

AGENDA PAPER

Item Number: 5

Date of Meeting: 4 December 2025

Subject: International and Other Activities

☐ Action required ☒ For discussion ☒ For noting ☐ For information

Purpose

To provide an update to the Board on the following:

- The IESBA Board Meetings and other activities.
- 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 Lisbon, Portugal, from 15 to 19 September 2025. The meeting included the following agenda items:

- Firm Culture and Governance (FCG);
- Role of Chief Financial Officers (CFOs);
- Collective Investment Vehicles (CIVs) and Pension Funds;
- Professional-Agnostic Part 4B;
- Strategy & Work Plan 2028-2031 (Strategy Survey);
- Adoption & Implementation (A&I) Working Group;
- Technology; and
- Post Implementation Reviews of NOCLAR and the Restructured Code.

Key decisions made and outcomes of the meeting include:

- The IESBA considered draft “Viewpoints” on the eight elements of the FCG framework and supported the principles-based, high-level approach to fostering ethical culture across diverse firm environments. The IESBA agreed to hold a virtual meeting in October 2025 to refine the Viewpoints, develop a contextual piece and the linkage to ISQM 1. The IESBA also agreed to undertake stakeholder engagement regarding the viewpoints during the first half of 2026.

- The IESBA approved the Terms of Reference for a new workstream to gather information on the evolving role of CFOs. The Project Team will focus on identifying ethics issues and challenges faced by CFOs, and on whether the Code addresses their responsibilities. The IESBA will receive an update on this project at the December 2025 Board Meeting.
- The IESBA considered a preliminary analysis of the key themes identified in its consultation paper on auditor independence for CIVs and Pension Funds. Given wide differences of opinions, the Project Team will undertake further analysis and present its report and recommendations to the IESBA at its December 2025 meeting.
- The IESBA approved the Terms of Reference for a new workstream on independence provisions for sustainability assurance engagements (SAEs) outside the scope of the Independence Standards in the IESSA. Preliminary findings will be considered at the March 2026 meeting.
- The IESBA received updates from the A&I Working Group, the IESSA Implementation Monitoring Advisory Group (IIMAG) and the Technology Working Group.
- The IESBA supported the joint IAASB-IESBA (SSBs) SWP Working Group's proposal to conduct a joint stakeholder survey as the first step in developing Strategy and Work Plans (SWPs) for 2028-2031. The draft survey will be considered for approval at the December 2025 meeting. It was noted that each Board will develop and issue separate consultation papers and SWPs.
- The IESBA supported the proposed objectives, scope and approach for the post-implementation reviews on the NOCLAR standard and the restructured Code. Draft stakeholder surveys will be considered for approval at the December 2025 meeting.

The IESBA September 2025 Board Meeting highlights are at Agenda 5(a).

The IESBA held an online Board Meeting on 24 October 2025, to consider an update on the Firm Culture and Governance (FCG) Project. The Board reviewed a draft contextual piece on the project, a draft overarching piece on the eight FCG elements, and the draft viewpoint on incentives and disincentives. The Board's feedback informed the project team on how to develop the other viewpoints. Further information on the IESBA's Firm Culture and Governance Project is set out in Agenda Item 9 of this Board meeting.

The next IESBA meeting will be held in New York, United States of America (USA), from December 8 to 12, 2025.

IESBA Conference 2025 Videos and Speeches now available

In October 2025, the IESBA published all speeches and session videos from the *IESBA Ethics and Independence Conference 2025* on the IESBA's [conference website](#). With around 800 participants, including over 200 in-person attendees and 35 global speakers, the conference was a milestone in the global dialogue on the relevance of ethics in the accounting services industry and the financial sector. Further details are available in the IESBA's [media release](#).

