

## AGENDA PAPER

**Item Number:** 13  
**Date of Meeting:** 14 September 2012  
**Subject:** Auditor General's Comments in respect of the Code

**Action Required**

**For Information Only**

### Purpose

To obtain Board's views on the proposed AUST paragraphs drafted to address the issues raised by the Auditors General.

### Background

APESB issued APES 110 *Code of Ethics for Professional Accountants – Revised 2010* (the Code) in December 2010 with an effective date of 1 July 2011. The new code aligns Australia's professional requirements with the IESBA Code and also includes additional Australian specific requirements and guidance.

A six month review of APES 110 *Code of Ethics for Professional Accountants – Revised 2010* (the Code) was performed in February 2012. This review highlighted a number of issues identified by stakeholders. The key issue identified is the treatment of public sector employees in the offices of the Auditor Generals who from time to time undertake secondments and temporary staff assignments with public sector entities (i.e. Clients).

### Consideration of Issues

The Code in Australia includes Auditors Generals in the definition of Firm (refer limb (d) of the definition). The IESBA Code does not have a similar limb (d) thus does not directly address Auditors General.

In June 2012, the NSW Auditor General who consulted with the other Auditors Generals in Australia provided APESB with a submission on the proposed AUST paragraphs to address the identified issues in respect of these public sector issues (refer attachment 13 (b)).

APESB Technical Staff have reviewed the proposed AUST paragraphs and made editorial suggestions to adapt the proposed provisions to the style of the Code and circulated the document back to the NSW Audit Office. The NSW Audit Office then received further feedback from the Queensland Audit Office, South Australian Audit Office and Australian National Audit Office in August 2012.

Refer to the proposed AUST paragraphs which are now presented for the Board's consideration.

## **Staff Recommendation**

The Board provide feedback on the proposed AUST paragraphs drafted to address the public sector issues.

## **Material Presented**

- Attachment 13(a) Proposed AUST paragraphs for the Code; and
- Attachment 13(b) Submission from NSW Audit Office.

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**Date:** 5 September 2012