



31 August 2021

Mr Channa Wijesinghe
Chief Executive Officer
Accounting Professional & Ethical Standards Board Limited
Level 11, 99 William Street
Melbourne Victoria 3000

Dear Channa,

Exposure Draft 03/21 Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

The Auditing and Assurance Standards Board (AUASB) is pleased to provide comments on Exposure Draft 03/21 *Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (ED 03/21) issued by the Accounting Professional & Ethical Standards Board (APESB) in May 2021.

Consistent with the International Code¹, ED 03/21 includes a requirement for auditors of Public Interest Entities to disclose fees for the audit of the financial statements and fees for other services, to those charged with governance, and publicly if the entity does not disclose this information. However, in practice as the Australian Accounting Standards require this information to be disclosed in the financial statements, auditors would disclose this only to those charged with governance.

To facilitate consistency of this disclosure, ED 03/21 has an additional Australian paragraph² with guidance on how to categorise services for audit and other services. This guidance is also in response to the recommendation by the PJC³ that the FRC and ASIC, by the end of the 2020-21 financial year, oversee consultation, development, and introduction of fee disclosure requirements for defined categories of audit and non-audit services.

In principle the AUASB supports the inclusion of categories of services for auditors to facilitate consistent disclosure of this information, in ED 03/21. However, these categories must be consistent with those included in the Australian Accounting Standards. The AASB have a current project which proposes to amend AASB 1054 *Australian Additional Disclosures* to address fee disclosure requirements for defined categories of audit and non-audit services. The AUASB encourages the APESB and the AASB to continue to work together to ensure the categories are aligned.

If you have any questions regarding this letter, please contact me (bedge@auasb.gov.au) or Matthew Zappulla (mzappulla@auasb.gov.au)

Yours sincerely

W R Edge
Chair

¹ The International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA)

² AUST 410.29 A1

³ Parliamentary Joint Committee on Corporations and Financial Services (PJC) inquiry into the regulation of auditing in Australia