

Constituents' Submissions – Specific Comments Table
Exposure Draft 04/11: APES GN40 Ethical Conflicts in the Workplace – Considerations for Members in Business

Note: Specific comments relating to APES GN 40 Ethical Conflicts in the Workplace – Considerations for Members in Business

Item No.	Paragraph No. in Exposure Draft	Respondent	Respondents' Comments
1	1.3	DU	<p>The scope of GN40 as outlined in section 1.3 is applicable to members in business. Ethics in my view is a matter for all members and is not restricted to those employed in business. Members in public practice differ from members in business in the services they provide, not in their professional responsibilities. Adherence to the principles of professional conduct is constant among all members.</p> <p>While members in public practice provide services to clients they are also employees of professional service firms (public accounting or audit firms) that have revenue growth and profit as major objectives. As employees, members of public practice face issues in the same way as members in business. I see no logical reason why the application of GN40 should be restricted to a particular cohort of members and feel that GN40 should be applicable to ALL members in their capacity as employees. Consider for example a technical partner of public accounting firm who is removed from an audit because the partner raised difficult or sensitive questions with senior management of the client organization. Similarly client's accounts which are reported to their supervisor but then ignored or overlooked? It appears to me that the proposed model in this standard would be a useful tool for members in business as well as members in public practice to resolve the problems they face as employees.</p>
2	1.3	TLS	<p>The scope and application of this guidance appears to be restricted to providing <i>services</i> to an Employer. It is not clear why the reference to Employer and/or services is necessary when the definition of Member in Business means "a Member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or Professional Bodies, or a Member contracted by such entities."</p>
3	2	G100	<p>Professional Bodies Should reference be made to the National Institute of Accountants or the Institute of Public Accountants? Should the full name of ICAA be preceded by 'The'?</p>
4	2	G100	<p>Professional Services It is not clear whether the term 'financial management' is intended to include 'financial planning' which is likely to be a significant activity of members in business. It is suggested that financial planning be added here and in paragraph 3.3 or that the definition be amended to state "... performed by a member including, but not limited to, accounting".</p>

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5	3.3	JAB	For the reasons outlined in our general comments, we consider that paragraph 3.3 is not required. In addition, the reference to Professional Services in paragraph 1.7 and the definition of the term would also not be required.
6	3.4	JAB	We are of the opinion that this paragraph can be merged with paragraph 3.5. Paragraph 3.5 specifies that Part A and Part C of the Code apply to Members in Business. We suggest that Section 100 is therefore covered in 3.5. The contribution of paragraph 3.4 that Members also have to comply with relevant law or regulation can be added in paragraph 3.5.
7	3.5	JAB	<p>We are of the opinion that the term “commercial situations” is too general and should be deleted, as the Code describes situations that may create threats to compliance with the fundamental principles not general commercial situations. The term “commercial situations” also may create some confusion for Members in the public and the not-for-profit sectors who may not consider themselves to operate in “commercial situations”.</p> <p>Following our comments above, we propose that paragraph 3.5 replaces 3.4 and reads:</p> <p>A Member in Business is required to comply with Part A – General Application of the Code, Part C – Members in Business and any relevant law or regulation. Part C is specific to Members in Business and describes the application of the fundamental principles to some of the more commonly encountered situations that may create threats to compliance with the fundamental principles.</p>
8	4.1	JAB	<p>We are not certain that the word “environment” in the beginning of this paragraph accurately describes the causes of potential threats as threats may, for example, be created by the Member’s actions. As a consequence, we suggest that the first sentence of this paragraph reads:</p> <p>Members in Business may encounter situations that give rise to threats to compliance with the fundamental principles.</p>
9	4.1	DU	<p>In addition to the above comments, I have two concerns of a more substantive nature that I would like to share with the Board.</p> <p>1. Section 4.1 outlines the conceptual framework approach to the application of the principles of professional conduct. This section then suggests (or implies) that the model outlined in section 4.2 is consistent with this conceptual framework approach to the code of ethics. The link between the conceptual framework and section 4.2 is not obvious and in my view unclear. Whilst threats and safeguards are mentioned in section 4.1, a discussion of threats and safeguards is omitted in section 4.2 except for possibly dot point 2 where members are asked to identify the relevant principles. There appears to be a gap in linking the conceptual framework in section 4.1 with the structured approach to ethical decision making in section 4.2.</p>

