

IESBA Strategy and Work Plan 2024 – 2027

SWP – Reference Material – NVivo Respondent Summary Analysis

Consultation Paper Q6:

Do you have views or suggestions as to how coordination between the IESBA and IAASB could be enhanced to better service the public interest?

1. Monitoring Group

International Forum of Independent Audit Regulators (IFIAR)

Coordination with other standards-setting boards/Outreach to stakeholders

1. IFIAR supports the inclusion of coordination with the IAASB and other standard setters in IESBA's proposed strategic objectives and themes. IFIAR encourages the continuation of coordination between standards-setting boards on topics of mutual interest to overlapping strategic topics in an efficient and consistent way. Professional scepticism, technological developments, sustainability and emerging/newer models of service delivery are key projects where such coordination will be particularly important.
2. IFIAR continues to underline the importance of efforts aimed at fostering coordination and cooperation in the setting of auditing, assurance and ethical standards. However, IFIAR highlights that the sustainability reporting standards issued by the International Sustainability Standards Board (ISSB) will not be the unique reference for sustainability reporting standards applicable in the world. Thus, even if ISSB -IESBA coordination activities are welcome, IFIAR encourages IESBA to not only take into consideration in its work the standards developed by the ISSB, but also by other relevant national or regional standards setters in the field of sustainability reporting.

International Organization of Securities Commissions (IOSCO)

We also continue to encourage the Board to closely collaborate with the International Auditing and Assurance Standards Board (IAASB) to address topics of mutual interest. One example where the Board can collaborate with the IAASB is on their respective sustainability projects as well as the consistency of definitions and terminology used by both Boards. With respect to the latter, we are pleased to see an ongoing work plan item related to definitions and descriptions of terms.

2. Regulators and Audit Oversight Authorities

Committee of European Auditing Oversight Bodies (CEAOB)

Please do not hesitate to contact me or the Chair of the CEOB International Auditing Standards Sub-group should you have any questions on the content of this letter.

Independent Regulatory Board for Auditors (IRBA)

We support the ongoing coordination with the IAASB, which is evident in many of the IESBA task forces. For example, there is the Revisions to the Definitions of Listed Entity and Public Interest Entity in the

Code and the IAASB's Listed Entity and Public Interest Entity projects, and coordination between the ISA 600 (Revised) and the Definition of Engagement Team and Group Audits working groups.

In South Africa, we adopt both the International Standards on Auditing and the IESBA Code, with some local adaptations and amendments. Thus, we appreciate the coordination between the Boards in ensuring consistent and collaborative standard setting and ease in the adoption and implementation of the standards at a jurisdictional level.

Where coordination efforts can include an alignment of the effective dates, that would be especially welcomed, as it could complement the implementation of both audit and ethical requirements that auditors need to apply.

National Association of State Boards of Accountancy (NASBA)

NASBA recognizes the importance of close coordination between IESBA and IAASB. Coordination of projects and communication between the organizations are essential to better serve the public interest. If not already implemented, NASBA suggests that the organizations consider establishing observer roles from the sister Board when a work stream is established. Similarly, the sister Boards may benefit from joint work groups so that each work stream can be considered by both Boards simultaneously.

United Kingdom Financial Reporting Council (UKFRC)

We have been encouraged to see the recent efforts at co-ordination between the IAASB and the IESBA, both in terms of workstreams on matters such as sustainability assurance as well as independence considerations in group audits. We welcome the efforts that have been made to ensure that concepts and terminology are similar in standards issued by the two bodies. Where there are clear opportunities for the Boards to work together, we would encourage them to harmonise their timetables to avoid any sense that co-ordination is lacking between the two bodies. We also suggest that both seek continuous improvement and mutual feedback on how they co-operate with each other.

4. National Auditing Standard Setters

Accounting Professional & Ethics Standards Board (APESB)

APESB supports the IESBA working closely with the IAASB to develop consistency between the IESBA Code and the IAASB's standards.

We strongly encourage both Boards to initiate early engagement on projects and maintain regular and close collaboration throughout all project phases. It is crucial to emphasize the significance of close coordination between the two Boards to ensure the timely and consistent development of their respective standards, meeting the expectations of various government entities, regulatory bodies, and stakeholders.

New Zealand Auditing & Assurance Standard Board (XRB)

We are supportive of the two Boards, coordinating the development of their strategy and work plans, continuing to coordinate closely at a technical level as well as coordinating at an operational level. However, the coordination efforts will need to be broader, beyond the IESBA and IAASB, so that lessons can be learned from other international standard setters (including the ISSB) in the sustainability space.

