

**Constituents' Submissions – General Comments**  
**Exposure Draft 04/11: APES GN40 Ethical Conflicts In The Workplace – Considerations for Members in Business**

**Note: Specific comments relating to APES GN40 are addressed in separate tables. This table excludes minor editorial changes.**

Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
1	n/a	ACCA	<p>The Association of Chartered Certified Accountants (ACCA) welcomes the opportunity to comment on this exposure draft, and we note the acknowledgement of ACCA's contribution on page 32. ACCA is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.</p> <p>We support our 147,000 members and 424,000 students throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.</p> <p>The guidance assumes that a member in business is necessarily an employee. In fact, a professional accountant may be a proprietor of a business which is not an accountancy practice. By way of illustration, we would refer to paragraphs 1.3, 5.2(d), 9.1, 12.6 and 12.8.</p>
2	n/a	ACCA	<p>ACCA is very supportive of the objectives of the APESB in working to publish GN 40. However, in our opinion, the document requires a significant amount of further work. We have taken great care to provide relevant comments in respect of each case study above, and it is hoped that this will enhance the quality of the Guidance Note finally issued.</p> <p>Should you require any further information or opinion on this matter, please contact Ian Waters, Regulation and Standards Manager (tel: 020 7059 5992, email: <a href="mailto:ian.waters@accaglobal.com">ian.waters@accaglobal.com</a>), in the first instance. We should be very happy to provide comment on a further draft of the Guidance Note should the APESB require it.</p>
2	n/a	PS	<p>Thank you for the opportunity to comment on the Exposure Draft 04/11 which provides Members in Business guidance on the application of APES 110. As a medical practitioner in a group practice, I am interested to read and comment on the case study entitled <i>Deceitful Doctor</i>.</p> <p>Case studies are an important educational tool. However, their usefulness is greatly diminished if the material contained in the case study is factually incorrect and/or implausible. My specific comments are as follows: <i>(comments included in specific comments table)</i></p>

Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
3	n/a	DU	<p>Thank you for the opportunity to comment on Exposure Draft 04/11, in relation to the Proposed Guidance Note GN40: Ethical conflicts on the workplace – considerations for members in business</p> <p>Overall, I support the proposed standard, and agree that members should always act in ways consistent with the principles espoused in GN40. However, there are some matters in GN40 in which I offer the following critical comments.</p>
4	n/a	JAB	<p>Thank you for the opportunity to comment on the Exposure Draft of the APES GN 40 Ethical Conflicts in the Workplace - Considerations for Members in Business. CPA Australia, the Institute of Chartered Accountants in Australia and the Institute of Public Accountants (the Joint Accounting Bodies) have considered the exposure draft and our comments follow. The Joint Accounting Bodies represent over 190,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.</p> <p>The Joint Accounting Bodies support the issue of the proposed guidance note that supersedes GN1 Members in Business Guidance Statement.</p> <p><b>General Comments</b></p> <p>The Joint Accounting Bodies consider APES GN 40 Ethical Conflicts in the Workplace – Considerations for Members in Business as important guidance for Members who are employed in a diverse range of organisations and in a variety of roles.</p> <p>We note that paragraph 3.3 introduces the concept of Professional Services, and paragraphs 3.4 and 3.5 discuss those parts of APES 110 with which a Member in Business who provides Professional Services is required to comply. The Joint Accounting Bodies consider that there is no reason to restrict the guidance in GN 40 to those members who are providing Professional Services. Members in Business, as defined, may work in a wide variety of roles, some of which will not technically fall within the definition of Professional Services. All such members will be subject to the provisions of APES 110, in particular Part C, and we consider that the guidance note should therefore be drafted to address all Members in Business.</p>
5	n/a	G100	<p>The Group of 100 (G100) which is an organization of chief financial officers from Australia's largest business enterprises with the purpose of advancing Australia's financial competitiveness, is pleased to comment on proposed Guidance Note APES GN 40 and appreciates the extension to enable us to finalise the submission.</p> <p>The G100 considers that the proposed guidance is likely to provide a framework for members in business who are confronted by potential conflicts. While supporting the overall approach in APES GN 40, editorial comments on the document are outlined below:</p>

Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
6	n/a	TLS	<p>Thank you for the opportunity to comment on the Exposure Draft 04/11.</p> <p>As stated in the Exposure Draft the Accounting Professional &amp; Ethical Standards Board Limited (APESB) proposes to issue the Guidance Note APES GN 40 <i>Ethical Conflicts in the workplace - Considerations for Members in Business</i> to provide Members in Business with guidance on the application of APES 110. This is highly commendable given that many Members in Business are in positions of power and are able to influence the ethical culture and behaviour of organizations</p> <p>Unfortunately, APES GN 40 fails to emphasise this through the case studies provided. Although the cases studies include Members in Business who are managers and CFOs the subject matter of the case studies relates to issues that appear rather simplistic and not generally reflective of real life situations where there are policies and procedures in place to deal with the issues raised in the case studies. This may result from the case studies being based on material written some time ago and prior to the GFC. The GFC focused attention of ethical behaviour and in particular conflicts of interest. However, there are no case studies which highlight these issues.</p>
7	n/a	TLS	<p>As Members in Business include those in the public sector, academia, the not for profit sector as well as regulatory bodies, it is surprising that all the case studies relate to the business or commerce and industry sector. There are no case studies involving the public sector or not for profit which, I assume would comprises a large number of Members in Business. Perhaps some examples from the publication <i>Ethics and You: A Guide to the CIPFA Standard of Professional Practice on Ethics</i> published by The Chartered Institute of Public Finance and Accountancy could be included, or at least a reference to this document<sup>1</sup>.</p> <p>Other issues in relation to APES GN 40 are addressed in Appendix A.</p>

*Staff Instructions:*

- Comments of a “general” nature should be dealt with first, followed by paragraph specific comments.
- Respondents' comments must be copied verbatim into this table.
- Comments should be dealt with in paragraph order, not respondent order.
- Use acronyms only for respondents. Update the attached table with details of additional respondents.

**RESPONDENTS**

1	ACCA	Association of Chartered Certified Accountants
2	PS	Dr Peter Sexton
3	DU	Deakin University
4	JAB	Joint Accounting Bodies
5	G100	Group of 100 Inc
6	TLS	Tiina-Liisa Sexton