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			To the extent that these comments are accepted, members in business are now presented with two models of ethical decision making: (1) the conceptual framework approach; and (2) the structured mode of ethical decision making. This could potentially confuse members unless additional guidance is provided.
10	4.2	ACCA	<p>The structured approach set out in paragraph 4.2 is very specific, and we have identified the following weaknesses:</p> <p>(i) What is meant by 'determine whether a procedure of conflict resolution exists within the organisation'? Many large organisations may have a department or an individual who is responsible for the organisation's code of ethics or whom may be consulted in respect of ethical issues. However, it is unlikely that many will have a prescribed procedure for resolving ethical conflicts specifically. If, in fact, the point refers to conflicts between two individuals within an organisation, then we suggest that the point be removed, as such internal conflict is not relevant to all ethical dilemmas. On analysis of the individual case studies, it appears that this section, in fact, adds little to them.</p>
11	4.2	ACCA	<p>(ii) The sixth bullet point appears to suggest that the professional accountant must always discuss the ethical dilemma with the relevant parties, without explaining who the relevant parties might be (or might not be). We believe this might cause harm, for example, if breaching the tipping off provisions of the anti-money laundering legislation.</p> <p>We believe that this part of the guidance (and the case studies) should adopt a process more closely aligned with section 100 of the Code concerning ethical conflict resolution.</p>
12	4.2	JAB	<p>The model provided in this paragraph, while it further develops the Ethical Conflict Resolution part of the Code, alters the terminology. This may not assist in the perception that the Guidance is complementary not additional to the Code. To promote consistency we suggest that the model adopts the language used in the process developed in section 100.18 of the Code.</p> <p>We also think that while the Code refers to the whole process as the ethical conflict resolution process, the Guidance Note treats conflict resolution as a stage in the process. This may lead to unnecessary confusion.</p>

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			<p>We suggest the model, in line with Code, be developed along the following steps:</p> <ul style="list-style-type: none"> • Gather the facts and identify the problem; • Identify the ethical issues; • Define the fundamental principles involved; • Identify the affected parties; • Determine whether established organisational procedures exist to address the threat to compliance with the fundamental principles; • Discuss the ethical issue and the conflict with the relevant parties, in accordance with the prescribed procedures; • Consider courses of action and associated consequences; • Consider whether to consult confidentially with external advisers such as an independent legal adviser and/or the Professional Body to which the Member belongs; • Consider whether to consult Those Charged with Governance; • Decide on a preferred course of action; and • Implement the appropriate course of action. • Document all enquiries and conclusions reached <p>If the matter cannot be resolved</p> <ul style="list-style-type: none"> • The Member should determine whether it is appropriate to resign. <p>The Diagram offered can be more valuable if it develops the different possibilities in the process and not merely list all possible steps that may not be necessary or applicable in all circumstances. A flowchart, similar to the example below, that provides the possible outcomes of each step may better inform Members of the process.</p> <p>Identify the affected parties</p> <p style="text-align: center;">↓</p>

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			<p>Are there organisational procedures to address the threat to compliance with the fundamental principle?</p> <p><i>If yes</i> ↓ Discuss the ethical issue and the conflict with the relevant parties, in accordance with the prescribed procedures</p> <p><i>If no</i> ↓ Consider consulting with external adviser or Professional Body</p>
13	4.2	DU	<p>The structured approach to ethical decision making (hereafter referred to as the 'model') is outlined in Section 4.2. The following comments address issues that I feel are unclear on operationalising the model.</p> <p>This model as set out in section 4.2 appears to be a sequential model of rational decision making with 11 discrete steps. If the model is retained in its current form, I feel that the model would be more sensible if the dot points are sequentially numbered to avoid the potentiality of selecting choosing (or omitting) steps at random or by design.</p> <p>Dot point 2: Should this sentence begin with the word 'identify' rather than 'define' so it is consistent with diagram on page 4?</p> <p>Dot point 4: At this point of the model, members are asked to seek out and rely on internal organisational protocols as a potential solution to their ethical issue. If the problem is resolved at this point using internal protocols, does this step become an exit point to the model? If so, this is not clear from reading the proposed standard. The sequential nature of the proposed model (without exit points) suggests that all steps must be examined in all cases.</p> <p>Dot point 5: Are members expected to introduce stakeholders who are internal or external to the employing organisation (or both) at this point of the model. The introduction of external stakeholders raises issues of confidentiality. The proposed standard does not adequately deal with the potentiality of conflicts arising from confidentiality in this step of the model.</p> <p>Dot point 6: In discussing the ethical issues with relevant parties, are members expected to raise the issues with the stakeholders identified in dot point 2, dot point 5, or both. Similar to my comment above, the potentiality of conflicts arising from confidentiality becomes an issue.</p>

