

**ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED**  
**MINUTES OF THE 1<sup>st</sup> MEETING OF THE APES GN 20 OUTSOURCING TASKFORCE**

**5<sup>th</sup> August 2008 from 3.30 PM – 4.30 PM**

**Teleconference**

**1. Present and Apologies**

Present:

Mr. Channa Wijesinghe (Chairperson), Mr. Bruce Coombes, Mr. Paul Meredith, Mr. Harry Rosenberg, Ms. Tiina Liisa Sexton, Ms. Vicki Stylianou

Apologies

Mr. Siva Navaratnam

**2. Welcome and purpose of taskforce**

Mr Channa Wijesinghe welcomed the taskforce members and provided an overview of the taskforce process, purpose of the taskforce and the Discussion Paper “*Issues Impacting the Accounting Industry from Outsourcing*” (Discussion Paper) written by Mr. Bruce Coombes. Channa also explained the Standard Taskforce Terms of Reference which was distributed to the taskforce members prior to the meeting.

**3. Discussion on the need for an Outsourcing pronouncement**

Taskforce members discussed the need and form of a pronouncement to address the key principles that a member should consider when selecting an outsource service provider. The consensus view of the taskforce was that the development of a guidance note may be more appropriate than the development of a professional standard.

**4. Outsourcing Discussion Paper**

Mr. Bruce Coombes addressed the Discussion Paper he authored on issues impacting the accounting industry from outsourcing. In particular, an overview was provided to taskforce members on matters including:

- A definition of outsourcing;
- Sources consulted in the development of the discussion paper;
- Key principles that may be relevant to the project including: due diligence and the need for proper documentation of the terms of engagement with the outsource service provider, quality control, skills and competence, contingency arrangements, privacy and data security, terms of engagement, and principles to consider when selecting a provider.

#### **4. Way forward**

It was agreed that APESB technical staff would prepare a first draft guidance note and circulate it for discussion prior to the next taskforce meeting.

#### **5. Close of meeting**

The next meeting of the taskforce will be convened at a date to be determined.