



2 August 2020

Mr Channa Wijesinghe  
Chief Executive Officer  
Accounting Professional & Ethical Standards Board  
Level 11, 99 William Street  
MELBOURNE VIC 3000

Dear Channa,

**Submission on APESB ED 01/20 - Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)**

On behalf of the Office of the Australian Auditing and Assurance Standards Board (AUASB) I am pleased to comment on the APESB's Proposed Amendments to Part 4B of APES 110 Code of Ethics for Professional Accountants (including Independence Standards). In particular, the AUASB suggests that the APESB make a small amendment to the definition of 'Assurance Engagement' currently included in Part 4B of the Code.

Overall the Office of the AUASB supports the APESB's revisions to Part 4B of APES 110 Code of Ethics for Professional Accountants, to align the APESB's Code with changes made by the International Ethics Standards Board for Accountants (IESBA) to the International Code of Ethics for Professional Accountants (including International Independence Standards). We also support the APESB's proposal to apply the extant definition of 'Assurance Engagement' from the APESB Code, as opposed to adopting IESBA's definition.

However, the APESB's current definition of 'Assurance Engagement' does not contain any reference for the subject matter in an assurance engagement to be measured against specified criteria. Adding this reference would specifically align the Assurance Engagement definition in Part 4B of the Code in Paragraph 12(a) of Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Accordingly, we would propose the APESB applies the following Assurance Engagement Definition in the revisions to Part 4B of the Code (with the difference to the current APESB definition highlighted in *italics*):

An engagement in which a Member in Public Practice aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (*that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria*).

This includes an engagement in accordance with the Framework for Assurance Engagements issued by the AUASB or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.

(For guidance on Assurance Engagements, see the Framework for Assurance Engagements issued by the AUASB. The Framework for Assurance Engagements describes the elements and objectives of an Assurance Engagement and identifies

engagements to which Australian Auditing Standards (ASAs), Standards on Review Engagements (ASREs) and Standards on Assurance Engagements (ASAEs) apply.)

In Part 4B, the term “Assurance Engagement” addresses Assurance Engagements other than Audit Engagements or Review Engagements.

Should you have any queries regarding this submission, please contact the AUASB Technical Director, Matthew Zappulla at [mzappulla@auasb.gov.au](mailto:mzappulla@auasb.gov.au).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'R. Simnett'.

Professor Roger Simnett AO  
Chair