IESBA Handbook 2025 Edition released

In October 2025, the IESBA released the [IESBA Handbook 2025 Edition](#), incorporating the tax planning and related services standard that became effective from 30 June 2025. The Handbook is split into two volumes, with Volume 2 containing the [International Ethics Standards for Sustainability Assurance \(including Independence Standards\) and Other Revisions to the Code Relating to Sustainability Assurance](#) and the provisions addressing [Using the Work of an External Expert](#). Further details are available in the IESBA's [media release](#).

International and Other Developments

Public Interest Oversight Board (PIOB)

The PIOB welcomes a new Chair

In September 2025, the PIOB announced that the Monitoring Group had appointed Tshegofatso (Tshego) B. Modise as the new Chair of the PIOB, effective 30 September 2025. Ms Modise succeeds Linda de Beer, who served as PIOB Chair from 1 April 2020 until 30 September 2025. Further details are available in the PIOB's [media release](#).

Board appointments to the IAASB and IESBA

In November 2025, the PIOB announced it had approved appointments and reappointments to the IAASB and IESBA effective from 1 January 2026.

In respect of the IAASB membership:

- James Ferris, Director, Audit Policy, UK Financial Reporting Council, - appointed for a three-year term; and
- Greg Schollum, Independent, former Deputy Controller and Auditor-General, New Zealand - re-appointed for a three-year term.

In respect of the IESBA membership:

- Jon Walters, Global Independence Leader, PwC, UK, - appointed for a three-year term; and
- Rania Uwaydah Mardini, Senior Lecturer and Director of Corporate Engagement, Olayan School of Business, American University of Beirut, Lebanon - re-appointed for a three-year term.

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

International Auditing and Assurance Standards Board (IAASB)

ISSA 5000 In Focus: Webinar Series for Sustainability Assurance Engagements

In October 2025, the IAASB hosted a three-part global webinar series to assist sustainability assurance practitioners, firms, jurisdictional standard setters, and professional organisations in applying [ISSA 5000](#) *General Requirements for Sustainability Assurance Engagements*.

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

IAASB September 2025 Board Meeting

The IAASB held an in-person Board Meeting in New York, United States of America (USA) from 15 to 18 September 2025. The meeting included the following relevant updates:

- An update on IFAC's benchmarking study released in the report [The State of Play: Sustainability Disclosure and Assurance](#). The report presents five years (2019-2023) of global analysis of sustainability disclosure and assurance practices, capturing the extent to which companies are reporting, how they obtain assurance over their sustainability disclosures, which assurance standards are used, and which companies are providing assurance services. For more details, refer to the [IAASB Board paper](#) and [IFAC presentation slides](#) shared at the IAASB September 2025 Board meeting

- An update on IAASB's technology positions and related workstreams. This session included a monitoring update, a review of their catalogue of issues and possible actions and an update on the Technology Quality Management Workstream. This workstream is reviewing the practical application of [ISQM1](#) and [ISA 220](#) (Revised) when emerging technologies (including AI) are used. The IAASB will hold a series of roundtables to gather stakeholder input as part of this workstream. Further details are available in the [IAASB Board Paper](#).

IAASB Roundtable on Technology Quality Management Workstream held in Australia

The IAASB, as part of a series of global roundtables, held a roundtable in Sydney, Australia, on 11 November 2025. The aims of the roundtable were to:

- Identify practical challenges and emerging best practices;
- Understand where the application of ISQM 1 and ISA 220 (Revised) is unclear or challenging to apply in relation to emerging technologies;
- Explore whether the IAASB should develop non-authoritative materials or undertake other activities to help support consistent, high-quality application of its standards and reduce the risk of regulatory fragmentation.

APESB Technical Director Jacinta Hanrahan represented APESB at this roundtable.

International Federation of Accountants (IFAC)

IFAC launches "Opening Doors" principles to broaden access to the accountancy profession

In October 2025, the IFAC, with support from the Global Public Policy Committee (GPPC), released [Opening Doors: Six Principles of Best Practice to Increase Access to Accountancy Qualifications](#). It is the first in a series of new IFAC initiatives that will help the profession remain competitive and reset its engagement with future talent.

