



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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DATE: 12 JUNE 2003
MEMO TO: MEMBERS OF THE IFAC PUBLIC SECTOR COMMITTEE
FROM: NORBERT VOGELPOTH
SUBJECT: PROGRESS REPORT OF ETHICS SUBCOMMITTEE C

ACTION REQUIRED

The Committee is asked to:

- **receive and note** a progress report as well as the latest draft Part C of Ethics Code from PSC representative on Ethics Subcommittee C.

AGENDA MATERIAL:

	Pages
16.1 Memorandum from Norbert Vogelpoth	16.1
16.2 Report on Progress of subcommittee C	16.2
16.3 Draft Part C of the Ethics Code	16.3-16.14

BACKGROUND

The IFAC Ethics Committee has undertaken extensive revision of the IFAC Code of Ethics for Professional Accountants addressing accountants in practice, industry and business. The Committee invited participation of other IFAC Committees in the revision of those aspects of the Code relating to their areas.

Specifically the Public Sector Committee was invited to take part in the revision of Part C of the Ethics Code. Norbert Vogelpoth, Germany's member for PSC, was nominated in November 2002 to represent the Public Sector Committee on the Ethics subcommittee C.

Attached is a progress report as well as the latest draft of the Ethics Part C for noting. The whole Draft Code of Ethics is due for presentation to the IFAC Board at its July 2003 meeting.

Progress Report on Revision of Part C of Code of Ethics

Introduction

The Ethics subcommittee C comprises three members from the main Ethics Committee and representatives from the Financial and Management Accounting Committee as well as PSC. The subcommittee chaired by Pierce Kent met on three occasions, New York on January 12 and Dublin on February 12 and had a conference call on February 28. It met for the third time in New York in April, 2003 to consider last minute and final comments.

Revision of Part C of Ethics Code

The subcommittee C presented to the Ethics Committee at its April 7-9, 2003 meeting in New York, draft 8 of Part C of the Code (circulated to PSC in agenda papers of the April 2003, Melbourne meetings as item 15.3).

During its May 2003 meeting the Ethics Committee reviewed drafts of revised Parts A, B and C of the Ethics Code and the feedback received from the Ethics Committee at the presentation by the subcommittees at the April 2003 meeting. The drafts were well received with requests for certain adjustments to be processed subsequent to the meeting. Only minor changes were suggested for Part C of the draft. The drafts were circulated to the Ethics Committee members for an electronic vote and were approved for presentation to the IFAC Board at the July 2003 meeting.

The Ethics Committee is recommending to the IFAC Board that the draft Code once approved should have a 120 day exposure period, that is with comments due by November 30, 2003, in order to allow potential respondents and other interested parties an appropriate length of time in which to consider the issues.

Attached is the latest draft Part C of the IFAC Code of Ethics for Professional Accountants approved by the Ethics Committee for presentation to the IFAC Board for your information. Any comments on the Exposure Draft once it is issued have to be directed to the Ethics Committee.