

# Frequently Asked Questions

SEPTEMBER 2009

## 1. What is the APESB?

The Accounting Professional & Ethical Standards Board (APESB) is an independent body that sets the code of ethics and professional standards by which members of Australia's three professional accounting bodies must abide.

CPA Australia and the Institute of Chartered Accountants in Australia (the Institute) established the APESB in February 2006. The National Institute of Accountants (NIA) became the third member of the APESB later that year.

The APESB is equally funded by the three Australian accounting professional bodies.

## 2. Who is the APESB chairperson?

Ms Kate Spargo was appointed chairperson of the APESB on 16 July 2007 for a three-year period. As the independent chairperson required under the APESB constitution, Ms Spargo brings extensive experience as a company director and business consultant to her role.

She is a non-executive director of IOOF Holdings Ltd, Transfield Services Infrastructure Ltd, Pacific Hydro Pty Ltd, Investec Bank (Australia) Ltd, ColInvest Ltd and NeuroSciences Victoria. Ms Spargo is also a councillor for the Victorian Division of the Australian Institute of Company Directors. In July 2008, Kate was selected for the Board of the Australian Energy Market Operator (AEMO), which commences operations on 1 July 2009.

## 3. Who are the directors of the APESB?

There are six directors of the APESB. Five directors are drawn from across the three professional accounting bodies. The sixth director is the chairperson. The APESB constitution requires the chairperson be an independent person who is not a member of one of the professional accounting bodies.

All directors are appointed for a three-year term, and may be appointed for a second three-year term.

**4. Who is the APESB media spokesperson?**

The APESB chairperson, Ms Kate Spargo, is the spokesperson for all media enquires. Enquires should be directed in the first instance to Rachel Portelli, APESB Manager, 03 9642 4239 / 0448 347 707 or email [rachel.portelli@apesb.org.au](mailto:rachel.portelli@apesb.org.au)

**5. What is a 'standard'?**

A standard outlines the fundamental responsibilities of professional accountants when they are performing their role. Each standard contains information on the scope and application of the standard, definitions and the date the standard takes effect. Failure to comply with standards issued by the APESB may lead to disciplinary proceedings being initiated by the professional accounting body to which the member belongs.

**6. What is a 'guidance note'?**

Guidance notes provide additional explanatory information on the mandatory requirements established by the standard to which they refer. A guidance note never provides new information or alters the requirements of a standard.

**7. What is a 'pronouncement'?**

An APESB pronouncement is a general term, and can be either an APESB standard or APESB guidance note.

**8. What is a the Code of Ethics for Professional Accountants (The Code)?**

The Code establishes a 'principles based' standard of professional ethics for members of the professional accounting bodies and provides a framework for applying these principles.