The principles will provide a practical framework to welcome talent from diverse backgrounds, remove unnecessary barriers, and adapt qualification pathways, while maintaining the high standards that underpin public trust. Further details are available in the IFAC's [media release](#).

IFAC welcomes Jennifer Lopez as the CAPA New Chief Executive and thanks Brian Blood for his outstanding leadership

In September 2025, the IFAC welcomed the appointment of Jennifer Lopez as the new Chief Executive of the Confederation of Asian and Pacific Accountants (CAPA), and expressed its deep gratitude to Brian Blood, who stepped down after a remarkable tenure as CAPA's Chief Executive Officer. Further details are available in the IFAC's [media release](#).

IFAC welcomes Thomas Müller-Marqués Berger as Chair of the IPSASB

In September 2025, the IFAC welcomed the appointment of Thomas Müller-Marqués Berger as Chair of the International Public Sector Accounting Standards Board (IPSASB) and extended its appreciation to Ian Carruthers for his ten years of service as Chair. Further details are available in the IFAC's [media release](#).

UK Financial Reporting Council (FRC UK)

FRC imposes sanctions against BDO LLP and two audit engagement partners

In November 2025, the FRC imposed sanctions against BDO LLP and two former audit engagement partners for misconduct across numerous audits between 2015 and 2019. The misconduct included creating false audit evidence, issuing auditor's reports without the relevant audit engagement partner's approval, and inserting electronic copies of unauthorised audit engagement partners' signatures into auditor's reports.

BDO was fined £5,850,000 and is required to provide a compliance report to the FRC every 6 months for 2 years. The two partners were fined £210,000 and £90,000 respectively and are banned from auditing for 3 years. Further details are available in the FRC's [media release](#).

Financial Reporting Council launches bold new programme to build capability and support growth by small UK audit firms

In September 2025, the FRC announced a new initiative to support the development of the capability and quality management by small audit firms looking to establish a greater presence in the UK PIE audit market. Small firms will be invited to participate in a new Scalebox Programme where they will work closely with the FRC to enhance their audit quality systems and in compliance with ISQM (UK) 1. Further details are available in the FRC's [media release](#).

American Institute of Certified Public Accountants (AICPA)

GenAI Research Tool offers information and insights from the AICPA's Professional Library

In October 2025, the AICPA introduced an AI-enabled tool, Josi, that provides secure, direct access to the AICPA's professional standards and authoritative guidance. Using Generative AI, it provides access to 40,000 materials on accounting and auditing, accelerating research and summaries, supporting learning and workflow automation. It also helps generate engagement letters, research complex accounting questions, and prepare for changes to quality management standards. Further details are available in the AICPA's [media release](#).

Institute of Chartered Accountants in England and Wales (ICAEW)

PCRT Update published to reflect new International Tax Standards

In October 2025, ICAEW announced an update to the Professional Conduct in Relation to Taxation (PCRT), jointly prepared by the seven professional bodies in the UK, to reflect changes in wording in the IESBA's tax planning standards. The updated PCRT will take effect from 1 January 2026. Further details are available in the ICAEW's [media release](#).

Australian Securities & Investments Commission (ASIC)

HESTA pays ASIC Infringement notices alleging misleading statements about carbon emissions

In November 2025, the trustee of the HESTA Superfund paid \$37,560 in respect of two infringement notices issued by ASIC. ASIC alleged HESTA overstated its commitment to reducing investment in carbon emissions made in paid advertisements.

The advertisements, placed between 15th April 2021 and 18th December 2024, falsely claimed that HESTA planned to eliminate all investment in carbon-emitting assets by 2050. Instead, HESTA planned to achieve net-zero carbon emissions in its investment portfolios, which differs from its paid advertising claims. Further details are available in ASIC's [media release](#).

