

eNews

APESB



Accounting Professional &amp; Ethical Standards Board

# Professionalism

Issue 18: Apr - Jun 2018

- [Welcome](#)
- [APESB releases EDs on proposed revisions to the Australian Code of Ethics](#)
- [Briefing and Information session on the proposed new Australian Code of Ethics](#)
- [Client Monies Standard enhanced](#)
- [New Revised Standard: APES 220 Taxation Services](#)
- [Monitoring Group Roundtables](#)
- [APESB's submission to FASEA on its Draft Code](#)
- [IESBA National Standard Setters \(NSS\) Meeting - May 2018](#)
- [Other international news](#)
- [NOCLAR](#)
- [Academic Engagement: Monash University](#)
- [Academic Engagement: RMIT University](#)
- [APESB in the news](#)
- [June 2018 APESB Board Meeting Highlights](#)
- [Register to attend the September Board Meeting](#)

## Welcome



Welcome to our 18th issue of *Professionalism*, APESB's eNewsletter.

In this issue we provide updates on our activities and technical projects for the second quarter of 2018.

Highlights include: the release of Exposure Drafts for APES 110 *Code of Ethics for Professional Accountants*, revisions to APES 310 *Client Monies* and APES 220 *Taxation Services*, and other APESB engagements with key stakeholders both nationally and internationally.

***Standards: issuing professional and ethical standards relevant to the professional accounting bodies.***

## APESB releases EDs on proposed revisions to the Australian Code of Ethics

We are pleased to announce the release of two significant Exposure Drafts: APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* ED 02/18 (APES 110) and ED 03/18 Proposed Inducement provisions for APES 110. Both exposure drafts have been developed to incorporate changes based on the IESBA restructure of the *International Code of Ethics for Professional Accountants*. The exposure drafts complete the restructure of the *Australian Code of Ethics for Professional Accountants*.

APESB has developed a combined document which incorporates both documents for the benefit of stakeholders. Technical staff have also

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developed mapping tables to assist stakeholders when navigating the proposed changes to the existing Code. Stakeholders are invited to comment on the exposure drafts via the APESB website by **10 August 2018**. The proposed new Code is effective from **1 January 2020**.

Read the [Media Release - Code of Ethics](#)

Read [Exposure Draft Restructured Code of Ethics \(02/18\)](#)

Read the [Explanatory Memorandum](#)

Read the [Media Release - Inducements](#)

Read [Exposure Draft Inducements \(03/18\)](#)

Read the [Proforma Draft Code](#)

## Briefing and Information session on the proposed new Australian Code of Ethics

In June, APESB held a Briefing and Information session on the proposed Restructured Australian Code of Ethics for Professional Accountants to coincide with the release of the exposure drafts. APESB Chairman, the Hon. Nicola Roxon and APESB CEO, Channa Wijesinghe gave stakeholders an overview of the Code's key revisions. The session was an opportunity for stakeholders to ask questions on the proposed changes, which are effective from **1 January 2020**.



The presentation is available on our [website](#).



*APESB CEO, Channa Wijesinghe, presenting at the Briefing & Information session.*



*APESB Chairman, the Hon. Nicola Roxon, greeting attendees at the Briefing & Information session.*

## Client Monies Standard enhanced

After an extensive review process, APESB released the revised standard Client Monies in early May 2018. One of the key features of the revised Standard is the clear separation of the requirements for Trust Accounts from Client Bank Accounts. The revised APES 310 is effective from **1 October 2018**. APESB has developed an information sheet and an Example Bank Letter to assist accountants who want to open Trust Accounts.

Read the [Media Release](#)

Read the [Standard](#)

Read the [Basis for Conclusions](#)

Read the [Information Sheet](#)

Read the [Example Bank Letter](#)

## New Revised Standard: APES 220 Taxation Services

APESB has released the revised APES 220 Taxation Services (APES 220), which includes new requirements for Members providing both Taxation Services and Assurance Engagements. The Revised APES 220 replaces the existing APES 220 (issued October 2015) and will be effective for Taxation Engagements or Assignments commencing on or after **1 October 2018**.

