

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED
MINUTES OF THE 2nd MEETING OF THE APES GN 20 OUTSOURCING TASKFORCE

11th November 2009 from 11.05 AM – 12.32 PM

Teleconference

1. Present and Apologies

Present:

Mr. Channa Wijesinghe (Chairperson), Mr. Bruce Coombes, Mr. Paul Meredith, Mr. Siva Navaratnam,
Mr. Harry Rosenberg, Ms. Tiina Liisa Sexton

In Attendance

Mr. Stuart Black (Board Member), Mr. Erik Hopp

Apologies

Ms. Vicki Stylianou

2. Review of minutes

The minutes of the 1st Outsourcing taskforce meeting held by teleconference on 5th August 2008 were accepted without amendment.

3. Discussion on First Draft GN 20 Outsourced Accounting Services

Chairperson opened the discussion by reminding taskforce members that this meeting's discussion should continue to focus on principles and ideas rather than drafting conventions. Drafting conventions would evolve noting that this guidance note would be the first guidance note to-be-issued by the APESB.

The following is an overview of substantive comments raised:

- Taskforce members agreed that in addition to defining "outsourcing", the definition could include some comment on what was not regarded as outsourcing. For example, administrative support services would not be regarded as outsourcing per se. Taskforce members noted that the two definitions of "outsourcing" adopted from different sources could potentially be merged.
- A view was expressed that there was scope in the guidance note to differentiate between services provided by in-house or offsite service providers – in essence different professional requirements could be applicable by employees as distinct from contractors.
- Taskforce members were of the view that it would be beneficial to structure the document to group requirements into those applicable to members providing outsourcing services and members utilising outsourcing services.
- For Members in Public Practice, consideration needs to be given to building in cross-references to APES 110 *Code of Ethics for Professional Accountants* and APES 320 *Quality Control for Firms*.
- Taskforce members also discussed the possibility of building in references to service level agreements (SLAs) which also has relevance in the context of the section on monitoring and

managing performance. Harry and Bruce undertook to forward template SLAs to APESB technical staff for consideration. Elements of SLAs could be used to identify additional matters that needs to be in an outsourcing contract.

- A number of other editorial matters were raised for APESB technical staff's consideration.

4. Way forward

It was agreed that APESB technical staff would draft a proposed principles document of matters that could be addressed in the proposed guidance note and circulate it for discussion prior to the next taskforce meeting.

5. Close of meeting

The next meeting of the taskforce will be convened at a date to be determined.