

## AGENDA PAPER

**Item Number:** 3

**Date of Meeting:** 17 June 2025

**Subject:** International and Other Activities

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### Purpose

To provide an update to the Board on the following:

- The IESBA Board Meetings;
- International and Other Developments of Interest; and
- APESB Presentations, Submissions and Other Activities.

### International Ethics Standards Board for Accountants (IESBA)

#### IESBA Board Meetings

The IESBA held an in-person Board Meeting in New York, United States of America (USA), from 10 to 12 March 2025. The meeting included the following key agenda items:

- Collective Investment Vehicles (CIVs) and Pension Funds;
- Adoption & Implementation (A&I) Working Group;
- Firm Culture and Governance (FCG);
- Emerging Issues and Outreach Committee (EIOC);
- Technology;
- IESBA Communications; and
- IAASB-IESBA Coordination.

At the meeting, the IESBA approved a Consultation Paper on auditor independence for CIVs and Pension Funds, seeking stakeholder feedback on certain third-party functions or services for these investment vehicles that are not covered by the Code's related entity definition. Subsequently, the consultation paper was issued for a 90-day public comment period. The IESBA will consider the comments with the Project Team's preliminary report and recommendations at its September 2025 meeting.

The A&I Working Group provided an update on its activities following the launch of the new Sustainability standards in January 2025. These initiatives included global webinars, implementation materials and a monitoring mechanism. The IESBA also approved the [Terms of Reference](#) for the IESSA Implementation Monitoring Advisory Group and commissioned the A&I Working Group to select its members.

The Firm Culture and Governance (FCG) project team provided an update on its upcoming global roundtables, stakeholder outreach activities, and the development of non-authoritative materials. In June 2025, the IESBA will consider feedback from the roundtables and a preliminary draft of the FCG framework.

The Emerging Issues and Outreach Committee (EIOC) updated the IESBA on its activities. The IESBA supported the proposed Staff Alert concerning private equity investments in accounting firms, which is expected to be issued in Q2 2025.

The IESBA also considered an update from the Technology Working Group (TWG) on its activities and reaffirmed its support for the TWG's work in addressing technology-related ethical issues.

The IESBA March 2025 Board Meeting highlights are at Agenda 3(a). The next quarterly IESBA meeting will be held in New York, USA, from June 9 to 12, 2025.

#### *PIOB Seeks Applicants for IESBA 2026 Board Vacancy*

In March 2025, the IESBA announced that the Public Interest Oversight Board's (PIOB's Standard-Setting Boards Nominations Committee was inviting [applications](#) for a Board Member position on the IESBA, with the term beginning 1 January 2026. The application closed on 11 May 2025. Further details are available in the IESBA's [media release](#).

#### *Consultation on Auditor Independence for Audits of CIVs and Pension Funds*

In March 2025, the IESBA issued a [Consultation Paper](#) seeking feedback on whether revisions to the International Code are necessary to address auditor independence for audits of CIVs and Pension Funds. The comment period for the consultation paper ends on 30 June 2025. Further details are available in the IESBA's [media release](#).

Refer to Agenda Item 10 of this Board Meeting for further information on the consultation paper.

#### *Multi-Stakeholder Summit on Global Standards focused on furthering the Public Interest*

In April 2025, IFAC, the IESBA, and the IAASB convened a global multi-stakeholder summit that focused on the practical implementation of the new international assurance and ethical standards on sustainability. Two priority areas identified at the Summit included the need for enhanced coordination among standard-setting bodies to optimise resources and support consistent implementation globally, as well as improving transparency and effectiveness of the standard-setting process.

Another multi-stakeholder summit is planned for Q4 2026 or Q1 2027. Further details are available in the joint [media release](#).

### Stakeholder Advisory Council Advises on Advancing Standard Setting in the Public Interest

In May 2025, the Stakeholder Advisory Council (SAC) to the IAASB and the IESBA convened in New York on 5-6 May 2025 to provide strategic advice on key challenges and opportunities in global standard setting for audit, assurance and ethics, including independence.

The discussions highlighted strategic positioning to address trends such as deregulation, fragmentation, technology developments, sustainability information and talent attraction and retention. The SAC also stressed the need for clear communication of the value and impact of global standards, ongoing stakeholder engagement and responsiveness to public interest.

A summary of the meeting was published on the [SAC web page](#). The next SAC meeting is scheduled for 21-22 October 2025. Further details are available in the IESBA's [media release](#).

