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### Ethical issues in business made easier with revised guidelines

The Accounting Professional and Ethical Standards Board (APESB) today issued an exposure draft on proposed guidelines to assist professional accountants in business address a range of ethical issues, including potential conflicts arising from responsibilities to employers, preparation and reporting of information, financial interests and whistleblowing.

The proposed guidance note, APES GN 40 *Ethical Conflicts in the workplace – Considerations for Members in Business* provides guidance on the application of fundamental principles contained in APES 110: *Code of Ethics for Professional Accountants* (the Code).

APES GN 40 also gives real-life examples of commercial situations members in business may encounter which require the application of ethical principles. The proposed guidance note will supersede GN1 *Members in Business Guidance Statement* in due course.

APESB Chair Kate Spargo said: “The proposed guidelines will be a valuable reference point for members in business, particularly CFOs and those in the commercial and public sectors.

“We have brought together seventeen case studies which provide examples of the types of issues faced and how the conceptual framework in the Code can provide a sound basis for the ethical decision making approach that may help resolve ethical conflicts and dilemmas,” she said.

The case studies illustrate issues including potential conflicts, financial interests, inducements and whistleblowing through topics such as: inappropriate expense claims, preparation and reporting of information, inappropriate capitalisation of research and development costs, satisfying bank’s lending criteria, earnings mismanagement, non-disclosure to auditors and corrupt business practices.

“The strong ethical framework provided by the Code will be supplemented by the proposed APES GN 40 and will assist members in considering ethical perspectives of their business decisions,” said Ms Spargo.

APES GN 40 also includes a new section that provides guidance for members in business regarding their professional obligations in relation to whistleblowing. Members who are in such a situation are strongly advised to consult whistleblower laws to establish the level of protection offered to them and the process they must follow to obtain that protection.

Comments are invited on this exposure draft by 16 December 2011. Details of how to provide feedback are available on the APESB website [www.apesb.org.au](http://www.apesb.org.au)

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**Notes to Editors:** The APESB is an independent body that sets the code of ethics and professional standards by which members of Australia’s three professional accounting bodies are required to abide.

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