

AGENDA PAPER

Item Number: 4
Date of Meeting: 31 May 2023
Subject: Proposed Revised APES 110 Prohibitions Document

Action required For discussion For noting For information

Purpose

To obtain, subject to Board's review comments and editorials, the Board's approval to issue a revised *APES 110 Code Prohibitions applicable to Auditors for all Audit and Review Engagements 2023* (APES 110 Prohibitions Document 2023).

Background

In 2012, the International Ethics Standards Board for Accountants (IESBA) published a list of prohibited services and relationships for Public Interest Entity (PIEs) audit clients. APESB Technical Staff liaised with the IESBA Technical Staff during October/November 2019 regarding updating this publication for the restructured Code. As a result, the IESBA issued a revised [Summary of Prohibitions Applicable to Audits of Public Interest Entities in November 2019](#).

In November 2019, APESB issued *APES 110 – Prohibited Non-assurance Services, Interests and Relationships for Auditors of Public Interest Entities – November 2019* to capture Australian specific prohibitions and raise awareness of prohibitions in Australia.

APESB subsequently enhanced this guidance in August 2020 [APES 110 Code Prohibitions applicable to Auditors for all Audit and Review Engagements – August 2020](#). The revised guidance highlights which prohibitions are the same for PIE and non-PIE audit clients and illustrates which prohibitions differ for non-PIE audit clients, summarising prohibitions for all audit clients.

Technical Staff presented the Board with a Draft *APES 110 Prohibitions applicable to Auditors for all Audit and Review Engagements 2021* at the March 2021 Board meeting ([Agenda Item 10\(a\)](#)) (Draft APES 110 Prohibitions Document 2021). This version of the guidance document was for discussion purposes only and has not been issued by APESB.

Key Considerations

Since the APES 110 Prohibitions Document 2020 was published, the following amending standards to APES 110 have been issued:

- *Amendments to Part 4B of APES 110* (issued September 2020, effective 1 July 2021);

- *Amendments to APES 110 to Promote the Role and Mindset Expected of Professional Accountants* (issued March 2021, effective 1 January 2022);
- *Amendments to APES 110 Addressing the Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers* (issued February 2022, effective 1 January 2023);
- *Amendments to the Fee-related provisions of APES 110* (issued July 2022, effective 1 January 2023) (Fee Revisions);
- *Quality Management-related Conforming Amendments to APES 110* (issued November 2022, effective 1 January 2023); and
- *Amendments to the Non-Assurance Services provisions of APES 110* (issued December 2022, effective 1 July 2023) (NAS Revisions).

A Compiled APES 110 as at December 2022 incorporating all the above amending standards was approved at the February 2023 Board meeting and issued in May 2023.

Technical Staff have reviewed and updated APESB's prohibitions document based on the provisions of the Compiled APES 110 as at December 2022 and particularly to incorporate changes resulting from the Fees and NAS Revisions.

Accordingly, a draft APES 110 Prohibitions Document 2023 is attached at Agenda Item 4(a) with marked-up changes from the Draft APES 110 Prohibitions Document 2021 presented at the March 2021 Board meeting.

Staff Recommendations

That the Board approve, subject to Board's review comments and editorials, the revised *APES 110 Code Prohibitions applicable to Auditors for all Audit and Review Engagements 2023*.

Materials Presented

Agenda Item 4(a) APES 110 Prohibitions Document 2023 Draft (marked-up)

Author: Jon Reid

Date: 12 May 2023