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For immediate release

Accountants must adapt to new world of governance, ethics and accountability

Accountants and the companies they advise need to broaden their thinking on governance, ethics and accountability if they are to survive what is arguably the most tumultuous market in decades.

Speaking at the CPA Congress 2010 in Sydney today, Accounting and Professional and Ethical Standards Board (APESB) Director Peter Day said: "The old drive for CEOs to maximize shareholder value by achieving growth or saving a dollar at any price ignores the wider society, which today demands sustainable use of finite resources, corporate cultures that foster workplace respect, a focus on safety, and responsible product advertising."

"It is not a case of abandoning your goals and mission but of being acutely aware of what is going on around you, the external forces at work and the new demands put on you by the environment, the world at large and by changes in community perceptions of what is required of a good organisation or a good professional," he said.

"Disasters or negative events can quickly escalate and run away and, at the same time, hold up a mirror to the values, ethics and governance of an organisation, as companies like BP and David Jones have recently experienced."

Mr Day urged accountants in business and public practice to help "implement an ethical framework that ensures consistency of professional practice and confidence in Australia's capital markets as a vital part of creating a resilient profession that helps clients manage risk."

"Our role at the Accounting and Professional and Ethical Standards Board is not just to set standards for past behaviours but to set them for contemporary behaviours and, in doing so, we may move the goalposts for future behaviours."

He cited the Exposure Draft APES 230 Financial Advisory Services as an example of the Board encouraging accountants who are financial planners to move away from charging percentage, commission-based fees to genuine fees for service that better meet consumer expectations.

Mr Day has held senior management roles in leading Australian companies, including Amcor, Bonlac Foods and Rio Tinto. He has also served as a corporate regulator as deputy chairman of ASIC, and as a public policy advocate through involvement in the Group of 100 and the Australian Accounting Standards Board (AASB).

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Notes to Editors: The APESB is an independent body that sets the code of ethics and professional standards by which members of Australia's three professional accounting bodies are required to abide.