

## 1. Applying the Conceptual Framework by Professional Accountants in Public Practice (PAPP)

In this KLiP, the topic for discussion is:

### Communicating with Those Charged with Governance (TCWG)

A professional accountant shall **determine the appropriate individual(s) with whom to communicate within the entity's governance structure**. If the accountant communicates with a subgroup of those charged with governance (Eg: Audit committee), the accountant shall *determine whether* communication with all of those charged with governance is also necessary, so that they are adequately informed.

In determining with whom to communicate, a professional accountant might consider:

- (a) The nature and importance of the circumstances; and
- (b) The matter to be communicated

If a professional accountant **communicates with individuals** who have **management responsibilities as well as governance responsibilities**, the accountant shall be **satisfied** that communication with those individuals are adequate. It also satisfies that the professional accountant has informed all of those in a governance role with whom the accountant would otherwise communicate.

If it is a small business, where a single owner manages the organisation and no one else has a governance role. Then in that case, if matters are communicated to the individual with management responsibilities and that individual also has governance responsibilities, then the professional accountant has satisfied the requirement of communicating with TCWG.

With this we come to the end of 1<sup>st</sup> topic: Applying the Conceptual Framework.

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