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			<p>Dot point 8: In my view, discussing the issue with an adviser should be considered only when the ethical issue remains unresolved internally and prior to the member blowing the whistle. This step as outlined in the proposed standard is without limits suggesting that all steps including step 8 must be followed (similar to my comment above). Is it the intention of the standard for members to rely on all dot points in every situation or only when required. This is unclear from the standard.</p> <p>'Evaluation' is potentially one addition to the model that is currently not addressed by the existing structure. In most models of decision making (ethical and non-ethical), the decision-maker is expected to appraise the final decision to determine whether (or the extent to which) the problem has been resolved. An appraisal requirement is currently absent from the proposed model.</p> <p>To the extent that the Board agrees, I believe the comments above are to some degree are a matter semantics and can be dealt with additional explanatory memorandum and a representation of the model as a decision tree with various decision and exit points rather than a linear model with sequential steps.</p>
14	4.3	ACCA	<p>Paragraph 4.3 is repetitious of one of the bullet points in the list in paragraph 4.2. We believe the point regarding the documentation of discussions and conclusions is best made in paragraph 4.3, rather than 4.2, as it is, in fact, a specific safeguard. Although this safeguard is probably always relevant, the objective of the guidance is to teach members to apply the framework, and not to tell them which safeguards to implement. The same argument is true in respect of discussing the issue with an independent advisor.</p> <p>However, we would question the reference to 'the materiality of the matter' in paragraph 4.3. There is no other reference, in either the Code or the draft Guidance Note, to assessing the materiality of an ethical issue. A threat to a fundamental principle may be considered to be significant or insignificant, but even this judgement is not applicable to the ethical dilemma itself.</p>
15	4.3	G100	<p>The discussion refers to the member taking account of the materiality of the matter. This then raises the question whether there are some matters, such as attempts at bribery etc, which should be addressed irrespective of their materiality.</p>
16	7.1	JAB	<p>This paragraph specifies that it is possible that in the course of fulfilling the legitimate and ethical objectives of the Employer, the Member may be under pressure to act or behave in ways that could directly or indirectly threaten compliance with the fundamental principles of the Code. The Code refers to the legitimate objectives of the Employer but it does not go as far as to say that there may be an explicit conflict between those and compliance with fundamental principles. We are of the opinion that the pursuit of legitimate and ethical objectives is unlikely to create threats.</p>

