

## AGENDA PAPER

**Item Number:** 12  
**Date of Meeting:** 4 June 2026  
**Subject:** Project update – Auditor Independence Guide Update 2026

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**Action Required**     **For Discussion**     **For Noting**     **For Information**

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### Purpose

To:

- update the Board on the progress of the Auditor Independence Guide revision; and
- seek the Board's feedback on the proposed scope for the Sixth Edition.

### Background

The fifth edition of the [Independence Guide](#) provides members with practical guidance on applying the independence requirements in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), with illustrative scenarios that demonstrate the application of the conceptual framework to audit and assurance engagements. It is jointly published by APESB, Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia and the Institute of Public Accountants (IPA).

APESB worked with the three professional bodies to co-develop the fifth edition of the Independence Guide, issued in May 2020. The professional bodies developed the first four editions of the Independence Guide without APESB's involvement.

The fifth edition substantially revised the fourth edition of the Independence Guide to reflect changes to the Code and explain how the enhanced conceptual framework in the restructured Code applies in circumstances commonly encountered by auditors. It also introduced many new scenarios to help members understand and meet their auditor independence obligations.

Since its release, the fifth edition has been well received. It is widely used by members in public practice, audit firms, regulators and other stakeholders as a practical reference on auditor independence in Australia.

### Matters for Consideration

Since the fifth edition was issued in May 2020, several developments have warranted an update. These include amendments to the Code arising from non-assurance services, fees, and technology-related revisions; the Amending Standard for Sustainability Assurance and

Reporting and the Use of Experts (AESSA); and changes to relevant Australian laws, regulations, and auditing and assurance standards.

APESB Technical Staff have developed a draft scoping document for the Sixth Edition of the Independence Guide (refer to Agenda Item 12(a)). The project is intended to keep the Guide fit for purpose by reflecting changes to laws, regulations and applicable independence standards and also reviewing whether the existing examples remain relevant.

The proposed scope of work includes reviewing and updating the Independence Guide for relevant changes to:

- the Code;
- the *Corporations Act 2001*, including the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 (Cth)*;
- the Auditing and Assurance Standards Board (AUASB) Framework for Assurance Engagements;
- the *Superannuation Industry (Supervision) Act 1993*;
- the Australian Auditing Standards (ASAs), Standards on Review Engagements (ASREs), Standards on Assurance Engagements (SAEs) and Australian Standards on Sustainability Assurance (ASSAs); and
- any other relevant laws, regulations or professional standards.

The draft scoping document also proposes a new section on sustainability assurance independence requirements arising from AESSA, supported by new case studies and stakeholder engagement with the Australian Securities and Investments Commission (ASIC) and the AUASB.

Existing examples would also be reviewed to assess whether they remain relevant and whether additional examples are needed, including on the objectivity of an engagement quality reviewer, engagement teams and group audits, fees, non-assurance services, technology, and tax planning services. Guidance for self-managed superannuation fund (SMSF) auditors would also be reviewed and updated, with stakeholder engagement involving ASIC and the Australian Taxation Office (ATO).

APESB Technical Staff would review and update certain sections of the Independence Guide, with the remaining drafting to be undertaken by a consultant engaged by APESB. Appendix A to the draft scoping document sets out the proposed allocation of responsibilities.

APESB Technical Staff and the professional bodies are also finalising a Heads of Agreement for the joint development of the Sixth Edition, covering governance, drafting and review responsibilities, resourcing and cost-sharing, and intellectual property arrangements.

## **Way forward**

Subject to the Board's feedback, APESB Technical Staff will work with the three professional bodies to finalise the project scope and Heads of Agreement. APESB will then commence a tender process to engage a suitably qualified consultant.

Stakeholder engagement with ASIC, the ATO, APRA, the AUASB, the professional bodies, and members and firms will inform drafting, particularly of the new sustainability assurance section and the guidance for SMSF auditors.

APESB Technical Staff will update the Board at key milestones of the project.

An indicative project timeline will be confirmed once the Heads of Agreement has been finalised.

### **Staff Recommendation**

That the Board:

- note the project update; and
- provide feedback on the draft scope of work for the sixth edition to enable finalisation.

### **Material Presented**

Agenda Item 12 (a): Scope of Work – Sixth Edition of the Auditor Independence Guide

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**Date** 20 May 2026