As we have noted throughout the submission, wide consultation and cooperation are incredibly important to ensure acceptance by other professions. This will also ensure that profession-agnostic standards for ethics and independence are developed on a framework-neutral basis.

5. Accounting Firms

BDO International Limited (BDO)

We agree that close coordination with the IAASB (and most especially in respect of Strategy and Work Plan coordination) is important to ensure consistency in approach, aligning timelines and consideration of the implications arising from new or revised standards being issued. Coordination should also extend to the notification and planned release of implementation guidance especially in areas of overlap or where both standards-setting boards are working on joint projects. Although the original Monitoring Group reform to have one standard setting board has not been implemented, there is an opportunity to have closer alignment, cooperation, and work activity (potentially through direct engagement or membership of Task Forces) from each of the respective IESBA and IAASB standard-setting boards. This could enable the assurance considerations to be deliberated by specific Task Forces throughout each project.

Deloitte Touche Tohmatsu Limited (DTTL)

Deloitte Global considers that it is appropriate to closely coordinate with the IAASB as it ensures consistency between the two Boards' standards – in particular with respect to defined terms. While Deloitte Global understands the Board's commitment to developing profession-agnostic standards on sustainability assurance, it should nevertheless be a priority for the Board that the ethical standards remain complementary to the corresponding assurance standards developed by IAASB and together form the basis for professional and ethical behavior by Professional Accountants.

As noted above, we also recommend aligning projects and timetables as much as possible, so that the feedback of each Board and its respective stakeholders can be gathered and considered collectively, and one standard setter is not "leading" with a requirement or position that may result in conflicts with the standards of the other.

Ernst & Young Global Limited (EY)

We believe that close coordination between the IESBA and IAASB is critical for the development of interoperable standards related to sustainability and use of experts, the rollout initiative of the changes to the Code arising from the IESBA's definitions of listed entity and public interest entity, and alignment of the definition of terms used in the respective standards. Close coordination on current work streams for standards that are under concurrent development and require interoperability would help avoid any unintended consequences of the standards not being fully aligned. In our view, this coordination needs to be prioritized and proactively planned, and the IESBA's SWP should include more specifics around the planned topics and actions with respect to the projects and workstreams listed above.

Grant Thornton International Limited (GTIL)

GTIL would like to thank the IESBA for this opportunity to comment. As always, we welcome an opportunity to meet with representatives of the IESBA to discuss these matters further. If you have any questions, please contact Gina Maldonado-Rodek, Director - Global Independence at gina.maldonado-rodek@gti.gt.com.

KPMG IFRG Limited (KPMG)

We continue to support the IESBA's coordination with the IAASB and appreciate the efforts to date to align on key terms and requirements. We would caution the IESBA to not get ahead of the IAASB in relation to requirements for the client that revert to the auditor because the IESBA lacks authority to compel the client to comply.

We recommend that the IESBA consider coordination with the International Accounting Standards Board (IASB) for matters impacting the audit client where the IESBA has no remit. This would include, for instance, the disclosure of fee-related information in financial statements. With the pathway created for coordination with the International Sustainability Standards Board (ISSB) through the IESBA's sustainability project, we encourage the IESBA to pursue future coordination with the ISSB's sister board, the IASB.

Meyers Norris Penny (MNP LLP)

MNP LLP is one of Canada's largest chartered professional accountancy and business advisory firm. Our clients include small to mid-size owner-managed businesses in agriculture, agribusiness, retail and manufacturing as well as credit unions, co-operatives, Indigenous communities and businesses, medical and legal professionals, not-for-profit organizations, municipalities and other public sector entities. In addition, our client base includes a sizable contingent of publicly-traded companies.

We appreciate the opportunity to provide feedback on the SWP and look forward to reviewing the IESBA's deliberations and responses to comments received. We would be pleased to offer our assistance to the IESBA in further exploring the issues raised in our response or in finding alternative solutions.

Moore Global Limited Network (MGNL)

Coordination between the IESBA and IAASB is essential to the profession acting in the public interest. The Standards and the Code must be aligned to serve the public.

PricewaterhouseCoopers International Limited (PWC)

Coordinated public consultations with IAASB should be a goal. It is important to the credibility of both the IESBA and IAASB that the Boards work collaboratively on projects that have overlapping implications for the Code or the IAASB's standards. We strongly encourage adopting a future approach where a single joint exposure draft is issued on a relevant project that sets out the proposed revisions to both the Code and affected IAASB standard(s) in the same document.