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			<p>We propose that the current statement: 'However, as a consequence of these obligations, a Member in Business may be under pressure to act or behave in ways that could directly or indirectly threaten compliance with the fundamental principles of the Code' be replaced with the statement: 'However, certain relationships or circumstances may create a threat to compliance with the fundamental principles of the Code'. This will ensure the statement is better aligned with section 310.1 of the Code.</p>
17	10.1	JAB	<p>In the sentence: 'A Member in Business should examine the nature of the financial interest which includes considerations such as the nature of the interest and whether it is direct or indirect' we suggest that the 'nature of the interest' be replaced with the 'significance of the interest' or the 'value of the interest'. So the sentence would then read: 'A Member in Business should examine the nature of the financial interest which includes the significance of the interest and whether it is direct or indirect, as well as the value of the interest.'</p>
18	12.8	JAB	<p>This paragraph provides a list that Members should considering the absence of appropriate policies. While we think that the list is useful in motivating members to think about pertinent issues not all of them are relevant or appropriate considerations in all cases. For example part (f) lists the possibility or likelihood of repetition as one consideration. While this may be appropriate in some instances there are others where even if there is no likelihood of repetition the potential consequences of a single event may be of such magnitude that would required the consideration of a disclosure. To overcome such issues, we are of the opinion that the list should be identified as 'possible considerations' that may be appropriate in certain circumstances.</p>
19	Case Studies	ACCA	<p>In each case study, there is a tendency to introduce the agent by name in the case outline, but refer to him or her as 'the member in business' thereafter. This makes the case study less easy to read and, we believe, diminishes the value of using case studies.</p> <p>Within the case studies, many of the paragraphs that form part of the 'ethical decision-making approach' appear repetitious, and add little to the case studies. In view of earlier comments also, we recommend that the approach outlined be reconsidered, and would recommend that the APESB explore a structure that that would make the case studies easier to understand and engage with.</p>
20	Case Studies	JAB	<p>The case studies all refer to commercial operations. While the title of the Guidance Note is Members in Business, the definition of a Member in Business includes not-for-profits, government and academia. It therefore may be prudent to review some of the case studies such that they encompass the not-for-profit, government and academic fields. To not do so may reinforce the view that the guidance only relates to those in business in a commercial sense.</p>

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			We suggest that the ethical decision making approach used in the case studies is amended to reflect the proposed changes in Paragraph 4.2 above.
21	Case Studies	TLS	Below are some additional examples of ethical case studies for your consideration. These have previously been published in <i>InTheBlack</i> : (refer Appendix B)
22	Case Study 1	ACCA	<p>Under the fundamental principle of integrity, it questions whether the practice would be 'considered legal and acceptable to taxation authorities'. This is more akin to a threat to the fundamental principle of professional behaviour.</p> <p>Under 'objectivity', it asks how the member will demonstrate objectivity 'from the chief executive'. This should refer to 'independence' from the chief executive, although the problem is, in fact, that the member <i>cannot</i> be independent of the chief executive. Therefore, the issue is how the member can address the threat, and protect the principle of objectivity.</p> <p>Under the ethical decision-making approach, 'applicable accounting standards, best practice and applicable laws and regulations' are listed in connection with possible conflict resolution procedures. In fact, these are things to be considered when establishing the facts.</p> <p>At the end of the case study, what is meant by 'consider the ethical conflict resolution process of the Member's Professional Body'? Should this simply say that the member should consider consulting his professional body?</p>
23	Case Study 2	ACCA	<p>This case study appears to imply that the principle of professional behaviour focuses on serving the public interest. We suggest that the principle of professional behaviour specifically means acting in accordance with law and regulations, and not discrediting oneself or one's profession.</p> <p>The paragraph that sets out the possible courses of action focuses on the professional accountant trying to persuade the managing director to 'do the right thing'. However, it does not suggest what should be done if the managing director refuses to authorise the disclosure of the unpaid rates.</p>
24	Case Study 2	TLS	As a financial controller, it seems unlikely that Jane would not have contacted or asked her staff to contact the Council re outstanding rates in order to confirm the amounts. It is unlikely that she would have discussed this with the Managing Director prior to making an enquiry with the Council. In addition, as it appears to be an oversight by Council, it is highly likely that a payment arrangement would be negotiated with the Council which would not cause too much stress to the organisation. In the paragraph on Confidentiality it is not clear why the "company's non-payment of rates is confidential information" as the amounts have been accrued and included in the accounts. There has been no payment merely due to the fact that no demand

