

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

4th Meeting of the Code of Ethics for Professional Accountants Taskforce

MINUTES

Meeting held on 14 September 2009

3.00 pm – 4.30 pm

1. Present and Apologies

Present:

Mr Channa Wijesinghe (Chairperson), Mr David Balcombe, Ms Dianne Azoor-Hughes, Ms Tiina-Liisa Sexton, Mr Keith Reilly, Mr Paul Meredith.

In Attendance:

Mr Jack Flanagan, Ms Rozelle Azad.

Apologies:

Ms Rachel Portelli, Ms Marisa Orbea, Mr Clark Anstis, Mr Michael Nugent, Mr. Richard Mifsud.

2. Review of minutes

The minutes of the taskforce meeting held on 29th June 2009 were approved without amendments.

3. Discussion on the Part A of the proposed IFAC Code

- Comments were presented by Channa on behalf of Clark.
- Discussion was held in relation to the Code's recommendation to consult with a member body or regulator in paragraph 100.11 and consideration given to whether this should be a mandatory requirement as opposed to guidance. The opposing argument was that not every situation warrants consultation with a regulator – the paragraph does not specifically make reference to a breach. This issue will be revisited at a later date.
- APESB drafting conventions present mandatory requirements as black letter and guidance in grey letter. It was proposed that in situations such as 100.18 which contain mandatory and guidance components, these components should be presented separately to comply with APESB drafting conventions.
- The proposed Code makes use of the term "may" which is not used extensively in APES standards and it is not defined in the APESB drafting conventions. It was agreed that circumstances under which "may" can be used should be clearly defined in the drafting conventions.
- Paul noted that in 2006 when APES 110 was drafted in 2006, the APES Board made changes to the IFAC Code. A general comment was made that where the APES Board had made previous decisions in relation to the drafting of the Code in 2006, such decisions should not be reversed (without sufficient reason and Board approval) and should be carried forward to the new Code.

4. Discussion on the Part B (excluding s290 & s291) of the proposed IFAC Code.

- Comments presented by Dianne.
- In the current version of APES 110, the first two sentences of paragraph 210.14 were removed by the APES Board. It was agreed that a consistent approach should be taken pending results of Channa's review of the 2006 Board decisions.
- The approach of IFAC 220.4 is broader than that of APES 110. It was agreed that this same approach should be adopted in the APES 110.
- Discussion of the use of "independent party" in 240.4 raised concerns with some taskforce members. It was noted that while the term was used in an example, and thus not mandatory, its use is impractical in certain circumstances. This issue will be revisited at a later date.

5. Discussion on the Part C of the proposed IFAC Code.

- Comments presented by Tiina-Liisa.
- Except for the issue noted below, no other issues were identified from an Australian context on the changes made to section C of the Code.
- Discussion was held in relation to the difficulties a member in business may face if as a preparer of financial statements, the member is held responsible for whether the relevant financial statements comply with an applicable financial reporting framework. Generally in these circumstances it is the Board of Directors who approves the financial statements and not the member. There can be circumstances where the Board may have a different opinion to the member. This issue can be highlighted at the time of exposure and relevant special interest groups of the professional bodies can be notified.

6. Way forward and tasks to be completed prior to the next meeting

- Minor drafting issues identified to be discussed and addressed offline with the chairperson.
- Taskforce members to present comments on sections 290 and 291 at the next meeting of the taskforce.
- The next meeting of the taskforce to be held in late September/early October.
- The taskforce will continue to work on the proposed revision of APES 110 with a view to presenting a draft at the November 2009 Board Meeting.

7. Close of meeting

The next meeting of the Taskforce will be convened by teleconference on a date to be determined.