APESB CEO attended this meeting in his capacity as the Vice Chair of the IESBA. At the same time, APESB Director Damien Moore and Technical Director Jacinta Hanrahan also attended the meeting as observers, as it preceded the annual Jurisdictional Standards Setters (JSS) meeting.

### IESBA Staff Releases Q&As on the Tax Planning and Related Services Standards

In May 2025, the IESBA released a [Q&A publication](#) to support the adoption and implementation of the [IESBA Tax Planning and Related Services Standards](#), effective 1 July 2025. The Q&As will complement the [Basis for Conclusions](#) and assist firms, jurisdictional standards setters, and professional accountants in applying the standards. Further details are available in the IESBA's [media release](#).

## **International and Other Developments**

### ***International Auditing and Assurance Standards Board (IAASB)***

#### IAASB consultation on Proposed Narrow-Scope Amendments for Working with Experts

In April 2025, the IAASB launched a [public consultation on narrow-scope amendments](#) to its standards to align with recent revisions to the IESBA Code related to using the work of an external expert. The comment period for the consultation closes on 24 July 2025. Further details are available in the IAASB's [media release](#).

### ***The Monitoring Group***

#### Monitoring Group Appoints New Chair

In April 2025, the Monitoring Group announced the appointment of Mr Ryan Wolfe as its new Chair, effective 2 April 2025. Mr Wolfe currently serves as the Acting Chief Accountant of the U.S. Securities and Exchange Commission (U.S. SEC). Further details are available in the Monitoring Group's [media release](#).

## ***Public Interest Oversight Board (PIOB)***

### ***New Member appointed to the PIOB Standard-Setting Boards Nominations Committee***

In March 2025, the PIOB announced the appointment of Ms Megan Zietsman, the Global Audit & Assurance Quality, Risk and Regulatory Leader of Deloitte, as a member of the PIOB Standard-Setting Boards Nominations Committee (SSB NomCo). This appointment is part of the first rotation of SSB NomCo members. Further details are available in the PIOB's [media release](#).

### ***The PIOB Re-Appoints IAASB Chair***

In May 2025, the PIOB announced the reappointment of Mr Tom Seidenstein as Chair of the IAASB for a third term, effective 1 July 2025 and ending in December 2027. Further details are available in the PIOB's [media release](#).

## ***International Federation of Accountants (IFAC)***

### ***Building Trust in Sustainability Assurance: Statement from the European and Global Accountancy Profession***

In April 2025, the IFAC and Accountancy Europe issued a joint statement reaffirming their commitment to high-quality and consistent sustainability assurance. It was stated that as the European Union (EU) moves to simplify its sustainability legislation, global sustainability reporting and assurance practices continue to evolve to meet growing demands for transparency, credibility, and impact. Achieving this requires a collective effort by all stakeholders, robust professional standards, and regulatory consistency. Further details are available in the IFAC's [media release](#).

### ***IFAC Seeks Input on Proposed Revisions to Its Statements of Membership Obligations***

In April 2025, the IFAC launched a public consultation on targeted [revisions to its Statements of Membership Obligations \(SMOs\)](#). Key revisions include enhancements to quality assurance reviews, flexible entry requirements for accounting education programs, evaluation of adoption of the IAASB's ISA for LCE, and the adoption of IFRS Sustainability Disclosure Standards. Further details are available in the IFAC's [media release](#).

### ***More Global Companies Seek Assurance on Sustainability Reporting, Study by IFAC, AICPA & CIMA Shows***

In May 2025, the IFAC published [The State of Play: Sustainability Disclosure and Assurance, \(Five-Year Trends and Analysis, 2019-2023\)](#), a study conducted in collaboration with AICPA and CIMA. Key findings from the study include:

- Almost 3 in 4 of the largest global companies sought assurance on sustainability disclosures.
- 73% of large companies from G20 countries obtained assurance over sustainability disclosures in 2023, up from 69% in 2022.
- Increased use of audit firms in Singapore, South Africa, the UK and the US in 2023.

- Almost all companies (98%) report some information on sustainability.
- Use of sustainability information in annual reports continues to rise.
- In 2023, Hong Kong, Indonesia, Mexico, Russia and Saudi Arabia recorded double-digit increases in sustainability assurance.

Further information about the report can be found in IFAC's [media release](#).

