AGENDA PAPER

Item Number:	12
Date of Meeting:	25 November 2026
Subject:	Proposed revised APES 210 *Conformity with Auditing and Assurance Standards*

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

Purpose

To:

- update the Board on the submissions received on Exposure Draft 03/26 Proposed revised APES 210 *Conformity with Auditing and Assurance Standards* (APES 210) (ED 03/26); and
- to seek the Board's approval, subject to the Board's review comments and editorials, to issue the revised APES 210.

Background

APESB originally issued APES 410 *Conformity with Auditing and Assurance Standards* in July 2006 with an effective date of 1 July 2006.

On 30 September 2008, APESB issued APES 210 *Conformity with Auditing and Assurance Standards* (APES 210) to replace APES 410. APES 210 was subsequently revised in November 2011, October 2015, July 2019 and September 2024.

At the September 2026 Board meeting, the Board approved a narrow-scope amendment project to be undertaken to update APES 210 to address independence considerations for sustainability assurance engagements.

In October 2026, the Board approved the Exposure Draft (ED 03/26) out of session, with the ED issued on 9 October 2026, with a comment period ending 9 November 2026.

Matters for Consideration

Outcome of Due Process for ED 03/26

APESB received four submissions on ED 03/26 from the three professional bodies and a Big Four accounting firm (Deloitte). The submissions are tabulated in General and Specific Comment Tables at Agenda Items 12(a) and 12(b), respectively.

The stakeholders were generally supportive of the objective to revise APES 210. Two professional accounting bodies, CPA Australia and the Institute of Public Accountants, supported the revisions, with no further matters raised.

The Big Four firm and a professional accounting body raised the following matters:

- Definition of Sustainability Assurance Practitioner and the scope of APES 210 (specific items 2 and 3)

  CA ANZ raised a concern with the proposed definition of "Sustainability Assurance Practitioner" in APES 210. The respondent was concerned that the use of the word "individual(s)" in that definition creates uncertainty about whether APESB standards apply to non-member participants. It recommends deleting the definitions of 'Sustainability Assurance Practitioner', 'Sustainability Assurance Engagement' and 'Sustainability Information' from the proposed APES 210. It also recommends removing the references to sustainability assurance practitioners from the definitions of 'Firm' and 'Professional Activity' or adding explanatory material that APES 210 applies only to Members and Firms.

  Technical Staff note that the definition of 'Sustainability Assurance Practitioner' has been included in the proposed APES 210 to clarify the term within other definitions in APES 210 that are being updated to align with amendments made in 2025 to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code).

  The definitions in APESB pronouncements are used consistently in all of its pronouncements, in line with paragraph 5.4(d) of APESB's *Due process and working procedures for the development and review of APESB pronouncements* policy. This policy is consistent with best practice for standard setters, nationally and globally, to ensure their pronouncements are interpreted and applied consistently. Technical Staff are of the view that changing the definition of Sustainability Assurance Practitioner in APES 210 would create inconsistency with the Code and could create regulatory arbitrage.

  Technical Staff also note that large global accounting firms develop policies and procedures based on international standards, including the IESBA Code, which are then applied by the individual firms in each country. Any diversion from a global definition would require Australian firms to maintain separate Australian-specific policies and procedures, increasing compliance costs and the risk of inconsistent application, particularly for cross-border engagements with members of global networks. It would also weaken Australia's alignment with international standards.

  APESB departs from a global definition only where this is necessary to align with Australian laws or the standards of other national standard setters, or it is required for the Australian environment. Any departure is subject to a rigorous due process, including public exposure and careful consideration of its impact and unintended consequences.

  The definition of Sustainability Assurance Practitioner was inserted into the Code via the *Amending Standard for Sustainability Assurance and Reporting and the use of External Experts* (the Sustainability Amending Standard), which was issued by the APESB in July 2025 and became effective from 1 January 2026.

