

AGENDA PAPER

Item Number: 3
Date of Meeting: 4 March 2011
Subject: Proposed Guidance Note APES GN 40 *Dealing with Ethical Considerations for Members in Business*

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Purpose

To obtain Board approval to issue Exposure Draft ED 01/11 APES GN 40 *Dealing with Ethical Considerations for Members in Business* for public comment.

Background

APESB initiated a project in late 2008 to replace the existing GN 1 *Members in Business Guidance Statement* with the proposed APES GN 40. The project was delayed due to other APESB commitments during 2009 and 2010.

APESB's engagement with Members in Business to date indicates that there is a low level of awareness of APESB Standards within the business community. This is partly due to the focus of the previous professional standards being on Members in Public Practice rather than on Members in Business.

APESB in its development process of the APES series included Members in Business where applicable in the standards development process (i.e. APES 215 *Forensic Accounting Services* and APES 220 *Taxation Services*). However, as historically there were very few professional standards applicable to Members in Business, the level of awareness of Members in Business of Professional Standards has continued to be low.

Consideration of Issues and status update

The Guidance Note has been updated to incorporate changes as requested by the Board at the January 2011 meeting, with the significant changes being:

- Title changed to *Dealing with Ethical Considerations for Members in Business*;
- Paragraph 4.3 highlights that materiality needs to be reassessed on an ongoing basis;
- Paragraph 12.4(h) redrafted for clarity;
- Inclusion of a contents table for the case studies;
- Bibliography included with reference to high-profile examples of poor ethical behaviour; and
- Acknowledgement of sources used has been included.

Staff Recommendation

The Board approve the issue of Exposure Draft ED 01/11 Proposed Guidance Note: APES GN 40 *Dealing with Ethical Considerations for Members in Business* for public comment for a comment period of 60 days.

Material Presented

- Draft Exposure Draft ED 01/11 APES GN 40 *Dealing with Ethical Considerations for Members in Business*
- Minutes of Taskforce meeting held on 18 January 2011;
- Draft Minutes of Taskforce meeting held on 17 February 2011.

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Date: 24 February 2011