The Companies Auditors Disciplinary Board cancelled the auditor of United Global Capital and related entities

In October 2025, the Companies Auditors Disciplinary Board (CADB) cancelled the registration of company auditor Ryan William O'Shea after finding that he failed to perform his duties as auditor of United Global Capital and its related entities. The failures were extensive and serious enough to make the decision that Mr O'Shea was not fit and proper to continue as a registered company auditor. Further details are available in ASIC's [media release](#).

ASIC highlights financial reporting and audit findings for FY 2024–25 as part of expanded program of work

In October 2025, ASIC published [Report 819 ASIC's oversight of financial reporting and audit 2024-25](#), summarising its findings from its financial reporting and audit surveillances for FY 2024-25. The review covered 254 company financial reports, 22 surveillance reviews, and 10 audit file reviews across 8 audit firms.

As a result, 18 entities made or agreed to make changes to key areas of their financial reports, including [asset impairments](#) and [restatement of consolidation](#). Other enforcement actions included auditor suspensions, registration conditions, and court-enforceable undertakings.

Looking ahead, ASIC will continue to engage with industry and evolve its program work to improve financial reporting and audit practices. The 2025-26 surveillance program will increase the number of audit files by including a mix of risk-based and random file selections, and review sustainability reports for the year ended 31 December 2025. Further details are available in ASIC's [media release](#).

Nexia Perth Audit pays penalty for alleged provision of prohibited non-assurance services

In October 2025, ASIC issued an infringement notice to Nexia Perth Audit Services Pty Ltd for failing to conduct an audit of a listed company in accordance with APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*. ASIC alleged that a network firm provided tax calculation services to an audit client that are prohibited under APES 110, creating a self-review threat to auditor independence. Nexia Perth Audit Services Pty Ltd has paid \$78,250 to comply with the infringement notice. Further details are available in ASIC's [media release](#).

ASIC accepts three court enforceable undertakings for auditor rotation failures at Hall Chadwick (NSW)

In October 2025, ASIC announced the acceptance of three court-enforceable undertakings for multiple auditor rotation breaches by registered company auditors connected with Hall Chadwick (NSW) between 2019 and 2023. The auditors acted as lead auditors even though they did not meet the eligibility requirements.

ASIC also found deficiencies in the firm's system of quality management that failed to prevent or detect multiple breaches. The firm will engage an independent expert to review and test its

system and is required to submit evidence of compliance to ASIC when it wishes to extend the eligibility term beyond five years. Further details are available in ASIC's [media release](#).

ASIC finds many auditors failing to demonstrate compliance with auditor independence obligations

In October 2025, ASIC released [Report 817 Building trust: Auditor compliance with independence and conflict of interest obligations](#), detailing the findings of a review into auditors' compliance with independence obligations conducted in FY 2024-25. The review found that auditors from firms of all sizes frequently failed to comply with independence and conflict of interest obligations, highlighting 15 likely breaches, including audit partner rotation, prohibited relationships, and the provision of NAS. Further details are available in ASIC's [media release](#) and are also set out in Agenda item 10 of this Board meeting.

ASIC Chair Joe Longo not seeking reappointment

In September 2025, ASIC announced that Chair Joe Longo will not seek reappointment. He commenced his term on 1 June 2021 and will finish on 31 May 2026. Further details are available in ASIC's [media release](#).

Regulatory guide reissued on auditor reporting obligations to ASIC

In September 2025, ASIC reissued [Regulatory Guide 34 Auditor obligations: Reporting to ASIC \(RG 34\)](#) to consolidate and simplify guidance on auditor breach notification and contravention reporting obligations to ASIC, and to reflect changes to the law. The changes include guidance on reporting attempts to unduly influence, interfere with, or mislead auditors; conflicts of interest; and the auditor's own suspected contraventions. Further details are available in ASIC's [media release](#).

FAQs: Review or audit of sustainability reports

In September 2025, ASIC issued [FAQs: Review or audit of sustainability reports](#), providing guidance on the review and auditing requirements for sustainability reports under the *Corporations Act 2001*. Notably, question 4 addresses whether the same auditor needs to be appointed for both the financial reporting audit and the sustainability reporting audit.