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			<p>for rates has been issued.</p> <p>It is also unlikely that “non-payment of rates could easily impact on a potential sale”. It is more likely that any outstanding rates would merely be an adjustment to the final selling price.</p>
25	Case Study 3	ACCA	<p>We are not convinced that the fundamental principle of professional behaviour is appropriate for mention in this context. If the professional accountant ignores the information he has, the issue is one of integrity. In view of the fact that this is a ‘small expense claim’, perhaps the principle of confidentiality is more worthy of discussion.</p> <p>Other stakeholders in the company should be identified as affected parties, as there may be a larger scale problem in respect of false expense claims, due to the poorly documented procedures. Assessing the scale of the problem is also something that should be mentioned when identifying the relevant facts.</p> <p>The member has been provided with receipts and told that his supervisor was entertaining a client. Therefore, it appears dishonest to suggest that the member should claim he needs more information to ‘appropriately classify it for financial reporting and taxation purposes’. The case study does not state that the member must record the transaction correctly (and not classify it all as a business expense), and does not state what should be done if the member’s views are not respected.</p>
26	Case Study 4	ACCA	<p>This case study should focus on the fact that the company is breaking the law, and Jamie is being asked to assist in this. The fundamental principle of professional behaviour is very relevant, but no mention of the law has been made when considering the fundamental principles. The issue of confidentiality and whistleblowing might also be relevant.</p> <p>Among the affected parties, Microsoft should be included (whom the licence is designed to protect) and even other Microsoft users, for whom the cost of the product is inflated due to such licensing infringements.</p>
27	Case Study 4	TLS	<p>This is more a legal rather than ethical issue. In any case there is no dilemma as under no circumstances should a Member in Business act unlawfully and install unlicensed software.</p>
28	Case Study 5	ACCA	<p>It is not clear what is meant by ‘the ethical conflict resolution process of the Member’s Professional Body’. (This is also mentioned in other case studies.)</p>
29	Case Study 5	JAB	<p>In Case Study 5, the first sentence should be reworded to read ‘Robyn (Member in Business) is the financial accountant in a company and is preparing the quarterly accounts.’</p>
30	Case Study 6	ACCA	<p>The case outline appears to imply that the costs have been capitalised or that someone is pressurising Nathan to capitalise them, but it does not make this clear. Therefore, the case study is not easy to read.</p>

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			<p>The discussion of objectivity could mention the familiarity threat created by the friendship with Doug, as previous case studies have been more concerned with intimidation. Professional competence should also be highlighted, as it is important that Nathan is seen to be aware of the correct treatment of the expenditure.</p> <p>The paragraph headed 'identify relevant facts' is dissimilar to all the other paragraphs with that heading. Its current content would be better placed under the case outline or the consideration of the fundamental principles.</p> <p>The case outline refers to the Income Tax Assessment Act, but the taxation office is not mentioned among the affected parties.</p> <p>The possible courses of action do not include highlighting the expense as an exceptional item in order to provide a true and fair view.</p>
31	Case Study 6	JAB	In Case Study 6, the outline should be reworded to read: 'Nathan, the finance director...of ABC Ltd, has become aware of a \$1.5 million investment in a research and development project'. We also suggest that the reference to 'little success criteria' be revised.
32	Case Study 6	TLS	A reference to the relevant accounting standards such as <i>AASB 138 Intangible Assets</i> may be helpful in this case study. It is not clear why a project leader would be concerned with the accounting treatment of R&D. A more likely scenario is that the finance director, who wants to treat R&D in accordance with accounting standards, will have a conflict with the Board who may have a different interpretation of the necessary accounting treatment of such expenditure.
33	Case Study 7	ACCA	<p>The discussion of professional behaviour comprises only the question 'How should the Member in Business proceed?' Instead, it might be more worthwhile to raise the issue of a possible failure to meet statutory requirements. More relevant than the principle of professional behaviour might be that of confidentiality. What whistleblowing responsibilities does William have?</p> <p>The resolution process does not appear to question why the engineering manager wants to conceal a 'significant fraud'.</p> <p>There is no explanation why the step of determining whether a procedure of conflict resolution exists is 'not applicable for this case study', although it is applicable in other case studies.</p>
34	Case Study 7	ACCA	We disagree that a possible course of action is to discuss the fraud with the contractor (or contractors) concerned, and it is not William's responsibility to 'request a refund of excess money paid'. Having checked the accuracy of his information, he should approach more senior management, those responsible for governance, and perhaps the auditors.