As the two Boards progress their respective work on sustainability assurance, this is an opportunity to demonstrate an integrated approach. Although within the current, rather than next, strategy period, we encourage the Boards to collaborate on their respective exposure drafts on this topic. In particular, given the differential timelines being followed for each Board's exposure draft, coordination is critical to ensure there are no gaps or inconsistencies in the respective proposals, for example in terms of key overlapping definitions, which would serve to undermine stakeholder perceptions of effective collaboration. While we acknowledge that the timelines of the planned exposure of ISSA 5000 and changes to the Code make the issuance of a single exposure draft unworkable, we would still encourage an approach where both Boards utilise each other's exposure drafts to obtain relevant input on overlapping matters of interest to inform the ongoing development and refinement of their respective proposals. Such an approach could represent a blueprint for similar projects of mutual overlapping work in the 2024-2027 strategy period.

RSM International (RSM)

We agree that it is important to have close coordination between the IESBA and IAASB. One suggestion might be to have a representative from one Board on every workstream or project of the other Board with an objective to consider any impact of the standards of their Board.

7. Member Bodies and Other Professional Organizations

Accountancy Europe (AE)

The IESBA and IAASB should align their terminologies and timelines to the maximum extent possible, for the projects that are within the scope of both Boards' mandate. While doing this, the main objectives should be to provide consistency and to avoid confusion. This has not been fully achieved on the PIE and listed entity definition project. We see that a similar misalignment exists on sustainability-related projects as the IAASB and IESBA have different targeted dates for their exposure drafts. As a result, stakeholders will not be able to see the ethical framework envisaged for sustainability assurance (i.e. ethical requirements, including those related to independence) while responding to the exposure draft of ISSA 5000. This misalignment may lead to inconsistencies or subsequent changes in the standards.

Coordination between the Boards is particularly important in the development of profession-agnostic assurance and ethics (including independence) standards for assurance on sustainability information. Boards should maintain their close coordination in order to develop robust standards that are applicable to sustainability assurance providers, including other independent professionals, and that foster high-quality engagements and consistent practices.

American Institute of Certified Public Accountants Professional Ethics Executive Committee (AICPA)

We support strengthening the coordination with the IAASB to leverage better collective actions in the public interest. We also encourage having joint IESBA and IAASB sessions during national standard-setters meetings.

Association of Italian Audit Firms (Assirevi)

Should you have any queries, please do not hesitate to contact us.

Association of Chartered Certified Accountants (ACCA)

As we noted in our response to the IAASB's Strategy and Work Plan, we agree with the continuous importance placed on the close coordination between IAASB and IESBA as noted in both the IAASB/IESBA's Strategy and Work Plans.

However, linked to the point we have raised regarding a stable platform, the IAASB and IESBA should also reflect on the fact that many stakeholders responding to IAASB and IESBA consultations are the same and therefore both Boards should factor that in when considering open consultations for public comment. An approach that has worked in the past was to incorporate questions that are of relevance to the IAASB in IESBA's open consultations and vice versa, enabling both Boards to obtain views without issuing additional consultation papers.

Botswana Institute of Chartered Accountants (BICA)

Terminology applied under standards issued by IAASB and the Code should be aligned simultaneously for all projects.

Chartered Accountants Australia and New Zealand (CA ANZ)

CA ANZ encourages co-operation and collaboration between the Standard Setting Boards (“SSBs”). We support endeavours to harmonise and streamline the operations of the IESBA and the IAASB and recognise the importance of these interactions given the common purpose of many objectives – to enhance quality, transparency, and trust in the profession.

While we support the profession emphasising the importance of coordinating topics of mutual interest between the IESBA and the IAASB, we consider that this approach should be a standard operational procedure and expectation rather than a potential work stream. To this end, we encourage the IESBA and IAASB to develop rules of engagement to support this approach. This may include consideration of the timing of projects between the SSBs to enhance efficiency and improve the quality of submissions received. Secondments of technical staff between SSBs may aid in transferability of skills and knowledge, creating an improved flow of information between the Boards.

To provide appropriately considered, quality contributions to board deliberations, it is critical that papers are distributed in a timely fashion to allow for meaningful consideration of content.

Staggering board meetings and comment periods may also be beneficial in assisting stakeholders digest the material issued by each board.

The Chamber of Auditors of the Czech Republic (CACR)

No suggestions in this area.

Certified Professional Accountants Australia (CPAA)

CPA Australia recognises the importance of close coordination between the IESBA and IAASB given the interrelated issues being addressed. We also welcome the attempts being made to harmonise definitions and terms between IESBA and the IAASB. We believe this should be done quickly to create clarity for PAs in an area which can, at times, create barriers to understanding.

In addition, we believe it is important that IESBA seek to work with collaboratively other global standards setters for the profession with the objective of creating complementary obligations for the profession when developing new or revising existing obligations for PAs.

