

ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED
MINUTES OF THE 2nd MEETING OF THE APES GN 40 MEMBERS IN BUSINESS TASKFORCE
25 June 2010 from 10.00–10.35 AM
Teleconference

1. Present and Apologies

Present:

Mr. Channa Wijesinghe (Chairperson), Ms. Jo-Ann Long, Ms. Karen McWilliams, Mr. Paul Meredith, Mr. Jeff O'Connell, Mr. John Purcell

In Attendance:

Mr. Erik Hopp, Ms. Rozelle Azad

Apologies:

Mr. Peter Day

2. Minutes of previous meeting

The minutes of the first Members in Business taskforce meeting held by teleconference meeting on 1 August 2008 were accepted without amendment.

3. Update on APESB developments

The Chairperson welcomed taskforce members and provided introductory comments in relation to current APESB projects. In particular the current project to revise APES 110 *The Code of Ethics for Professional Accountants* (the Code) and its impact on Members in Business.

4. First draft of proposed APES GN 40

Introductory comments and the approach taken to develop the proposed GN 40 (the guidance note) were discussed.

Taskforce members provided the following feedback:

- Examples used to illustrate concepts were appropriate. However, taskforce members agreed that more examples should be considered for inclusion (refer to revised draft with additional examples).
- Use of the defined term "Professional Services" is potentially confusing and may deter Members in Business from applying the guidance note despite its relevance to their particular situation. It was noted that this term was defined in other APES pronouncements and originated from the IESBA *Code of Ethics for Professional Accountants*. Taskforce members agreed that this term and/or the inclusion of specific guidance on this term or use of another term could be incorporated into section 3 on fundamental responsibilities (refer to paragraph 3.5 in revised draft).

- Consideration should be given to the inclusion of additional guidance on application of the fundamental principles of APES 110 (refer revised draft and inclusion of additional examples).
- It was agreed that where relevant brief legal references should be incorporated into the case study scenarios. This would serve to prompt members to consider applicable laws and regulations that may impact on them (Inclusion of section on disclosure of information and whistleblowing in revised draft).
- Consideration should be given to using more relevant headings in the guidance note tailored to the needs of Members in Business (refer amended headings in proposed guidance note).
- Consideration should be given to including guidance on other matters, such as a Member in Business' responsibilities in relation to illegal acts, which are beyond the scope of section 300 of APES 110 (Inclusion of section on disclosure of information and whistleblowing in revised draft).
- Specific editorial comments:
 - Paragraph 5.3(b) – paragraph is ambiguous where it says “on which the accountant will rely when performing the current task”. Replacement of the word “accountant” with “member in business” will help to clarify this ambiguity.
 - Paragraph 5.3(d) – this paragraph reads more specifically for a member in public practice as opposed to a member in business. Text needs to be rewritten for clarity.

5. Way forward

It was agreed that APESB technical staff would continue to draft the guidance note incorporating the feedback provided by the taskforce. A revised draft will be circulated for discussion prior to the next taskforce meeting.

6. Close of meeting

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