

PROJECT PROPOSAL

Introduction

To update and reissue APES GN 40: *Members in Business Guidance Statement* (previously GN1).

Background

GN 1 *Members in Business Guidance Statement* was issued in August 2002 for the assistance of members in business. Members in business are governed in the conduct of their professional relationships by Part C of the APES 110 *Code of Ethics for Professional Accountants* (the Code). The Code was issued in June 2006, subsequent to the issue of GN 1. It is important that any guidance on the application of APES 110 be consistent with both the approach and content of the Code, therefore necessitating a review and reissue of APES GN 40: *Members in Business Guidance Statement*.

Objectives: To develop a pronouncement to provide guidance on the fundamental principles of professional conduct for members in business.

Project Steps:

- Assemble task force which will consist of the APESB senior project manager, 1 representative from each of the professional bodies and up to 3 members with demonstrated expertise in commercial organisations and/or corporate codes of conduct.
- Conduct task force meetings between March and October 2008 to identify and discuss the approach to be taken in developing the exposure draft.
- Develop an exposure draft for Board review that addresses key issues and provides sufficient guidance on the application of the Code for members in business.
- Present exposure draft to the APES Board for approval at the November 2008 Board meeting.
- Release the guidance note for exposure requesting comments on both specific issues highlighted and also general comments on the document as a whole.
- Collate feedback received and upload onto APESB website. Consider respondents' comments and their impact on the exposure draft and amend as required.
- Prepare a basis of conclusions document detailing key issues that were identified and considered during the development of the guidance note.
- Present the final guidance note and basis of conclusions document to the Board for approval at the May 2009 Board meeting.
- Release the guidance note publicly and upload the guidance note and basis of conclusions document onto the APESB website.

Project Structure:

- *APES Board* – provide feedback and oversee development of APES GN 40 Members in Business
- *APESB Senior Project Manager* – assemble task force, provide technical support, role of principal drafting editor of the guidance note, provide guidance to the task force on APESB policies and procedures
- *GN 40 Task Force* – provide APESB with advice on development and review of GN 40 Members in Business
- *APESB Secretariat* – provide administrative support to the taskforce

Resource Requirements: Teleconference facilities, Travel of APESB staff (as required) and taskforce members (by invitation only), printing and stationary.

Budgeted taskforce costs for 4 taskforce meetings:

Conference calls \$300 per unit	\$1,200
Travel & accommodation \$1,000 per unit	\$4,000
Sundry expenses \$200 per unit	\$800
Total Budgeted Costs	\$6,000

Timeline:

Feb 2008 – Approve project proposal
Mar 2008 – Assemble task force
Apr 2008 – Conduct initial task force meeting
May – Oct 2008 – Develop exposure draft
Nov 2008 – Present exposure draft to Board for approval
Dec 2008 – Release exposure draft for a 60 day comment period
Feb 2009 – Collate feedback received
Mar/Apr 2009 – Prepare basis of conclusions
May 2009 – Present final guidance note and basis of conclusions to Board for approval
May 2009 – Issue guidance note

Impact on other APESB pronouncements

Part C Members in Business of the APES 110 *Code of Ethics for Professional Accountants* will be complemented by the issue of the guidance note. The updated guidance note should be consistent with the Code.

Impact on accounting, auditing or other relevant standards

No impact on accounting, auditing or other standards.

Related legislative developments

None noted.

Related international developments

At the international level, in June 2007 the IFAC Professional Accountants in Business (PAIB) Committee released International Good Practice Guidance *"Defining and Developing and Effective Code of Conduct for Organizations"*. The purpose of the document is to prepare professional accountants in business to encourage an ethics-based culture to help their organisations define and develop an acceptable corporate code of conduct. The taskforce will need to consider this IFAC pronouncement when developing the new guidance note.

Benefits of developing the pronouncement

Benefits of updating and reissuing APES GN 40:

- Assist members in business to identify acceptable ethical practices in commercial situations;
- Update references and content of the guidance note to ensure consistency with the Code;
- Rebrand the former Guidance Note as an APESB Guidance Note.