

## AGENDA PAPER

**Item Number:** 12  
**Date of Meeting:** 16 November 2012  
**Subject:** International and other activities

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**Action Required**                       **For Information Only**

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### Purpose:

To provide a quarterly update to the Board on:

- IESBA meetings, Exposure Drafts and other publications;
- International Developments;
- APESB Submissions; and
- APESB Presentations.

### IESBA

The IESBA held a Board meeting on 15 October 2012.

The following key agenda items were considered:

- Approval of the breach of a Provision of the Code ED; and
- Update on significant comments received on the ED of the proposed change to the definition of the term “engagement team” in the IESBA *Code of Ethics for Professional Accountants* (Code).

APESB Chairman Kate Spargo attended this meeting in her capacity as a Board member of the IESBA. The covering agenda papers from the IESBA meeting are provided for the Board’s information (Refer to attachment 13(a) and 13 (b)).

The IESBA Technical Staff released additional questions and answers (Q&As) to support the adoption and implementation of the IESBA’s *Code of Ethics for Professional Accountants* (the Code) on 7 November 2012. The new Q&As cover issues related to materiality, partner rotation, public interest entities, and network firms, among several other topic areas.

The new publication builds on a previous set of Q&As released in 2010 that includes support on the application of the conceptual framework approach, taxation services, related entities, and the definition of *key audit partner*, among a number of other topics. Refer to attachment 13(c).

## **International Developments**

The International Federation of Accountants (IFAC) and the International Valuation Standards Council (IVSC) renewed their Memorandum of Understanding (MoU) on 24 October 2012.

The MoU creates a cooperation process to enable valuers and auditors to obtain a better mutual understanding of standards relevant to financial statements, and will help both organisations pursue their objective of maintaining confidence in business reporting in both the public and private sectors. Actions under the MoU are also designed to promote the credibility and acceptability of valuations prepared in accordance with the International Valuation Standards. The MoU also acknowledges the ongoing working relationships between the IVSC, IFAC, and the IAASB, which is supported by IFAC. The MoU also anticipates closer working relationships between IVSC and other IFAC groups.

## **International Exposure Drafts**

The Professional Accountants in Business (PAIB) issued an exposure draft on *Professional Accountants in Business Strategy and Work Plan for 2013-2016* that had a closing comment period on 31 January 2013.

The proposed strategy and initiatives aim to improve recognition of the diverse roles professional accountants in business perform and how they need to be positioned to drive successful and sustainable organisations. As professional accountants in business make up more than half of all accountants in the world, they have the collective power to significantly influence their organizations in implementing effective governance and an ethical culture supported by integrated risk management and internal control, sustainable leadership, and effective reporting and performance management (Refer to attachment 13(d)).

## **APESB Submissions**

IESBA issued an exposure draft *Proposed Change to Code of Ethics Definition of "Those Charge with Governance"* that had a closing comment period of 31 October 2012.

APESB prepared a submission for IESBA's consideration (refer to attachment 13(e)).

## **APESB Presentations**

Channa Wijesinghe and Rob Nickel presented on APESB Standards to the following delegations from China during September to November 2012:

- 2012 IPA Accounting Executive Program for Shanghai Institute of Certified Public Accountants Talent Accountants Delegation;
- Chinese Certified Tax Agents Association delegation organised by IPA;
- Chinese Institute of Certified Public Accountants delegation organised by CPA Australia.

The presentation made to the CICPA delegation at CPA Australia is provided for the Board's information (refer attachment 13(f)).

**Material Presented**

- Attachment 13 (a) IESBA Agenda Paper – Breach of a Provision of the Code;
- Attachment 13 (b) IESBA Agenda Paper – Definition of Engagement Team;
- Attachment 13 (c) IESBA Staff Q&A on the Code Part II;
- Attachment 13 (d) Proposed PAIB Strategy and Work Plan for 2013-2016
- Attachment 13 (e) APESB Submission to IESBA on *Proposed Change to Code of Ethics Definition of “Those Charge with Governance”*; and
- Attachment 13 (f) APESB presentation at CPA Australia to a delegation from the Chinese Institute of Certified Public Accountants.

**Recommendation:**

That the report on International and other activities be noted.

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**Date:** 8 November 2012