

AGENDA PAPER

Item Number: 13

Date of Meeting: 31 May 2016

Subject: Proposed guidance note APES GN 41 *Management Representations* (APES GN 41)

☒ Action required	☐ For discussion	☐ For noting	☐ For information
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Purpose

To provide the Board with:

- an evaluation of the respondents' comments to APES GN 41 Exposure Draft and proposed recommendations to address these key issues; and
- obtain the Board's approval to issue the proposed APES GN 41 and the accompanying Basis for Conclusions.

Background

At the 26 August 2014 Board Meeting, Accounting Professional and Ethical Standards Board's (APESB) Board considered an Agenda Paper that provided an update on the development of APES GN 41 and considered a Technical Staff Briefing Paper that identified potential matters to be addressed in the proposed APES GN 41 (i.e. guidance on the principles that a Chief Financial Officer (CFO) and/or senior finance personnel should consider when signing off Management Representations). The Board discussed the proposed format and content of APES GN 41 and agreed that the project should instead focus on the principles, values and attributes of the Management Representation process undertaken by the CFOs and/or senior finance personnel. The Board also directed Technical Staff to develop a 'straw man' based on the key matters noted by the Board, for the taskforce's consideration.

Subsequently at the 28 January 2015 Board Meeting, the Board noted an [Agenda Paper](#) that provided the status of the refocused project and considered a [Technical Staff Briefing Paper](#) that specified the professional obligations of a Member in Business who may be employed at various levels of an organisation. The Board determined to develop guidance on Management Representations for Members in Business. The Board also requested that taskforce and Technical Staff consult with stakeholders (i.e. particularly CFOs and/or senior financial personnel of large and small listed entities), to assess the usefulness of the proposed APES GN 41 in practice.

The taskforce met 6 times from 6 August 2014 till 15 October 2015, to discuss the development of the APES GN 41 Exposure Draft (APES GN 41 ED). At the 11 November 2015 Board Meeting, the Board approved the issuance of APES GN 41 ED for a 90-day comment period. Thereafter, Technical Staff circulated the APES GN 41 ED to the various Members in the business committees of the Professional Bodies and sought feedback.

Consideration of Issues

The comment period closed on 29 February 2016 and APESB received eight submissions from accounting Firms, Professional Bodies and a Professional Body Member. Technical Staff prepared an analysis of the respondents' comments on APES GN 41 ED.

Technical Staff have prepared a Technical Staff Paper (refer to Agenda Item 13(a)) that summarises respondents' key issues and comments, technical analysis and proposed recommendation to address these key issues. The respondents' comments have been tabulated as either general comments (refer to Agenda Item 13(e)) or specific comments (refer to Agenda Item 13(f)).

A taskforce meeting was held on 13 April 2016 (refer to draft minutes in Agenda Item 13(g)) to consider the key matters outlined in the Technical Staff Paper.

Subsequent to this taskforce meeting, Technical Staff incorporated the taskforce's proposed amendments and circulated the updated proposed APES GN 41 for the taskforce's review comments.

The final version of the proposed APES GN 41 (refer to Agenda Item 13(c)) and the Basis for Conclusions (refer to Agenda Item 13(d)) are now tabled for the Board's consideration.

Staff Recommendations

Subject to the Board's review comments and editorials, the Board approve the issue of the proposed APES GN 41 and the accompanying Basis for Conclusions for the proposed APES GN 41.

Material Presented

Agenda Item 13 (a)	Technical Staff Paper on APES GN 41 Exposure Draft;
Agenda Item 13 (b)	Proposed APES GN 41 (marked-up);
Agenda Item 13 (c)	Proposed APES GN 41 (clean);
Agenda Item 13 (d)	APES GN 41 Basis for Conclusions;
Agenda Item 13 (e)	APES GN 41 General Comments Table;
Agenda Item 13 (f)	APES GN 41 Specific Comments Table; and
Agenda Item 13 (g)	Draft minutes of 7 th APES GN 41 taskforce meeting held on 13 April 2016.

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Date: 19 May 2016