

**ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED**

**MINUTES OF THE 7<sup>th</sup> MEETING OF THE APES GN 40 MEMBERS IN BUSINESS TASKFORCE**

**24 JANUARY 2012 10.00 – 11.00 AM**

**Teleconference**

**1. Present and Apologies**

Present:

Mr Channa Wijesinghe (Chairman), Mr Geoff Williams, Ms Karen McWilliams, Mr Paul Meredith, Mr John Purcell, and Mr Jeff O'Connell.

In Attendance:

Mr Robert Nickel and Ms Rozelle Azad.

Apologies

Mr Peter Day (Board Member) and Ms Jo-Ann Long.

**2. Minutes of previous meeting**

The minutes of the 6<sup>th</sup> Members in Business taskforce meeting held by teleconference on 25<sup>th</sup> March 2011 were accepted without amendment.

**3. Discussion on Exposure Draft 04/11 APES GN 40 *Ethical Conflicts in the workplace - Considerations for Members in Business* respondents' submission issues**

The Chairman welcomed taskforce members and provided taskforce members with a summary of submissions received.

The Chairman noted that a respondent had commented that some of the case studies in the Institute of Chartered Accountants of Scotland (ICAS) and the Association of Chartered and Certified Accountants (ACCA), which were reproduced with permission, are actually from the Institute of Chartered Accountants of England and Wales (ICAEW). Technical staff were unaware that some of the case studies included in the proposed APES GN40 had originated from ICAEW, as the original documents did not have such a reference. Technical staff have contacted the Head of the ICAEW Integrity and Ethics department via email to request permission to use these cases, if in fact it originated from ICAEW.

The Chairman directed the taskforce to the specific comments table. Taskforce members considered the respondents' comments and APESB technical staff conclusions reached and:

- noted that the definition of "Those Charged with Governance" needs to be included in the guidance note;
- in relation to specific comment #9, paragraph 4.2 should make reference to the threat of compliance with the fundamental principles;

- in relation to specific comment #12, the sub-paragraphs of 4.2 should be extended to include guidance to document all conclusions reached and resign if it is considered the appropriate course of action;
- noted that further editorial amendments were required in relation to paragraph 4.2 as follows:
  - determine whether there are organisational procedures that exist to address threats with fundamental principles (specific comment 10);
  - make reference to the need to consult with Those Charged with Governance; and
  - expand on the guidance to implement appropriate courses of action where the conflict has not been satisfactorily resolved.
- agreed that introductory comments before the process diagram included at paragraph 4.2 are required;
- considered the need to clarify when resignation is appropriate and highlight that it is a last resort. A taskforce member noted that this change is significant and should be highlighted for the Board's specific attention;
- a taskforce member suggested an additional safeguard be added to the list at 5.4 to advise the organisation that it is not in their interest to be involved in behaviour that may be regarded by others as illegal or unethical;
- agreed that further introductory comments were required that outline the approach taken in the Case Studies;
- discussed the use of specific names (eg. Jane) and references to "Member in Business" in the case studies and the importance of consistency. Some of the taskforce members were of the view that use of a proper name in the case studies will enhance readability (refer specific comment #19); while others were of the view that the existing approach is appropriate. The Chairman noted the importance of consistency of drafting style across APES pronouncements and agreed to present both viewpoints to the Board for further consideration;
- in relation to specific comment #43, taskforce members agreed with technical staff conclusions. However, it was noted that there is merit in providing indication that case study scenarios also apply to long standing employees. The Chairman agreed that technical staff would revisit some of the case studies to determine if this suggestion can be incorporated;
- in relation to case study #20, reference should not be made to company but rather to the "organisation or entity";
- in relation to case study #21, the principle of due care should highlight the need for Jill to consider why her conclusions differ to that of others;
- In relation to case study #3, add the questions suggested in the technical staff responses to the case study; and
- In relation to case study #20, consider the addition of the new government regulatory body Australian Charities and Not-For-Profits Commission for relevancy.

## **5. Way forward**

Taskforce members agreed to provide editorial changes to technical staff so that the draft APES GN40 could be finalised. It was agreed that APESB technical staff will incorporate the changes and recirculate to the taskforce for comments, following which the document will be presented to the Board at the 9<sup>th</sup> of February 2012 meeting.

## **6. Close of meeting**

The next meeting of the taskforce will be convened only if there is a requirement to do so.

The meeting was closed at 11.36am.

DRAFT