## ***UK Financial Reporting Council (FRC UK)***

### ***Sanctions Against Ernst & Young LLP and Richard Wilson***

In April 2025, the FRC UK issued a Final Settlement Decision Notice under the Audit Enforcement Procedure, imposing sanctions on Ernst & Young LLP and audit engagement partner Mr Richard Wilson for audit failings in respect of the audits of Thomas Group PLC for the years ending 30 September 2017 and 2018.

The breaches include auditing standards dealing with the exercise of professional scepticism, partner supervision and audit documentation, which are central to audit performance. The order also requests EY to review its current training programmes designed for responding to risks to independence and propose any changes necessary to guard against breaches. Further details are available in the FRC UK's [media release](#).

### ***Sanctions Against Ernst & Young LLP and Mr Christopher Voogd***

In April 2025, the FRC UK issued a Final Settlement Decision Notice under the Audit Enforcement Procedure against Ernst & Young LLP and audit engagement partner Mr Christopher Voogd, imposing sanctions for the statutory audit of Stirling Water Seaford Finance plc's financial statements for the year ended 31 December 2019.

EY and Mr Voogd breached mandatory firm rotation (MFR) rules by continuing to audit a PIE beyond the 10-year limit without undergoing reappointment through a public tender, in violation of UK company law, auditing and ethical standards. The UK FRC stated that mandatory firm rotation is a clear requirement for auditors underpinned by company law and the FRC's Revised Ethical Standard. It is an integral legal safeguard to provide assurance that auditors are demonstrably independent, which supports trust and confidence in UK corporate reporting and audit. Further details are available in the FRC UK's [media release](#).

## ***Public Company Accounting Oversight Board (PCAOB)***

### ***PCAOB Posts Report Detailing Significant Improvements Across Largest Firms, Alongside Inspection Results in Record Time***

In March 2025, the PCAOB released its [2024 Staff Spotlight Report](#), highlighting significant improvements in aggregate deficiency rates across all categories of inspected firms. This improvement follows the PCAOB's focused efforts to encourage firms to address their high deficiency rates after the pandemic and improve audit quality for investors.

Overall deficiency rates declined from 46% in 2023 to 39% in 2024, with substantial improvements among the Big Four US firms (from 26% to 20%), US Global Network Firms (GNF) (from 34% to 26%), and triennially inspected firms. In addition, individual 2024 inspection reports for six US GNF were posted five months sooner than last year's results.

The PCAOB's report outlines key initiatives, including improving transparency, providing focused support and guidance, engaging regularly with firms and audit committees, and increasing focus on the effect of firm culture on audit quality. Further details are available in the PCAOB's [media release](#).

## ***International Forum of Independent Audit Regulators (IFIAR)***

### ***IFIAR Releases 2024 Report on Annual Survey of Audit Inspection Findings***

In March 2025, the IFIAR released its thirteenth annual survey of inspection [findings](#) from its member regulators' inspections of audit firms affiliated with the six largest global audit firm networks. The survey findings focused on two areas: firm-wide systems of quality control or management, and individual audit engagements.

IFIAR's 2024 survey shows a concerning increase in audit findings for the second year in a row, reversing prior improvements. Despite the introduction of new quality standards (ISQM 1), 40% of inspected listed PIE audits had at least one finding, with firm-wide quality control systems remaining a major area of concern.

IFIAR urges Global Public Policy Committee (GPPC) networks to deepen root cause analysis and strengthen quality controls. It monitors trends using a 3-year rolling average, noting the time lag between inspections and visible results. Most regulators require firms to report corrective actions. IFIAR's Global Audit Quality Working Group has set a target to reduce audit findings from 32% (2023) to 24% by 2027 through ongoing engagement with networks and emphasis on a risk-based quality management approach.

Further details are available in the IFIAR's [media release](#).

## ***American Institute of Certified Public Accountants (AICPA)***

### ***AICPA Statement on Proposed Changes to the Structure of the Public Company Accounting Oversight Board (PCAOB)***

In April 2025, AICPA stated the House Financial Services Committee's draft legislation proposing to defund PCAOB and transfer its responsibilities, including inspections, enforcement, rulemaking, and standard setting, to the SEC within a year of enactment.

AICPA President and CEO Mark Koziel emphasised the importance of strong, multi-layered oversight in protecting capital markets and public interest. Mr Koziel reaffirmed the AICPA's ongoing commitment to audit quality, ethical standards, and support for high-quality audits through initiatives like the Centre for Audit Quality. The AICPA also expressed its willingness to assist policymakers on any regulatory changes. Further details are available in the AICPA's [media release](#).

