

AGENDA PAPER

Item Number: 11.8
Date of Meeting: 16-17 November 2009
Subject: Proposed Standard APES 325 *Risk Management*

Action Required

For Information Only

Purpose

To provide an update to the Board on the progress of the risk management project and to seek preliminary views from the Board on the overall direction of the project.

Background

At the August 2008 meeting, the Board agreed that a taskforce be convened to oversee the development of a pronouncement on risk management for firms.

Project Status

The APES 325 Risk Management Taskforce has held two meetings in the last quarter. Following the first meeting, members of the taskforce identified broad principles that could be addressed in a risk management standard. These principles were discussed at the second taskforce meeting and categorised into three broad categories – framework for a standard, potential content for a standard focusing on certain risk management policies and particular risks that could be identified or used as illustrative examples.

Following the second meeting, APESB technical staff prepared an early draft of potential black letter and commentary paragraphs that could form the basis of a proposed standard. This draft was modelled on APES 320 *Quality Control for Firms*. Members of the taskforce provided feedback on that draft and the attached working draft reflects the combined views of taskforce members.

Material Presented

- Working draft of potential black letter and commentary/guidance paragraphs that could be used to form the basis of a proposed APES 325;
- Minutes of Taskforce meetings held on 1 September 2009 and 6 October 2009;

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Date: 6 November 2009