Chartered Professional Accountants Canada Public Trust Committee PA Canada (CPAC)

The PTC is very supportive of ongoing IESBA efforts to coordinate with the IAASB. We believe that such efforts that include building consistent terminology and definitions is in the public interest allowing for effective regulation including enforcement.

As the Boards closely coordinate, we believe there should be opportunities to share contacts (e.g., those noted as difficult to engage including investors and TCWG) and leverage outreach opportunities so that the same stakeholders may be engaged in multi-faceted issues including ethics and assurance. For example, conducting roundtables together on topics of mutual interest would allow for combined effort in obtaining participants and a more efficient outcome for all parties involved.

The PTC also notes that proxy firms that may represent a significant influence on voting and major institutional holders are a stakeholder group that could be engaged on a combined basis by IESBA and IAASB.

Hong Kong Institute of Certified Public Accountants (HKICPA)

We appreciate the coordination between the IESBA and the International Auditing and Assurance Standards Board (IAASB) on a number of key projects, for examples, the IESBA's Engagement Team – Group Audits Independence project and the IAASB's Group Audits project, etc. We highly encourage the IESBA to sustain its coordination with the IAASB and the International Organization of Securities Commissions (IOSCO) on the sustainability project and other projects, where appropriate.

Irish Auditing and Accounting Supervisory Authority (IAASA)

I hope that you find these comments useful. Please do not hesitate to contact me if you have any questions.

Ikatan Akuran Indonesia (IAI)

We strongly agree with the IESBA's proposed program of work to align the definitions of terms used in the Code with those in the IAASB. Considering that many users apply the IAASB standards and the Code simultaneously, it is necessary to align terms and definitions to eliminate ambiguity, increase the interoperability of the IESBA and IAASB standards, and facilitate the adoption and implementation of the two standards.

We are certain that the IESBA and the IAASB have considered the best arrangements for maintaining close coordination. This includes periodical and structural meetings, complemented by intense communication and coordination between the technical staff of the standard-setting bodies. Cross-involvement between staff of the respective standard-setting bodies will benefit the standard-setting process.

Institute of Chartered Accountants in England and Wales (ICAEW)

ICAEW would urge the IESBA and IAASB to align their use of terminology and project timelines to the maximum extent possible. This is important to ensure consistency in the application and implementation of standards, particularly as regards those related to sustainability.

Institute of Chartered Accountants of Nigeria (ICAN)

With the workstream, we already see that there will be alignment in outcomes between the expectation of the IESBA code and the IAASB standards. We don't have anything to add to that because we already think that the workstream is working to align the definition of terms and description of terms between the Code and the IESBA's standard. We already have an alignment in terms of the expected outcome of the implementation of both the Codes and the Standards.

We have no further areas to suggest.

The Institute of Chartered Accountants of Scotland (ICAS)

We agree that there is a need for proper coordination between the IESBA and IAASB in relation to various work streams, including those covering sustainability issues and we are supportive of continued

on-going engagement in that regard. As part of this, the boards should seek to ensure that, as far as possible, they use consistent terms and definitions.

Institut der Wirtschaftsprüfer (IDW)

Overall, our experience has been that cooperation between the IESBA and the IAASB has greatly improved compared to previous years. However, we believe that greater cooperation is needed in circumstances when one Board addresses definitions that are set forth in the requirements of the other Board. Given the impact of changing definitions, we believe it is not sufficient for staff alone to be informed about contemplated changes. To prevent a project from moving along with unintended consequences for the other Board, once a task force has identified that it intends to consider changing or creating definitions that are common to both Boards, then both Boards should be informed of such considerations within the same meeting quarter so that potential impacts can be discussed at an early stage.

In addition, there needs to be a clearer delineation between the responsibilities of both Boards. For example, while the competence of a professional accountant is an issue covered by ethical principles, the work effort related to considering the competence of experts whose work is being used by practitioners is a quality management and engagement performance issue. Each Board may have different terminology (e.g., the use of words in CUSP), but it needs to be clear in which Board's remit the item is. Another example is reporting by practitioners to third parties, including the public, where the IAASB and the IESBA need to coordinate closely, in particular prior to the IESBA considering such reporting responsibilities for practitioners. The Boards need to properly delineate their respective remits and ensure that one Board does not encroach upon the remit of another. To this effect, draft project proposals from each Board should be made available to the other prior to approval so that the other Board can ascertain whether the remit of the project proposal aligns with the remit of the respective Boards.

Institute of Singapore Chartered Accountants (ISCA)

Should you require any further clarification, please feel free to contact Ms Alice Tan at alice.tan@isca.org.sg or Ms Ng Shi Zhen at shizhen.ng@isca.org.sg.