## ***Association of Chartered Certified Accountants (ACCA)***

### ***The ACFE and ACCA to Focus on Research and Learning in Three-Year MOU***

In March 2025, the ACCA and the Association of Certified Fraud Examiners (ACFE) signed a Memorandum of Understanding (MoU) for an initial three-year term. The partnership will collaborate on key areas, including thought leadership research and learning in fighting fraud. It will also build on existing thought leadership collaboration, including a report on combating fraud to identify new joint research opportunities. Further details are available in the ACCA's [media release](#).

## ***U.S. Securities and Exchange Commission (US SEC)***

### ***Paul S. Atkins Sworn in as SEC Chairman***

On January 20, 2025, President Trump nominated Mr. Atkins as SEC Chairman. In April 2025, the US SEC announced that the Senate confirmed his appointment on April 9. Further details are available in the US SEC's [media release](#).

## ***Australian Securities & Investments Commission (ASIC)***

### ***ASIC Announces Action Against 17 SMSF Auditors***

In March 2025, the ASIC announced actions taken during the second half of 2024 against the registration of 17 approved SMSF auditors. This is in addition to its earlier suspension of 3 high-volume auditors in October 2024.

The ASIC took action against the 17 SMSF auditors for breaches, including failure to meet professional obligations, non-compliance with annual statements, and the lack of necessary practical experience. Specifically, 4 were disqualified, 2 had conditions imposed, and 11 had their registration cancelled. The ASIC further emphasised the critical role of SMSF auditors in safeguarding over \$1 trillion in assets across more than 638,000 SMSFs. The ASIC also reaffirmed its commitment to act where SMSF auditors' conduct is deficient.

Further details are available in the ASIC's [media release](#).

### ***ASIC Issues Sustainability Reporting Regulatory Guide***

In March 2025, the ASIC published Regulatory Guide 280 *Sustainability reporting* ([RG 280](#)). RG 280 provides guidance for entities required to prepare a sustainability report containing climate-related financial information under Chapter 2M of the Corporations Act 2001. These may include companies, registered schemes, registrable superannuation entities, and retail corporate collective investment vehicles. Further details are available in the ASIC's [media release](#).

## ***Australian Accounting Standards Board (AASB)***

### ***AASB Chair reappointed***

In May 2025, the AASB Chairman, Mr Keith Kendall, was appointed for a further three-month

term commencing on 15 May 2025.

### ***Auditing and Assurance Standards Board (AUASB)***

#### ***Feedback Invited: Proposed Minor Amendments to Standards on the Use of External Experts***

In May 2025, the AUASB released a [Consultation Paper](#) on the IAASB's Exposure Draft *Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project*, with the comment period closing on 7 July 2025.

Stakeholder feedback will inform the AUASB's formal response to the IAASB and any amendments to domestic standards. Further details are available in the AUASB's [media release](#).

### ***Tax Practitioners Board (TPB)***

#### ***Significant Breach Reporting***

In April 2025, the TPB announced that it had received 53 significant-breach reports under the Code of Professional Conduct (the TPB Code). Of these, 38 were made by registered tax practitioners against another registered tax practitioner, while 15 were self-reported breaches. The primary breaches being reported about other practitioners relate to:

- TPB Code item 1 ([acting honestly and with integrity](#)) is usually breached by unethical practices being undertaken by staff in their practice.
- TPB Code item 7 (ensuring [competent provision of tax agent service](#)) where their personal tax obligations may not be up to date.

The TPB highlighted that breach reporting is designed to identify and manage non-compliance risks, improve practitioner conduct, protect consumers, and increase community confidence in the system. Practitioners must report only significant breaches based on reasonable grounds and a factual basis, and not based on hearsay or others' opinions. Further details are available in the TPB's [media release](#).

#### ***Former EY Partner and Tax Agent Banned for Tax Evasion***

In May 2025, the TPB announced the termination of former EY Partner Peter Mark White's tax agent registration for misconduct and banned him from registration with TPB for five years.

Mr White's serious and dishonest misconduct involved multiple breaches of the Tax Agent Services Act 2009 and the Code of Professional Conduct. These included devising tax minimisation schemes, personal tax evasion, false statements to the ATO, failing to meet GST liabilities and tax lodgement, and an unpaid tax debt of \$2 million. EY terminated his partnership in August 2022, and the ATO initiated a promoter penalty case against him.

