

AGENDA PAPER

Item Number: 11.3
Date of Meeting: 11th November 2008
Subject: APES 330 *Insolvency Services*

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Purpose

Subject to the Board's review comments and editorials approve the issue of APES 330 *Insolvency Services* for public comment.

Background

APS7 *Statement of Insolvency Standards* was issued in March 1998. The statement was issued to provide members with the basic principles governing professional responsibilities to be exercised in the conduct of insolvency practices. Traditionally the practice of insolvency has been complex and varied and this complexity has increased significantly in the last 10 years.

The Insolvency Practitioners Association of Australia (IPAA) has developed a *Code of Professional Practice for Insolvency Professionals* which was issued in May 2008. The stated purpose of this initiative was to provide stakeholders in the insolvency profession, including the community generally, with a practice that adheres to a system of regulation in which insolvency practitioners are held to standards of loyalty, avoidance of conflicts, independence, and impartiality. Given that some members of the professional accounting bodies are involved in providing insolvency services, it is important that ethical standards issued by APESB are broadly consistent with the requirements of bodies such as the IPAA.

The Board approved the creation of the APES 330 Insolvency Services taskforce in February 2008 to develop APES 330 with a view to replacing APS 7 at a future date. The Insolvency Services taskforce prepared a preliminary draft for the August 2008 Board meeting. The taskforce redrafted the proposed exposure draft taking into consideration the feedback received from the August Board meeting.

Consideration of Issues

The taskforce has considered the IPA Code in the development of this exposure draft. The key areas that have been significantly redrafted are:

- Fundamental responsibilities of Members in Public Practice including marketing of professional services;
- Professional independence and conflicts of interests;
- Professional relationships;
- Dealing with property;
- Professional fees; and
- Documentation and quality control.

Staff Recommendation

Subject to the Board's review comments and editorials, the Board approve the issue of APES 330 *Insolvency Services* for public comment.

Material Presented

- Proposed APES 330 *Insolvency Services*;
- Comparison against the Principles of the IPA Code;
- The DIRRI in the IPA Code;

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Date: 31 October 2008