

5 August 2024

Ms Vanessa Chapman
Group Executive, General Counsel and Corporate Assurance
Chartered Accountants Australia and New Zealand (CA ANZ)
33 Erskine St,
SYDNEY NSW 2000

By email: [REDACTED]

Dear Vanessa,

RE: Requirement for a Member to report wrongdoing of other members

I am writing to inform you of the outcome of the Board's recent deliberations concerning CA ANZ's request that APESB consider introducing a requirement in the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* for Australian members to report wrongdoing committed by other members to the relevant professional body.

The APESB acknowledges the critical importance of Members upholding professional and ethical requirements to ensure the good standing of the profession and to uphold the public interest. However, the Board is concerned about the potential unintended consequences on Members if mandatory reporting is implemented without adequate legislative protections for whistleblowing.

Our research to date, which was discussed at [Agenda Item 8](#) of the APESB Board Meeting held on 26 June 2024, has noted that requirements on mandatorily reporting on the behaviour of other members are generally included in the professional bodies by-laws (for example, ICAEW and CIMA). We did not identify any jurisdiction that has included a whistleblowing requirement as part of its professional standards in the absence of legislative backing.

The research also noted the inadequacy of whistleblowing protections in Australia. As partnerships are not covered by the whistleblowing protections under the *Corporations Act 2001*, not all members of a professional accounting body in Australia would be legally protected if required to make a disclosure about the conduct of other members.

The Board notes that parliamentary inquiries are in progress, considering the adequacy of the current whistleblowing provisions in Australia. Based on the matters raised during the inquiries, it is possible that reforms to enhance the current protections may be recommended.

Accordingly, at this stage, APESB has determined to defer further consideration of this request until the outcomes of the relevant parliamentary inquiries are known.

Thank you for raising this matter with us and actively contributing to the development of professional standards.

If you wish to discuss this matter further, please get in touch with me on [REDACTED] or APESB's CEO, Mr Channa Wijesinghe, on [REDACTED] or at [REDACTED].

Yours sincerely



Nancy Milne OAM
Chairman