Despite appealing the sanctions, the Tribunal denied the interim stay applications due to the serious nature of the case. Further details are available in the TPB's [media release](#).

### Time to Get Ready to Comply with New Code Obligations from 1 July

In May 2025, the TPB announced that small tax practitioners (with 100 or fewer employees) need to be prepared to comply with the 8 new Code of Professional Conduct (Code) obligations taking effect from 1 July 2025. These obligations were introduced under the [Tax Agent Services \(Code of Professional Conduct\) Determination 2024](#) (Determination).

The new Code obligations have commenced for large tax practitioners (with over 100 employees) from 1 January 2025. These obligations seek to improve transparency and accountability, reinforce public trust, and strengthen both tax system integrity and the regulation of the tax profession. Practitioners are encouraged to review and update their processes to meet the new requirements. Further details are available in the TPB's [media release](#).

## **Treasury**

### Appointments to the Tax Practitioners Board

In March 2025, the Treasury announced the reappointments and appointments of part-time members of the TPB:

- Reappointed Mr Steven Dobson for one year;
- Reappointed Ms Debra Anderson for two years; and
- Appointed Ms Joanna Bird, Ms Amanda Gascoigne and Ms Merran Kelsall AO each for three years.

Further details are available in the Treasury's [media release](#).

## **PricewaterhouseCoopers (PwC Australia)**

### PwC Australia Outlines Further Progress and Next Steps in Governance and Culture Uplift

In May 2025, a year after releasing its One Firm strategy, PwC Australia announced the next phase of its governance and culture transformation. These include appointing Ms Wendy Stops as the fourth independent non-executive to the firm's Governance Board and Ms Debbie Smith as the next Chief Risk and Ethics Officer. The firm also confirmed its commitment to building an enduring culture change.

The [Independent Monitor Webb Henderson's Report](#) further highlighted significant progress on 46 of 47 Commitments to Change actions, reflecting the firm's continued focus on governance and culture change. PwC is also enhancing transparency by publishing externally audited financial statements, a first among Australia's Big 4 firms. Further details are available in the PwC's [media release](#).

## **APESB Submissions, Presentations and Other Activities**

### APESB Submission to the AUASB's Exposure Draft Proposed amendments to ASSA 5000

On 4 May 2025, APESB made a [submission](#) to the AUASB's exposure draft Proposed

amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*.

APESB supported the AUASB's pragmatic approach of referencing the relevant ethical requirements of Part 5 of the International Ethics Standards Board for Accountants (IESBA) Code when approving ASSA 5000, as an interim measure, pending the revisions to APES 110 for Sustainability Assurance.

APESB expressed concerns regarding the commentary on ethics and independence matters in AUASB's ED, some of the substance in the ED, and the timeline for the proposed amendments. In particular, APESB was concerned with the interoperability of ASSA 5000 with APESB's APES 110 and the interaction of the applicable transitional provisions.

### CPA Australia Reporting Centre of Excellence

On 2 May 2025, APESB CEO Mr Channa Wijesinghe delivered a Professional Standards Update at CPA Australia's Reporting Centre of Excellence. The presentation covered the IESBA Code, APESB's engagement with the IESBA, APESB's current project on Sustainability Ethics and Independence Standards, the IESBA's Firm Culture and Governance project and the IESBA's consultation paper on CIVs and Pension Funds. The presentation slides are available on APESB's [website](#).

### CA ANZ Audit Conference 2025

On 21 May 2025, APESB CEO Mr Channa Wijesinghe presented at the CA ANZ Audit Conference 2025 on *Ethics and Independence Updates from the Standard Setters*. Mr Wijesinghe's presentation focused on the new Sustainability Ethics and Independence Standards, covering its scope and characteristics, sustainability assurance engagements for groups and value chain components, related non-assurance services provisions, and using the work of an external expert. The presentation slides are available on APESB's [website](#).

### CA ANZ Accounting Conference 2025

On 22 May 2025, APESB Technical Director Ms Jacinta Hanrahan presented at the CA ANZ Accounting Conference 2025 on *Ethics Update—Recent Key Changes in the Code of Ethics*. The presentation covered the Code of Ethics, the Tax Planning and Technology-related revisions to the Code, and updates on the IESBA's ethical standards for Sustainability Reporting. The presentation slides are available on APESB's [website](#).

## **Recommendation**

That the Board note the update on international and other activities.

## **Materials Presented**

Agenda Item 3(a) IESBA March 2025 Board Meeting highlights

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