Auditing and Assurance Standards Board (AUASB)

AUASB sustainability-related exposure drafts

The AUASB has issued two exposure drafts relating to changes to its sustainability-related standards:

- [ED 02/25 Amendments to ASSA 5010 Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001](#) proposes amendments to clarify that the directors' declaration in the sustainability report is required to be subject to audit or review for phasing Years 2 and 3, and to specify how the phasing in of assurance would apply if provisions on voluntary sustainability reporting under the Act are enacted. The comment period closes on 24 November 2025.

- [ED 03/25 Proposed Australian Standard on Sustainability Assurance ASSA 2025-11 Amendments to ASSA 5000 General Requirements for Sustainability Assurance Engagements](#) proposes to add four illustrative *Corporations Act* assurance reports to ASSA 5000. The comment period closes on 3 December 2025.

AUASB issues FAQ on Sustainability Assurance

In September 2025, following the issuance of the [ASIC FAQs](#), the AUASB issued a [Sustainability Assurance FAQ](#) outlining the practical implications of using the same or separate lead auditors or audit firms/companies for the financial and sustainability reports.

Tax Practitioners Board (TPB)

Protecting public trust: the TPB takes action against Can Do Accounting

In October 2025, the TPB terminated the tax agent registration of Can Do Accounting Services Pty Ltd for serious breaches of the Code of Professional Conduct. The company, led solely by Ruaidhri Carslake, who has never been a registered tax agent, falsely listed supervising agents without their consent or involvement. This led to the lodgement of more than 3,000 returns without proper oversight over a period of 4 years. As a result, the TPB imposed a 2-year ban on re-registration for the firm and concluded that Mr Carslake is not a fit and proper person to provide tax agent services. Further details are available in the TPB's [media release](#).

Treasury

Positioning Australia's financial reporting system for the future – draft legislation

In October 2025, the Treasury initiated a consultation process to seek stakeholders' views on its draft legislation, [Treasury Laws Amendment Bill 2025: Financial Reporting System Reform](#), which combines the AASB, AUASB and FRC into a single body called External Reporting Australia. The draft legislation relates to the [consultation](#) on the model that the government [announced its plans for](#). Further details are available on the Treasury's [website](#).

Senate Finance and Public Administration Committees

Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025

In October 2025, the Senate Finance and Public Administration Committees referred the [Public Governance, Performance and Accountability Amendment \(Ban Unethical Contractors\) Bill 2025](#) for inquiry and report by 17 March 2026. Comments are due by 12 December 2025.

The Bill would amend the *Public Governance, Performance and Accountability Act 2013* to ban unethical contractors from undertaking government contracts. It would also establish a public register of excluded suppliers.

Further details are available on the Parliament of Australia's [inquiry webpage](#).

PwC Australia

PwC Australia introduces an AI-native platform for the next generation of audit

In October 2025, PwC Australia launched its new AUD \$1 billion AI-native audit platform as part of a global pilot program. The system will enhance PwC's ability to provide real-time, full-population set analysis, leading to a more efficient and higher-quality audit, while allowing auditors to focus on high-risk and value areas and to generate forward-looking insights. It is currently being piloted with five Australian audit clients, with the aim of being fully implemented across all audit clients by 2028. Further details are available in PwC's [media release](#).

Deloitte Australia

Deloitte to refund government after admitting AI errors in \$440k report

In October, Deloitte Australia agreed to issue a partial refund to the government after admitting that AI had been used in a report for the Department of Employment and Workplace Relations (DEWR). The report contained errors, which included three non-existent academic references and a made-up quote from a Federal Court judgement.

The first version of the report, published in July 2025, was withdrawn after University of Sydney academic Dr Christopher Rudge highlighted multiple errors in the document that he [speculated may have been](#) caused by "hallucinations" by generative AI. Further details are available in AFR's [article](#).

