

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED
MINUTES OF THE 3rd MEETING OF THE APES GN 40 MEMBERS IN BUSINESS TASKFORCE
22 October 2010 from 3.30–4.30 PM
Teleconference

1. Present and Apologies

Present:

Mr. Channa Wijesinghe (Chairman), Ms. Karen McWilliams, Mr. Paul Meredith

In Attendance:

Mr. Peter Day (Board Member) and Ms Si-Jia Li

Apologies:

Mr. Jeff O'Connell, Mr. John Purcell, Ms. Jo-Ann Long

2. Minutes of previous meeting

The minutes of the 2nd Members in Business taskforce meeting held by teleconference on 25 June 2010 were accepted without amendment.

3. Update on APESB developments

The Chairman welcomed taskforce members and provided introductory comments in relation to the ED on the revised APES 110 *The Code of Ethics for Professional Accountants* (the Code). No major issues were identified from submissions received on the ED that will impact on Members in Business and Section 300 (which relate to Members in Business) was generally supported by respondents.

4. Members in Business Communication List

Mr. Peter Day made the suggestion to develop a 'Members in Business Target' list with whom APESB could communicate regularly in respect of issues that concern Members in Business.

5. Draft of proposed APES GN 40

The Chairman updated the Taskforce regarding changes made to previous draft of APES GN 40. These include the development of additional case studies and inclusion of paragraph addressing 'Whistleblowers'.

Issues raised by Taskforce:

- Layout is similar to a Standard which may lead a Member in Business to believe that APES GN 40 is a Standard and generally a Member in Business's knowledge of and use of the Code may be low.
 - Issue: Taskforce members considered the layout of APES GN 40, noting the similarity in style of the guidance note with an APES Standard. Taskforce members also considered

whether Members in Business would generally refer to APES 110, as it is more likely that when this pronouncement is issued that they will read APES GN 40 for guidance. Another concern raised by the taskforce was that Members in Business might not be aware of the requirements of the Code that apply to them.

- Solution: Technical Staff will review the layout for APES GN 40 and include a brief overview of Part C of APES 110 in the proposed APES GN 40.

Action Item 1

- *Whistleblowing Protection Act 2001* is a state specified legislation.
 - Issue: The reference to *Whistleblowers Protection Act 2001* is a Victorian State Legislation in the current draft of APES GN 40.
 - Solution: Rewording the draft to be more generic and capture all relevant state based acts.

Action Item 2

- Organisational Internal Whistleblower policies.
 - Issue: Current draft does not refer to an organisation's internal policies on whistleblowing.
 - Solution: insert a new paragraph 12.3 and refer Members to their organisation's internal policies regarding whistleblowing before seeking external whistleblowing advice.

Action Item 3

- Order of sub paragraphs in paragraph 3 *Fundamental responsibilities* of Members in Business.
 - Issue: Order of sub paragraphs under paragraph 3 *Fundamental responsibilities* of Members in Business could be reshuffled to increase readability and flow
 - Solution: Rearrange the current sub paragraph in the following order: 3.2, 3.3, 3.5, 3.1, and 3.4.

Action Item 4

- Case Study Layout
 - Issue: Current case studies point the reader to the principles before asking the necessary questions relating to the ethical considerations.
 - Solution: The taskforce suggested technical staff adopt a step by step decision tree or flow chart at the beginning of the case studies section to provide guidance to readers on how to navigate the case studies.

Action Item 5

- Consideration of Case Study solutions
 - Issue: Should the case studies provide solutions to the current case study scenarios
 - Solution: Taskforce members consensus view was that it would be too prescriptive to provide solutions and that the better approach is not to provide solutions.
- Case Study copyright issues
 - Issue: Some of the case studies are taken from documents of overseas accounting bodies. Would we have any copyright issues with using these case studies?
 - Solution: APESB Technical Staff will review the final form of the case studies, and if required communicate with the relevant bodies to obtain permission.

Action Item 6

- Location of case studies in the pronouncement
 - Issue: Should case study be located in an Appendix given that it is the focal point of APES GN40?
 - Solution: The case studies will be relocated to the body of the proposed pronouncement.

Action Item 7

6. Way forward

It was agreed that APESB technical staff will provide an update to the Board at the November 2010 Board meeting and request preliminary feedback from the Board.

7. Close of meeting

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

8. Action List

Item 1: Insert a brief overview of APES 110 Part C: Members in Business.

Item 2: Reword whistleblower protection related legislation to capture all the states.

Item 3: Insert a new paragraph 12.3 to refer Members to their organisation's internal policies regarding whistleblowing before seeking external whistleblowing advice.

Item 4: Rearrange paragraph 3 as discussed above.

Item 5: Draw up decision tree/ flow chart at the beginning of the case studies.

Item 6: APESB Technical Staff to liaise with overseas bodies in respect of copyright issues.

Item 7: Relocate Case Studies to the body of the proposed pronouncement.