The Code is based on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

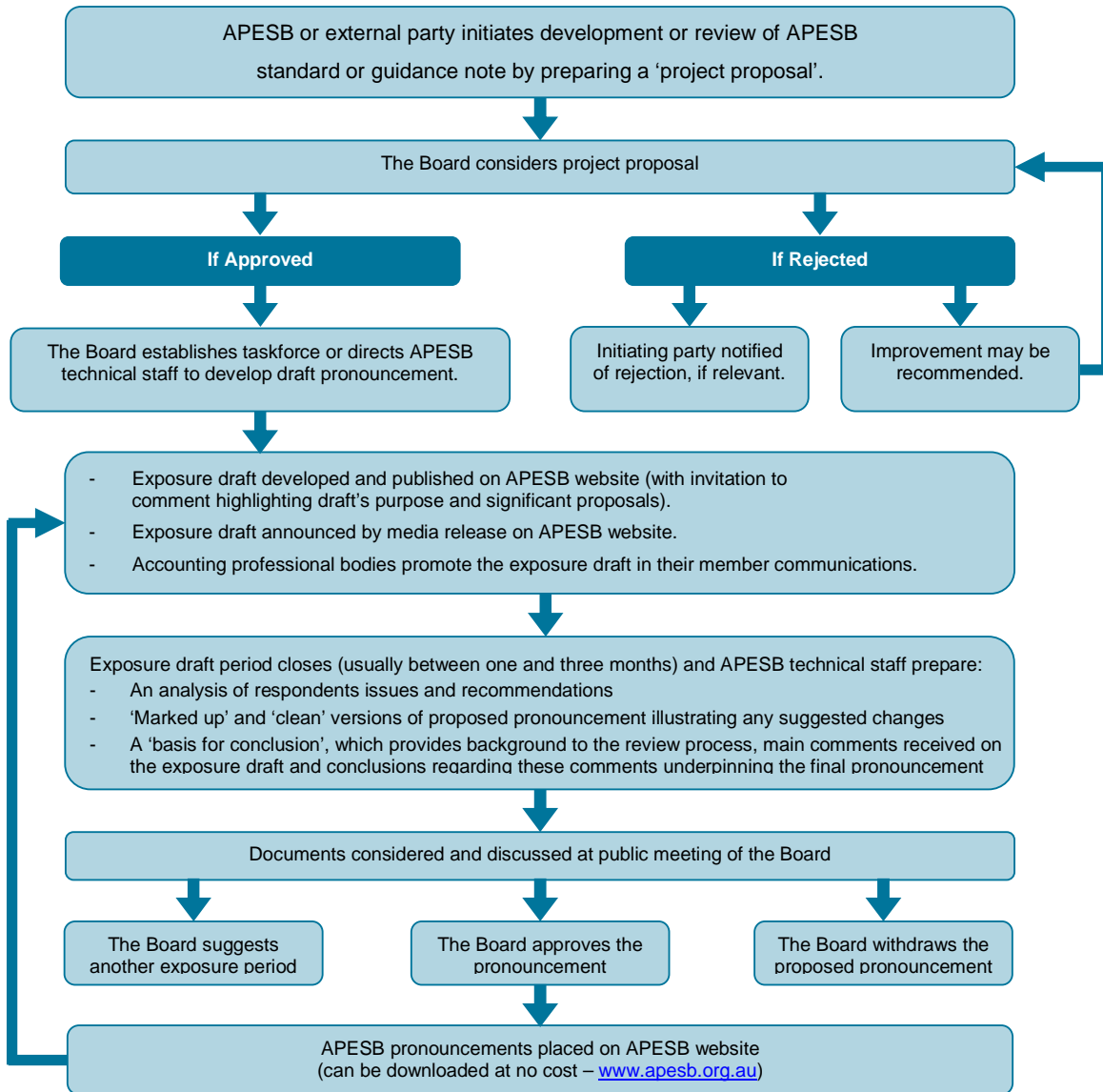
**9. Why are professional and ethical standards for accountants important?**

Professional and ethical standards are fundamental to the reputation of the accountancy profession and to ensuring consistency of practice and confidence in Australia's capital markets.

All Australian professional accountants have a responsibility to act in the public interest and are expected to act with objectivity and integrity by a range of different audiences such as investors, governments, clients, employers and employees when undertaking work or providing advice.

**10. How does the APESB develop or review standards or guidance notes?**

The APESB standard setting process is rigorous and transparent. The typical process for developing or reviewing an APESB standard or guidance note is:



**11. Can I view other submissions to the standard setting process?**

Yes. All submissions are a matter of public record and are placed on the APESB website when the exposure draft period has closed. Submissions remain on the website until the final pronouncement is issued.

**12. Are APESB standards legally binding? Who enforces the APESB standards and what penalties exist for non-compliance?**

APESB standards are applicable to all members of the Australian professional accounting bodies. Failure to comply with standards issued by the APESB may lead to disciplinary proceedings being initiated by the professional accounting body to which the member belongs.

There are also a number of APESB standards that carry the force of law by virtue of being referenced in auditing standards that are legally enforceable. The Australian Securities and Investments Commission (ASIC) is responsible for monitoring compliance with auditing standards.

**13. Does the APESB play a role in international standard setting?**

Working in today's globalised economy, the APESB understands the importance of developing Australian standards that are consistent with those issued by the International Federation of Accountants (IFAC).

Relevant professional and ethical standards issued by IFAC are used as the basis for the development of APESB standards and tailored where required to the Australian business environment.

The APESB also contributes to international standard setting by developing submissions to the International Ethics Standards Board for Accountants (IESBA), a board of the IFAC, and to other relevant international standard setting boards.

For more information about IFAC visit [www.ifac.org](http://www.ifac.org).

**14. What is the best way to keep up to date with activities of the APESB?**

The APESB issues media releases on important changes in standards and other topics of interest to the accounting and wider business community. If you would like to be added to the media list, please contact Rachel Portelli, APESB Manager, 03 9642 4239 / 0448 347 707 or email [rachel.portelli@apesb.org.au](mailto:rachel.portelli@apesb.org.au)

Highlights of the APESB meetings are published on the APESB website approximately two weeks after the meeting - <http://www.apesb.org.au/meetings.php?id=20>

**15. How can I learn about new or amended standards or those open for comment?**

The APESB posts information about new or amended standards and those under review on its website – [www.apesb.org.au](http://www.apesb.org.au).