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35	Case Study 8	ACCA	We note that the principles in this case study are the same as those in case study 7, as several paragraphs are identical within both case studies, we would question the merit of including both case studies within the Guidance Note.
36	Case Study 9	ACCA	<p>The principle of objectivity is not well discussed. The issue is not the company's 'financial status', but how it is reported. The threat created by Sandra's self-interest is only mentioned in the title of the case study, and not as a threat to objectivity.</p> <p>The six steps set out as the 'ethical decision-making approach' achieve very little. There is a great deal of repetition, and the suggested course of action is not clear, but simply sets out the position and suggests 'additional discussions'. Someone reading this case study is likely to ask what to do if the CEO does not see Sandra's point of view.</p>
37	Case Study 9	JAB	<p>In Case Study 9, the word "on" should be removed from the phrase "a large on ongoing order" in the Case Outline.</p> <p>We also suggest that where certain courses of action would mean that a member would be in breach of the requirements of the Code, this should be expressly identified. For example, in Case Study 9, the following statement appears: "... a report that satisfies the bank's criteria however this would be materially misrepresenting the company's position." We suggest that additional wording be added: "... a report that satisfies the bank's criteria however this would be materially misrepresenting the company's position, which would mean that the member would be in breach of the Code if they prepared or were associated with it."</p>
38	Case Study 10	ACCA	Identifying the relevant facts should include obtaining an explanation of the reason for the share option valuation, and determining the time scale for the work.
39	Case Study 10	JAB	In case Study 10, the first sentence should read 'Olivia's Employer has requested that she performs a ...'.
40	Case Study 11	TLS	If extensive research and analysis has been undertaken by Stella it is not clear what the ethical issue is. She is one of many to whom the new arrangements will apply and only after the Board has considered the report and made their decision. Stella is not making the decision, but merely presenting the research and analysis for the Board to consider.
41	Case Study 12	ACCA	Identifying the relevant facts could include understanding any requirements of legislation to make disclosures, and any protection that John may seek from relevant legislation.

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			When documenting the resolution process, this case study (and others) mentions that the professional accountant should consider the 'legal implications of maintaining such documentation'. If this caution is going to remain, the Guidance Note should explain it fully.
42	Case Study 13	ACCA	<p>The case study does not consider the threat to objectivity caused by the link between the reported figures and the professional accountant's bonus. This may be addressed in the case study by suggesting that the link be severed</p> <p>The case study does not advise that the professional accountant should consider his employment options.</p>
43	Case Study 13	G100	<p>Although the case studies provide examples of a range of circumstances the fact patterns in the cases tend to be unnecessarily repetitive. For example, the member is in 'first job', 'recently hired' etc. which gives the impression that longer term employees do not confront these issues.</p> <p>In addition, it may be useful to review the recent Centro judgment to determine whether circumstances in that case provide a different form of potential conflict.</p>
44	Case Study 14	ACCA	<p>It is not clear from the case study why Paula must consider the interests of the other parties to the tender process. However, we agree that thorough consideration of this case study would require a deep ethical analysis, including the consequences for all parties of the proposed course of action. The principle of objectivity should mention the self-interest threat created by the payment from which Paula stands to benefit.</p> <p>Under 'identify relevant facts', it simply advises to consider any further information that may be required. In the context of a case study, this is not helpful.</p> <p>Under 'possible course of action', it states that the member must 'ensure' a fair tender process and compliance with the law. This says nothing about the possible safeguards to protect integrity and confidentiality, and consider the perception of others also. The most important safeguard is to disclose the initial call, but this important point is hidden within other paragraphs of the case study.</p>
45	Case Study 15	ACCA	Under 'possible course of action' the first paragraph would be relevant to any resolution process, and so may appear out of place in this case study alone. We suggest that it would be better situated in the main body of the Guidance Note.
46	Case Study	ACCA	This is not a detailed case study, as the case outline says little more than that expense claims are being made that are

