

## AGENDA PAPER

**Item Number:** 24  
**Date of Meeting:** 15 – 16 August 2011  
**Subject:** Proposed Guidance Note APES GN 40 *Dealing with Ethical Conflicts in the workplace - Considerations for Members in Business*

**Action Required**

**For Information Only**

### Purpose

To obtain Board approval to issue Exposure Draft ED 03/11 APES GN 40 *Dealing with Ethical Conflicts in the workplace - Considerations for Members in Business* for public comment.

### Background

APESB initiated a project in late 2008 to replace the existing GN 1 *Members in Business Guidance Statement* with the proposed APES GN 40. The project was delayed due to other APESB commitments during 2009 and 2010.

APESB's engagement with Members in Business to date indicates that there is a low level of awareness of APESB Standards within the business community. This is partly due to the focus of the previous professional standards being on Members in Public Practice rather than on Members in Business.

APESB in its development process of the APES series included Members in Business where applicable in the standards development process (i.e. APES 215 *Forensic Accounting Services* and APES 220 *Taxation Services*). However, as historically there were very few professional standards applicable to Members in Business, the level of awareness of Members in Business of Professional Standards has continued to be low.

### Consideration of Issues and status update

The proposed guidance note was previously considered at the January and March 2011 APESB Board meetings. The editorial comments received from Board members have now been incorporated in the revised draft.

A taskforce meeting was held subsequent to the March 2011 APESB Board meeting. The taskforce agreed with the changes made by Technical Staff to incorporate the Board's feedback to the proposed guidance note.

As requested by the Board, June Smith of Argyle Lawyers Pty Ltd was engaged to perform an initial legal review of the whistleblowing section and the related case studies within the proposed APES GN40.

Subsequent to the Board's deliberations at the May 2011 Board meeting, Gadens Lawyers were engaged to provide a second legal opinion on the proposed Exposure Draft. Based on the legal advice received from Gaden's the proposed APES GN 40 has been amended (refer marked up version) and is now presented for the Board's consideration.

### **Staff Recommendation**

Subject to the Board's editorial comments, the Board approve the issue of Exposure Draft ED 03/11 Proposed Guidance Note: APES GN 40 *Dealing with Ethical Considerations for Members in Business* for public comment for a comment period of 60 days.

### **Material Presented**

- Attachment 25 A Draft Exposure Draft ED 03/11 APES GN 40 *Dealing with Ethical Conflicts in the workplace - Considerations for Members in Business* – marked up comments of APES GN 40 incorporating Gaden's legal review
- Attachment 25 B APES GN 40 *Dealing with Ethical Conflicts in the workplace - Considerations for Members in Business* – clean

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**Date:** 5 August 2011