Read the [Technical Update](#)

Read the [Standard](#)

## Monitoring Group Roundtables



APESB, AUASB, CPA Australia and CA ANZ collaborated to facilitate the Monitoring Group Roundtables held in Melbourne and Sydney on 22 and 23 June. The sessions were chaired by Mark Babbington, Deputy Director of Audit Policy at Financial

Reporting Council UK. Australian Stakeholders were invited to share their views on the proposed changes to governance and oversight of the international audit-related standard-setting boards with Mark. Sessions were well attended with frank, open discussion on the challenges to be addressed in reforming the International Standard Setting process and governance arrangements.

*Pictured above: Claire Grayston, CPA Australia; Mark Babbington, UK FRC and Channa Wijesinghe, APESB.*

## APESB's submission to FASEA on its Draft Code

In March 2018 FASEA issued an exposure draft for consultation on developing the Proposed Code of Ethics for Financial Advisers (FASEA Code). APESB supports the creation of a principles-based Code that aims to establish a robust framework of ethical and professional obligations for financial advisers.

Read [APESB's submission to FASEA on its Draft Code \(31 May 2018\)](#).

## IESBA National Standard Setters (NSS) Meeting - May 2018



*(left to right) Ken Siong, IESBA Senior Technical Director; Jacinta Hanrahan, APESB Senior Technical Manager; Craig Farrow, APESB Director; Robert Buchanan, NZAuASB Chair; Sylvia van Dyk, NZ XRB Director Assurance Standards and Stavros Thomadais, IESBA Chair.*

APESB Director, Craig Farrow and Senior Technical Manager, Jacinta Hanrahan, attended the 10th Annual Meeting of the IESBA National Standards Setters Group in early May 2018 in Vienna, Austria.

Key topics discussed at the meeting included:

- The restructured Code of Ethics
- Professional Scepticism
- Non-assurance services and fees
- Impact of technology on the accounting profession.

## Other international news

- IESBA issued a consultation paper on their [Proposed Strategy and Work Plan 2019 – 2023 \(SWP\)](#) for public comment.
- IFAC releases [Gibson Dunn Monitoring Group Report](#)
- In April 2018 IOSCO issued its [Consultation Report on Good Practices for Audit Committees in Supporting Audit Quality](#).

***Engagement: Raising ethics awareness to a wider audience.***

## **NOCLAR**

Following last year's successful NOCLAR awareness sessions, APESB CEO, Channa Wijesinghe, joined forces once again with AUASB Technical Director, Matthew Zappulla and BDO General Counsel, Stephen Newman, to present another NOCLAR awareness session to CA ANZ members on 6 June 2018. Close to 150 members attended the presentation which provided information on the key requirements of the Standard and useful tips on how to implement NOCLAR.

The presentation is available on our [website](#).

## **Academic Engagement: Monash University**

Dr Paul Thambar from Monash University invited APESB CEO, Channa Wijesinghe, to present to the Masters of Professional Accounting students at Monash University in May 2018.

The students were given insight into the structure of APESB pronouncements, the importance of personal integrity and Corporate ethics.

The presentation is available on our [website](#).

## **Academic Engagement: RMIT University**



In June, Dr Eva Tsahuridu and Dr Leanne-Morrison from RMIT invited APESB CEO, Channa Wijesinghe to discuss the key issues facing standard setters of the accounting profession with the School of Accounting. Joining Channa

was Matthew Zappulla, AUASB Technical Director and Kala Kandiah, Technical Director, AASB.

## **APESB in the news**

- **[Australian accountants: no compliance = no confidentiality](#)**
- **[Steel reinforcing to protect consumers will follow royal commission](#)**
- **[APESB director joins new complaints body](#)**
- **[APESB revises accounting code of ethics](#)**
- **[APESB releases new standard for dealing with client monies](#)**

- [FASEA draft code of ethics puts informed consent back on the radar](#)

- [Restructure of the Code of Ethics, audit partner rotations and other APESB developments](#)

## June 2018 APESB Board Meeting Highlights

The following items were considered at the 14 June 2018 Board meeting held in Melbourne:

- Update on the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services
- Proposed Exposure Draft on Inducements sections for the revised APES 110
- Revision APES 220 Taxation Services
- Update on Monitoring Group Review
- Proposed Project Plan on Long Association
- Annual Reviews of APESB Pronouncements
- International and other activities

Read the complete [highlights](#).

## Register to attend the September Board Meeting

The next APESB board meeting will be held in Melbourne on Tuesday, 4 September 2018.

[Register](#) to attend.

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