  As part of the due process for the adoption of the sustainability-related provisions in the Code, the APESB Sustainability Taskforce (17 February 2025 and 29 May 2025) and the Board (March and June 2025) specifically considered whether "individual" should be replaced with "Member" in the definition of Sustainability Assurance Practitioner. This was part of the broader consideration of whether the Code should retain the professionally agnostic drafting approach in Part 5 of the IESBA Code.

During the development of the proposed Sustainability Ethics and Independence Standards in 2025, the Board noted that:

- the IESBA intentionally drafted Part 5 of the Code to be professionally agnostic to enable broad application at the request of global regulators;
- ASSA 5000 *General Requirements for Sustainability Assurance Engagements*, issued by the Australian Auditing and Assurance Standards Board, has also been developed in a professionally agnostic manner and uses the term individual in their definition of practitioner;
- The term "Sustainability Assurance Practitioner" is used to distinguish between the requirements of a financial statement auditor and a sustainability assurance practitioner; and
- It is the role of the appropriate authorities in each jurisdiction (such as Australia) to determine who is allowed to carry out these Sustainability Assurance Engagements in their respective jurisdiction and, consequently, how these standards are monitored and enforced.

  In Australia, the *Corporations Act 2001* (the Act) specifies that only Registered Company Auditors (RCAs) are able to perform assurance engagements over sustainability information required by the Act. A key criterion for becoming an RCA is the completion of relevant courses on auditing, as listed in Regulation 9.2.03 of the *Corporations Regulation 2001*. The courses listed are all provided by the three accounting bodies as part of their programs to become a qualified member. It is possible that an RCA may not be a member of a professional accounting body, but Technical Staff understand that this is a rare occurrence.

The Board determined in 2025 to retain the proposed application of Part 5, including the definition of Sustainability Assurance Practitioner without amendment, to remain aligned with international practice and ASSA 5000. Further details on this decision are set out in the Basis for Conclusions for the Sustainability Amending Standard.

APESB Technical Staff have also considered the scope of APES 210, and whether it is impacted by the definition of Sustainability Assurance Practitioner. Technical Staff are of the view that the use of the word "individual(s)" in the definition of Sustainability Assurance Practitioner does not extend the scope of APES 210 to non-members, as:

- The **Scope and Application** section determines who must comply with the standard.

  APESB Technical Staff note that the scope and application section in APES 210 is consistent with the approach adopted in all APESB pronouncements, including the Code.

  Paragraph 1.3 of the proposed standard states that APES 210 sets the standards for **Members** [emphasis added]. Paragraphs 1.5 to 1.7 set out the mandatory requirements for **Members** to comply with APES 210. These paragraphs, together with the definition of 'Member' (a member of a Professional Body that has adopted the Standard as applicable to their membership, as defined by that Professional Body), limit who is required to comply with APES 210. A defined term used within the Standard does not create obligations for a person who is not a Member.
- The definition of Sustainability Assurance Practitioner identifies who conducts the engagement. The requirements in APES 210 are directed at Members and Firms. Where APES 210 refers to a Sustainability Assurance Practitioner, it does so in the context of highlighting who performs a Sustainability Assurance Engagement.
- Non-member specialists are not bound by APES 210. Technical Staff acknowledge that multidisciplinary teams and external experts will commonly be involved in

sustainability assurance engagements. However, this situation is no different from tax services engagements or corporate finance engagements, where engagement teams may include members who are not professional accountants. However, the key consideration in a CA firm, for example, is that, ultimately, the signing partner in a CA firm will be a member or an affiliate member. In addition, firms will generally incorporate the professional and ethical obligations set out in APESB pronouncements in the firm's policies and procedures. Members and Firms remain responsible for complying with APES 210 in relation to the engagement, including where they use the work of experts or non-members on sustainability assurance engagement teams.

Based on the factors outlined above, Technical Staff are of the view that the definition of Sustainability Assurance Practitioner should remain aligned with the Code.

