AGENDA PAPER

Item Number:	7
Date of Meeting:	11 September 2025
Subject:	Update on proposed revised APESB pronouncements (APES 200 and APES GN 20 series) for Code Conforming Amendments

☐	**Action required**	x	**For discussion**	☐	**For noting**	☐	**For information**

Purpose

To provide an update to the Board on proposed revisions to the following APESB pronouncements:

- APES 205 *Conformity with Accounting Standards* (APES 205);
- APES 210 *Conformity with Auditing and Assurance Standards* (APES 210);
- APES 215 *Forensic Accounting Services* (APES 215);
- APES 220 *Taxation Services* (APES 220);
- APES 225 *Valuation Services* (APES 225);
- APES GN 20 *Scope and Extent of Work for Valuation Services* (APES GN 20);
- APES GN 21 *Valuation Services for Financial Reporting* (APES GN 21); and
- APES 230 *Financial Planning Services* (APES 230).

Background

In June 2025, APESB released the newly compiled APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The Code incorporated the Amending Standard for Tax Planning and Related Services (Tax Planning Amending Standard) issued in January 2025, which became effective from 1 July 2025.

In July 2025, APESB also issued the Amending Standard for Sustainability Assurance and Reporting and Use of External Experts (Sustainability Amending Standard), which is effective from 1 January 2026, with a later implementation date of 1 July 2028 for provisions related to the value chain components.

As a result, APESB considered a need to review APESB's suite of pronouncements for Code conforming amendments to ensure they remain consistent with the latest Code and the new Amending Standards.

Consideration of Issues

Impact of Code Amendments to definitions and other consequential changes

Technical Staff have undertaken a process of reviewing all current provisions in the APES 200 and APES GN 20 series of pronouncements in comparison with the newly Compiled Code, and the Sustainability Amending Standard.

As a result, APESB Technical Staff considered that there is a need to review APESB's suite of pronouncements for Code conforming amendments to ensure they remain consistent with the latest Code incorporating the new Amending Standards.

The proposed revisions to the pronouncements are set out in Agenda Item 7(a) and include:

- Updating cross-references, where relevant, to the latest Code and Amending Standards.
- Aligning definitions with the latest Code and Sustainability Amending Standard, which included "Assurance Engagement", "Auditing and Assurance Standards", "Australian Accounting Standards", "Financial Statements", "Firms", "General Purpose Framework", and "Professional Activity".
- A new definition for "Confidential Information" to APES 230, including a defined term in paragraphs 3.11, 3.14, 3.15 and 3.16 of APES 230. This definition was updated in the Amending Standard Technology-related revisions.
- Revising the name of Part 4B to "Part 4B *Independence for Assurance Engagements Other than Audit Engagements, Review Engagements, and Sustainability Assurance Engagements Addressed in Part 5*" as this was updated in the Sustainability Amending Standard.
- Updating reference to the latest textbook, *Cross on Evidence 14th edition, LexisNexis Butterworths Australia, 2023,* in Footnote 4 of APES 215.
- Addressing minor editorial matters.

Although the Sustainability Amending Standard has introduced new definitions for "Expert" and "Expertise", Technical Staff determined not to include these definitions in APESB's firm and specialist pronouncements to reduce complexity in their application and interpretation by Members.

Matter noted on the APESB's Issues Register.

Technical Staff have also addressed the following matter on APESB's Issues Register:

- Updating reference to the new TPB Information Sheet *TPB (I) 48/2024* in Footnote 2 of APES 220 (APES 220 – APESB Issues Register number 220.1).

Impact of Sustainability Reporting Standards

Australian Sustainability Reporting Standards (comprising AASB S1 and AASB 2) is a new suite of standards for sustainability reporting, promulgated by the AASB. However, these standards are not currently addressed by APES 205 which focuses on members compliance with Accounting Standards. As a result, APESB will need to consider developing a new professional and ethical standard to address the professional obligations associated with reporting sustainability information under this new suite of Sustainability Reporting Standards. Please refer to Agenda Item 11 – Update on Sustainability matters for the relevant project proposal.

General impact of Sustainability reporting and assurance, and the need to take into account ESG considerations when performing professional activities

With mandatory climate-related reporting requirements for Australian Group 1 entities commencing on 1 January 2025, it is becoming crucial for members to increase their awareness and education on how to competently perform professional activities to ensure the reliability and trustworthiness of sustainability information, as well as potential risks and threats arising from ESG reporting and assurance activities.

To maintain professional competency, members must ensure their skills and knowledge are transferable to non-financial reporting and its integration with financial reports. The sustainability information presented for decision making should be transparent, appropriate, and not misleading.

Therefore, the Technical Staff considered that there is a need to assess the impact and associated risks of Sustainability reporting and assurance when members perform various professional activities and its impact on the APES 200 and APES GN 20 Series.

General impact of Technology, including AI, when performing professional activities

A similar consideration is the growing impact of technology, including Artificial Intelligence (AI), on the accounting profession. Members are increasingly adopting AI to perform professional activities, such as reporting, auditing, valuations and forensic services. There is often a focus on the efficiencies and growth it can provide for organisations, as well as the overwhelming transformational benefits, with less attention to the associated risks of using technology.

Technical Staff believe it is important to consider these technological developments, especially the ethical considerations, when applying AI in performing professional activities. This is where the professional code of ethics becomes especially relevant. Core principles such as integrity, objectivity and professional competence require professional accountants to critically assess and verify any information used, including AI-generated data.

Stakeholder engagement

As part of this review of APESB pronouncements, Technical Staff will undertake a broad stakeholder engagement process, including consultation with relevant Taskforces, with the aim of identifying associated risks arising from professional activities involving Sustainability and Technology. The matters identified and their impact on the respective pronouncements will be reported to the Board as part of the project updates.

Way forward

The proposed way forward for this project is for Technical Staff to:

- undertake broad stakeholder engagement, including consulting with professional bodies and the relevant Taskforces, and seek stakeholder feedback on the impact of the Sustainability, Technology and other developments on the APESB pronouncements; and
- provide an update to the Board on the progress on APESB's Code Conforming Amendments project at the December 2025 meeting.

Staff Recommendation

The Board note the update on proposed revised APESB pronouncements (APES 200 and APES GN 20 series) for the Code Conforming Amendments.

Material Presented

Agenda Item 7 (a)	Analysis and review of APESB pronouncements (APES 200 and APES GN 20 series)
Authors:	Jacinta Hanrahan Ann Chang
Date:	22 August 2025