

Restructured Global Code of Ethics

Engaging for Impact – RMIT University

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Accounting Professional & Ethical Standards Board

Global Adoption of Extant IESBA Code

- Adopted; used as basis for national ethical standards or ethical codes of professional accountancy bodies in **120+** jurisdictions
- Adopted by the largest **27** international networks of firms (the Forum of Firms) for transnational audits
- Translated in about **40** languages, including all major UN languages







G20 Countries

Adopted / Based on (12)

	Australia		South Africa
	Brazil		Saudi Arabia
	China		South Korea
	Italy		Mexico
	Japan		Turkey
	Russia		United Kingdom

Converged/Convergence path (4)

	Canada
	Indonesia
	Germany
	USA (Unlisted entities)
Committed to adopt (1)	
	India

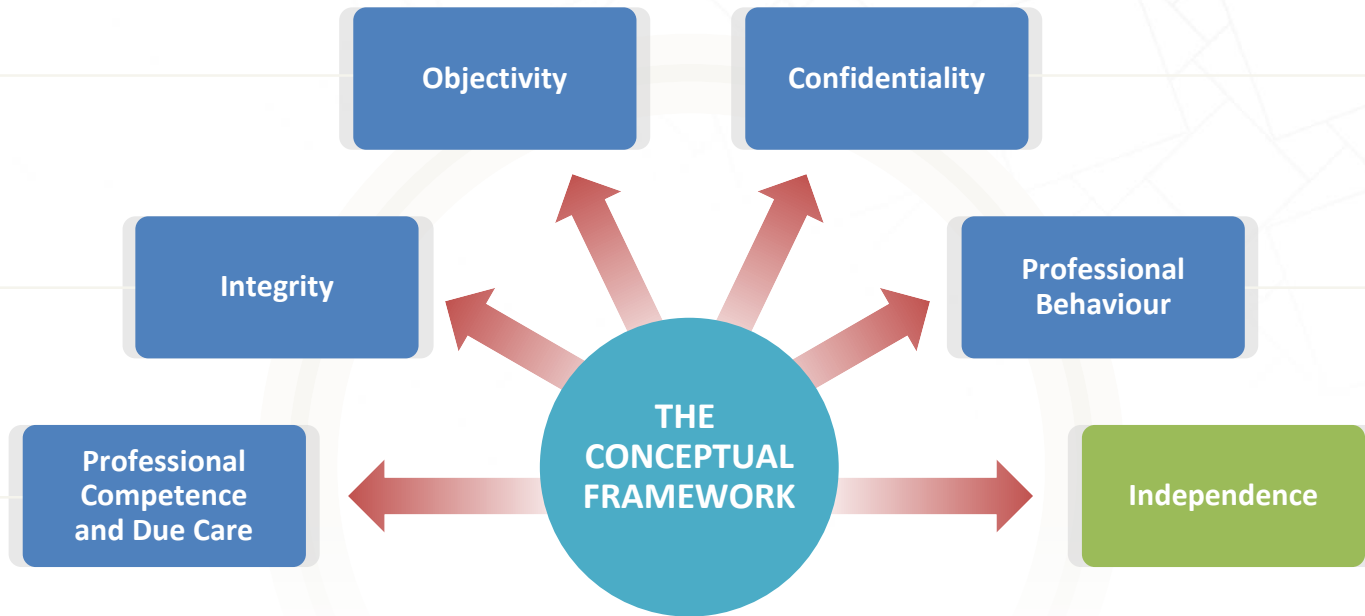
Highlights of the Restructured Code

- New user guide and updated glossary
- Auditor independence sections are now Independence Standards
- Increased focus on compliance with the fundamental principles and independence
- Enhanced conceptual framework

Highlights of the Restructured Code (continued)

- Non-compliance with Laws and Regulations (NOCLAR)
- Audit Partner Rotation (Long Association)
- New guidance on professional judgement and professional scepticism
- Strengthened provisions on non-assurance services
- New Inducements provisions

Overarching Requirements



Categories of Threats

Self-interest

Self-review

Advocacy

Familiarity

Intimidation

Enhanced Conceptual Framework

- Not all threats addressed by safeguards
- **New requirement** - “step back” when forming overall conclusion
- Threats not at acceptable level to be addressed by:
 - Eliminating circumstances creating the threats;
 - Applying safeguards; or
 - Declining or ending the specific professional activity/service.



Role of the APESB in Australia

- Established in **2006** by the three major accounting bodies in Australia (CA ANZ, CPA Australia and IPA)
- **National Standards Setter** for the Accounting profession
- APESB has released **21** pronouncements consisting of **15** Standards and **6** Guidance Notes.
- APESB is a **standards maker** - over **85%** of its pronouncements are developed in Australia
- Represents Australia's interest in the **IESBA National Standards Setters Group**

Ethics Outreach

- Importance of ethics
- Ethics should be integrated across all aspects of the syllabus
- Any ethical training needs to focus on options and consequences



Purpose & Disclaimers

This set of PowerPoint slides has been developed by APESB Technical Staff using some of the resources developed by the IESBA Technical Staff for National Standards Setters on the revised and restructured [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#), which the IESBA issued in April 2018.

These slides provide only an *overview* of the new Code and do not purport to present all the detailed changes. The slides should be read in conjunction with the new Code, the text of which alone is authoritative. The slides do not form part of the Code.

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