

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

MINUTES OF THE 5th MEETING OF THE APES 325 RISK MANAGEMENT TASKFORCE

11 October 2010 from 3.00 PM – 4.30 PM

Teleconference

1. Present and Apologies

Present:

Mr. Channa Wijesinghe (Chairperson), Mr. Paul Carter, Mr. Gerard Meade, Dr. Gary Pflugrath, Mr. Jean-Marc Imbert, Ms. Catherine Kennedy, and Ms. Maguy Nakhil.

In Attendance:

Mr. Bob Sendt (Board Member), and Ms Si-Jia Li.

Apologies:

Mr. Mark Wilson and Mr Reece Agland

2. Minutes of previous meeting

The minutes of the Risk Management Taskforce meeting held by teleconference on 27 July 2010 were accepted without amendment.

3. Discussion on Exposure Draft ED 0X-10 APES 325 Risk Management (Draft Version 1D, 30 September 2010)

The Taskforce considered Exposure Draft ED 0X-10 APES 325 *Risk Management* (Draft Version 1D, 30 September 2010). The following issues were raised:

- Reference to CPA RMS 1 and ICAA N3 to be included in the Reasons for Issuing the ED.
- Propose to delete paragraph 4.1 and to move the existing paragraph 4.2 to Scope and Application. Additional guidance will be added to the Scope and Application to clarify that the requirements of the proposed APES 325 need to be tailored depending on the circumstances of the Firm. Propose to split the existing paragraph 5.1 (now 4.1) into a mandatory requirement to create the risk management framework and move the key elements to a new guidance paragraph.
- The taskforce discussed paragraph 6.3 and its intended scope and determined to retain the existing wording.
- The taskforce agreed that paragraph 8.5 (now 7.5) should include 'Identification of Actual Risk'
- The taskforce agreed that the proposed APES 325 should specify that the Risk Management Framework should be subject to a periodic review. Insert the word 'periodic' in 7.1(a) (Now 6.1 (a)) before 'evaluation of the Firm's...'
- Technical Staff to review and redraft a revised version of the ED for the consideration of the Taskforce.

4. Way forward

APESB technical staff will revise and circulate a revised ED addressing the comments raised by Taskforce members prior to the next Board Meeting in November 2010.

5. Close of meeting

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