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	16		<p>'contrary to local tax laws'.</p> <p>Although objectivity is mentioned in almost every case study, the threat to objectivity is seldom explained. This case study is a good example. If each case study were to explain why objectivity is important, it would highlight why the threats are stronger in some cases than in others. (In this case, the only threat to objectivity comes about because Crystal is in conflict with a senior colleague in the organisation that employs her.)</p>
47	Case Study 17	ACCA	As with case studies 15 and 16, under 'possible course of action' most of the first paragraph would be relevant to any resolution process. Therefore, the last three case studies in the draft Guidance Note appear to have come from a different source to the other case studies.
48	Case Study 17	PS	1. It is unusual for a local medical practice to have an on-site accountant. Most practices would have an on-site practice manager who may be supported by a bookkeeper.
49	Case Study 17	PS	<p>2. Recording of patient attendance is usually undertaken by the receptionist or the practice manager who are not usually accountants. Medical practitioners do not usually have a role in recording attendances and as most practices are computerised, most medical practitioners would not have the necessary skills to adjust/erase computerised records. Doctors usually electronically record the patient attendance by selecting the patient from the electronic waiting room in the practice management system which would be very difficult to later remove.</p> <p>Doctors are required to retain patient records for possible future audit by Medicare, which would be aware of the episode of care due to either the doctor bulk-billing the patient or the patient making a Medicare claim after paying the account. In the event of a cash or credit card payment, a receipt would have to be issued to enable the patient to make the claim. In the event that the item was bulk-billed, the practice would generate the Medicare claim and receive the payment electronically from Medicare. In both cases, there would be a record in the practice management system.</p> <p>It is therefore extremely difficult and highly unlikely for a doctor to be able to erase sufficient records of the patient attendance to avoid paying a share of practice costs in a group practice.</p>
50	Case Study 17	PS	3. Rita's concern over fraudulent implications for Medicare is unfounded. Medicare Australia is not concerned about the business arrangements of medical practitioners; it is merely interested in ensuring that the appropriate Medicare claim is made for the medical services performed. In this case study it is assumed that the patients are seen by the <i>deceitful</i> doctor, are charged the appropriate Medicare item, and are therefore not bogus patients.

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51	Case Study 17	PS	4. I am not sure why the tax office would be an affected party, unless the deceitful doctor failed to disclose his income in his tax return.
52	Acknowledgements	TLS	It is stated that “some of the cases in this Guidance are based on scenarios described” in listed publications. In fact some cases are exact copies of cases (examples listed below) and should be acknowledged as such. I also suspect that the original source of many of the case studies is the ICAEW rather than ACCA. (Refer to Appendix A)

Staff Instructions

- Comments of a “general” nature should be dealt with first, followed by paragraph specific comments.
- Respondents' comments must be copied verbatim into this table.
- Comments should be dealt with in paragraph order, not respondent order.
- Use acronyms only for respondents. Update the attached table with details of additional respondents.

RESPONDENTS

1	ACCA	Association of Chartered Certified Accountants
2	PS	Dr Peter Sexton
3	DU	Deakin University
4	JAB	Joint Accounting Bodies
5	G100	Group of 100 Inc
6	TLS	Tiina-Liisa Sexton

Appendix A: TLS Specific Comments on Acknowledgements

No	Title	Source of Case study
1	Significant personal expenses claimed as company expenses	http://www2.accaglobal.com/pubs/members/professional_standards/rules_standards/guidelines/ethical_matters.pdf https://www.icaew.com/en/technical/ethics/resolving-ethical-problems/business-case-studies/unsupported-expenses
5	Incorrect reporting of financial information	https://www.icaew.com/en/technical/ethics/resolving-ethical-problems/business-case-studies/incorrect-reporting
10	Valuing share options	https://www.icaew.com/en/technical/ethics/resolving-ethical-problems/business-case-studies/acting-without-sufficient-expertise
11	Personal financial interest in a proposal	http://www.icaew.com/en/technical/ethics/resolving-ethical-problems/business-case-studies/personal-financial-interest
12	Inducements for non-disclosure of information	https://www.icaew.com/en/technical/ethics/resolving-ethical-problems/business-case-studies/inducements-for-non-disclosure
13	Earnings management	http://www2.accaglobal.com/pubs/members/professional_standards/rules_standards/guidelines/ethical_matters.pdf
15	Non-disclosure to auditors and corrupt business practices	http://www.icaew.com/en/technical/ethics/resolving-ethical-problems/business-case-studies/non-disclosure

Appendix B: Additional examples of ethical case studies (separate attachment)