APESB Submissions, Presentations and Other Activities

APESB CEO key messages from the IESBA's inaugural global ethics conference

In September 2025, APESB issued a media release on the key messages shared by APESB CEO and IESBA Vice Chair Channa Wijesinghe at the IESBA Global Ethics and Independence Conference. Mr Wijesinghe encouraged accounting and audit firms to move beyond a compliance mindset and embrace an ethical culture as a strategic advantage, and to make ethics front and centre in every strategic decision. He emphasised that ethics needs to be championed by the firm's senior leadership, embedded into firm governance structures, and reinforced through performance management systems that align rewards with ethical conduct. Further details are available on APESB's [media release](#)

CPA Australia Forensic & Financial Investigations Discussion Group

On 29 October 2025, APESB CEO Mr Channa Wijesinghe delivered a presentation to CPA Australia's Forensic & Financial Investigations Discussion Group. The presentation covered the Code, Technology-related revisions, ethical implications of Artificial Intelligence (AI) in accounting, Tax Planning, Sustainability, the IESBA's project on Firm Culture and Governance, and APESB's project to review its pronouncements to consider the impact of Sustainability and AI. The Discussion Group's insights on the new APESB project are set out at Agenda Item 7.

The Ethical Use of Artificial Intelligence by Professional Accountants

On 31 October 2025, APESB issued a technical alert on the ethical use of artificial intelligence (AI) by professional accountants. The alert reminds Members that they must continue to meet their ethical obligations under the Code when using AI. Members remain responsible for the analysis, the underlying professional judgements, and the outcomes of the professional activity provided to a client or employer.

Importantly, Members should disclose when AI tools are used and supervise and review their use in the delivery of professional activities, in line with the fundamental principles of integrity, professional competence and due care, and professional behaviour. Further details are available on APESB's [Technical Alert](#).

APESB issues clarification in respect of the sustainability auditor

On 6 November 2025, APESB issued a technical alert clarifying the role of the sustainability auditor. The Amending Standard to APES 110 for Sustainability includes several footnote references that, in Australia, the *Corporations Act 2001* specifies that a sustainability assurance engagement performed to meet Chapter 2M requirements is required to be performed by the entity's auditor (who also performs the audit of the entity's financial statements). It was based on the Explanatory Memorandum issued alongside the Treasury Consultation on the final legislation.

Subsequently, in September 2025, ASIC issued FAQs that note that registrable superannuation entities that are reporting entities must have the same auditor for both the sustainability report and the annual financial report. However, if the reporting entity is a company, a registered scheme, or a retail Corporate Collective Investment Vehicle (CCIV), the auditor of the sustainability report need not be the same as the auditor of the annual financial report.

Following the issuance of the ASIC FAQs in September 2025, the Auditing and Assurance Standards Board (AUASB) also issued an FAQ outlining the practical implications, including challenges of using the same or separate lead auditors or audit firms/companies.

Accordingly, until APESB issues an Amending Standard to revise the footnotes, the Code should be read in conjunction with the FAQs issued by ASIC and the AUASB. APESB will continue to monitor developments in the evolving sustainability landscape. Further details are available in APESB's [media release](#).

IPA Executive Management Program 2025

On 13 November 2025, APESB CEO Mr Channa Wijesinghe delivered a presentation to Chinese delegates undertaking IPA's Executive Management Program 2025. The presentation covered the APESB's role and mandate, the structure of APESB pronouncements, the IESBA Code, Technology-Related Revisions, the use of Artificial Intelligence (AI), Tax Planning and Related Services and Sustainability. The presentation slides are available on APESB's [website](#).

CA ANZ Sustainability Conference 2025

On 25 November 2025, APESB CEO Mr Channa Wijesinghe delivered an update via video recording at the CA ANZ Sustainability Conference 2025 on APESB developments relating to Sustainability. The APESB update session highlighted key APESB developments relating to Sustainability and the new AESSA. The presentation slides are available on APESB's [website](#).

Recommendation

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

Materials Presented

Agenda Item 5(a) IESBA September 2025 Board Meeting highlights

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