

Meeting Highlights

5 MARCH 2024

1. Register of Interests

The Board noted Agenda Item 2 *Register of Interests*.

2. Issues Register

The Board noted Agenda Item 3 *Issues Register*.

The Board considered and discussed the Issues Register for 2024. The Board noted the addition of matters for APES 110 relating to editorial amendments, the request for a requirement on the reporting of breaches of unethical behaviours, and the need to review APESB's suite of pronouncements for Code conforming amendments.

New matters were also included for APES 220 *Taxation Services* to consider the potential impacts of the IESBA's new tax planning pronouncement and for APES 310 *Client Monies* as to whether a limited assurance engagement is an appropriate safeguard for co-signed client banking transactions.

3. International and other activities

The Board noted Agenda Item 4 *International and other activities*.

The Board discussed the decision by the International Ethics Standards Board for Accountants (IESBA) to undertake a workstream on firm culture and governance. The Board congratulated APESB's CEO, Channa Wijesinghe, on his appointment as Chair of this working group.

The Board noted that the focus of the PCAOB inspection program for 2024 will include interviewing firm personnel and evaluating other documentation to enhance the understanding of how audit firm culture may affect audit quality.

4. Update on Sustainability

The Board noted Agenda Item 5 *Update on Sustainability*.

The Board considered the update on sustainability and discussed the developments occurring at both the international and local levels.

Meeting Highlights

5 MARCH 2024

The Board encouraged stakeholders to register for the upcoming APESB roundtable on 26 March 2024, which will focus on the IESBA's Exposure Drafts for *International Ethics Standards for Sustainability Assurance* and *Using the Work of an External Expert*.

5. Proposed project on APES 110 and reporting breaches

The Board noted Agenda Item 6 *Proposed project on APES 110 and reporting breaches*.

The Board considered the project proposal on APES 110, which requires members of a professional accounting body to report the unethical behaviour of other members to the applicable professional body. The Board raised the need for careful consideration of this request due to the potential consequences of whistleblowing without legislative protections.

The Board decided to undertake preliminary research on instances where other organisations or jurisdictions have such a whistleblowing provision and whether there are protections in place for the whistleblower. The Board agreed to reconsider the project proposal in conjunction with the research's outcomes at the June 2024 Board Meeting.

6. Proposed revisions to APES 110 for Tax Planning Services

The Board noted Agenda Item 7 *Proposed revisions to APES 110 for Tax Planning Services*.

The Board noted that the IESBA has approved the revisions to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) regarding the provision of tax planning activities by professional accountants. These revisions are subject to certification by the Public Interest Oversight Board (PIOB), with the final pronouncement expected to be issued by mid-April 2024.

The Board will consider a proposed exposure draft for amendments to APES 110 for tax-planning services at the June 2024 Board Meeting, and a proposed exposure draft for APES 220 *Taxation Services* will be considered at a future board meeting in 2024.

Meeting Highlights

5 MARCH 2024

7. Update on Financial Planning

The Board noted Agenda Item 8 *Update on APES 230 Financial Planning Services*.

The board noted the developments in the financial planning industry and agreed that no changes are required to APES 230 *Financial Planning Services* at this point in time.

8. Update on AI and Digital Technology project

The Board noted Agenda Item 9 *Update on AI and Digital Technology project*.

The Board approved the closure of the APESB's Technology project and also approved adding a matter to the APESB's issues register to continue monitoring developments relating to AI and Digital Technology from an ethical perspective.

9. Update on Parliament Inquiries relating to the accounting profession

The Board noted Agenda Item 10 *Update on Parliament Inquiries relating to the accounting profession*.

The Board agreed to include APESB's opening statement made on 1 March 2024 at a public hearing of the Parliamentary Joint Committee on Corporations and Financial Services inquiry into *Ethics and Professional Accountability: Structural challenges in the Audit, Assurance and Consultancy Industry* as agenda paper 10 (c) and to update the published papers for this Board Meeting on the APESB website for this inclusion.

The CEO acknowledged the support of the IESBA Chair, Ms Gabriela Figueiredo Dias, and the IESBA's Program and Senior Director, Mr Ken Siong, for their assistance in preparing the diagram on the three-tier global standard-setting system. The diagram was included as an attachment to the opening statements made by APESB at public hearings of Parliament Inquiries on 23 February and 1 March 2024.

The Chair reiterated the Board's view that the current co-regulatory arrangements, in particular with regard to monitoring and enforcement, are not working for the big four firms.