to APES 110, Subsection 114 <i>Confidentiality</i> (part of Technology-related revisions to APES 110 issued in June 2024).• Revisions to whistleblower laws to allow the TPB to receive whistleblowing disclosures.• Whether additional case studies are required for sustainability reporting and assurance (to address the new APES 110 Sustainability Amending Standard)

In terms of priority of the documents to be reviewed, Technical Staff consider that an update to the Audit Partner rotation guidance is of a higher priority. The impact of the revised long association provisions for audit and review engagements and the interaction of these provisions with the rotation requirements for sustainability assurance practitioners was raised as a concern by the APESB Sustainability Taskforce and other stakeholders during the due process for the Sustainability Amending Standard.

Way Forward

To ensure continued relevance and consistency of APESB guidance documents, Technical Staff will conduct a comprehensive review of the two guidance documents relating to Audit Partner rotation and Whistleblowing and Confidentiality.

In addition to the internal review, Technical Staff will undertake stakeholder engagement with the following parties to help inform any amendments to the guidance documents:

- Audit Partner Rotation: APESB Sustainability Taskforce, Professional Bodies, National Standard-Setters, Regulators, and Firms
- Whistleblowing and Confidentiality: Professional Bodies, Australian Taxation Office, Tax Practitioners Board, Firms, and SMPs.

Technical Staff will present an update to the Board on the proposed revisions to guidance documents in accordance with the following timeline:

- Audit Partner Rotation at the December 2025 Board meeting; and
- Whistleblowing and Confidentiality at the 2026 Q1 Board meeting.

Staff Recommendations

That the Board approve the review of APESB's Guidance documents by Technical Staff.

Author: Jacinta Hanrahan

Date: 26 August 2025