Technical Staff are also of the view that the proposed definitions of Firm, Professional Activity and Sustainability Assurance Engagement do not extend the scope of APES 210 to non-Members, in line with the rationale set out for the definition of Sustainability Assurance Practitioner above. Therefore, Technical Staff do not propose to amend any of these definitions in the proposed APES 210.

Technical Staff do not agree with the respondent's alternative suggestion to delete the definitions of Sustainability Assurance Practitioner, Sustainability Assurance Engagement and Sustainability Information, as these definitions are already in the Code and support the consistent application of the professional and ethical requirements across the Code and APES 210.

Technical Staff have also considered the respondent's other alternative suggestion of adding explanatory material clarifying that APES 210 applies only to Members and Firms. Technical Staff are of the view that additional explanatory material on the applicability of APES 210 is unnecessary, as the Scope and Application section already addresses this matter.

Therefore, Technical Staff do not recommend any amendments to the proposed APES 210 for the matter raised by CA ANZ.

- <u>Clarifying the reference to Part 5 Independence Standards (specific comment item 4)</u>

  A Big Four firm noted that the reference to Part 5 of the Code in proposed paragraph 3.2 should refer only to the Independence Standards within that part. Technical Staff agree with this comment and have amended paragraph 3.2 to clarify the reference to Part 5.

<u>Withdrawal of AUASB standards and framework documents</u>

As part of an internal review of APES 210, APESB Technical Staff became aware that AUASB has withdrawn ASA 100 *Preamble to AUASB Standards* (ASA 100) and *Foreword to AUASB Pronouncements* (the Foreword). These AUASB-issued documents are referred to in the definitions of 'Auditing and Assurance Standards' and 'Auditing and Assurance Guidance', which are included in the glossary for APES 210.

APESB Technical Staff met with the AUASB Chair and CEO, and the AUASB Director-National on 12 November 2026 to discuss the implications of the withdrawal of these AUASB documents. Regarding the references to ASA 100, the AUASB confirmed it had been replaced by ASA 101 *Preamble to AUASB Standards*, which describes AUASB standards. However, the information in the Foreword, which describes AUASB guidance statements and other guidance publications, is not currently addressed in another AUASB document. The AUASB

confirmed that it would be unable to include content on AUASB-issued guidance in another AUASB pronouncement before the APESB considers the approval of the revised APES 210.

Based on this discussion, APESB Technical Staff propose to remove the references to the withdrawn AUASB standards in the definitions of 'Auditing and Assurance Standards' and 'Auditing and Assurance Guidance' in the proposed APES 210.

Technical Staff are of the view that the APESB Issues Register should note the need to update the definition of 'Auditing and Assurance Standards' in the following APESB pronouncements when they are next revised:

- APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*
- APES 205 *Conformity with Accounting Standards*
- APES 310 *Client Monies*
- APES 315 *Compilation of Financial Information*; and
- APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document.*

Proposed Revised Standard

Based on the outcome of the exposure draft due process and the discussion with the AUASB, Technical Staff have prepared a proposed revised APES 210 for the Board's consideration. A version with marked-up changes from the exposure draft (ED 03/26) is included at Agenda Item 12(c). The proposed effective date of the revised APES 210 is 1 January 2027, with early adoption permitted.

Technical Staff seek the Board's approval to issue the proposed revised APES 210.

Staff Recommendation

That the Board:

(a) Note the update on the submissions received on ED 03/26;

(b) Approve, subject to the Board's feedback and review, the issue of the revised APES 210; and

(c) Approve the addition to the APESB Issues Register of a matter highlighting the need to revise the definition of 'Auditing and Assurance Standards' across APESB pronouncements to delete the reference to withdrawn AUASB documents.

Material Presented

Agenda Item 12 (a)	General Comments Table ED 03/26
Agenda Item 12 (b)	Specific Comments Table ED 03/26
Agenda Item 12 (c)	Proposed Revised APES 210 (marked-up)

Authors Jacinta Hanrahan
Disna Dharmasekara

Date 19 November 2026