Japanese Institute of Certified Public Accountants (JICPA)

When deciding effective date of revised provisions, we suggest both the IAASB and IESBA should coordinate the schedule so that there is sufficient time to ensure the adoption and implementation of the revisions in all jurisdictions.

We also believe that there is an urgent need to build a process for systematic and coordinated consideration between the two parties to enable smooth progress in projects that relate to both the IAASB and IESBA, including sustainability.

Korean Institute of Certified Public Accountants (KICPA)

In general, the KICPA agrees with the “Proposed IESBA Strategy and Work Plan, 2024-2027”.

Pan-African Federation of Accountants (PAFA)

As indicated above, we concur with the view that the IESBA and IAASB have to work in close co-operation. We do not have any additional views or suggestion on the matter.

Pennsylvania Institute of Certified Public Accountants (PICPA)

The committee supports coordination between IESBA and the IAASB, but does not have any suggestions for enhancing such coordination.

South African Institute of Chartered Accountants (SAICA)

Enhancing coordination between the IESBA and the IAASB is crucial for better serving the public interest and ensuring consistency across ethical and auditing standards.

Here are some views and suggestions on how this coordination could be enhanced:

- Regular Communication Channels: Establishing regular communication channels between the IESBA and IAASB can facilitate timely exchange of information, updates, and feedback. This could include periodic meetings, joint working groups, and sharing relevant documentation to ensure alignment and collaboration if not already taking place.
- Joint Projects and Task Forces: The IESBA and IAASB could consider initiating joint projects or task forces to address topics that have overlapping ethical and auditing considerations. By working together from the outset, both boards can ensure that the ethical standards and auditing standards are aligned, mutually supportive, and promote a comprehensive approach to professional ethics and auditing practices.
- Sharing Research and Insights: The IESBA and IAASB can collaborate on research initiatives and share insights and findings that are relevant to both ethics and auditing. This collaboration can help in identifying emerging issues, understanding their interplay, and developing comprehensive and forward-looking standards that address the evolving needs of the profession and the public interest.

Wirtschaftsprüferkammer (WPK)

We share the IESBA's view that it is essential that IESBA and IAASB harmonize their terminologies and timelines to the highest extent possible. Therefore, a close coordination and strong cooperation between the two Boards is of extraordinary importance. Even if the IAASB has meanwhile accelerated its timeline for issuing ISSA 5000, we assume and strongly recommend that both Boards do their utmost to ensure the harmonization of terminologies in their sustainability projects.

8. Individuals and Others

European Federation of Accountants and Auditors for Small and Medium Entities (EFAA)

We support close coordination with the IAASB.

We reiterate comments made in our response to the IAASB Consultation Paper: The IAASB's Proposed Strategy and Work Plan for 2024–2027.

The Stakeholder Advisory Council (SAC) will go some way towards forging closer coordination. However, meaningful coordination can only really be achieved at the 'grassroots' level, from the bottom up. This means coordination at task force level. This might be facilitated by each task force, IESBA and IAASB, assigning a liaison person, a staff and / or Board member, from the other Board.

We have some other suggestions on how to ensure closer coordination:

- *Create a combined leadership superstructure consisting of the Managing Director, Professional Standards as well as the technical directors, chairs, and deputy chairs of both boards.*

- *Technical directors observe the meetings, or parts of the meetings, of the other board.*
- *Regular joint meetings as the CAGs have been doing (and the SAC will be).*
- *Joint / shared outreach events and meetings.*
- *Staff assigned, where possible, to work on projects for both boards.*

International Federation for Accountants Public Accountants in Business Advisory Group (IFAC PAIBAG)

We support the coordination with the IAASB, no further suggestions.

Munarriz CE

No additional comments

International Federation for Accountants Small and Medium Practices Advisory Group (IFAC SMPAG)

The SMPAG recognizes close coordination between the IESBA and IAASB is important given the interrelated issues being addressed. We also welcome the attempts being made to harmonize definitions and terms between IESBA and the IAASB. This should be done quickly to create clarity for PAs in an area which can, at times, create barriers to understanding.

For stakeholders that closely follow both Boards and provide input ahead of each respective meeting, the fact these both take place around the same time each quarter is especially challenging because of the volume of papers that need to be reviewed in a very short period of time. We urge both Boards to consider a new model to address this issue.

The SMPAG believe that coordination could be enhanced on the timing of consultations by both Boards, with greater consideration being given to the number of open consultations and the timing of respective comment periods. We understand there can be pressure to move quickly on certain projects, but where possible consultation could be coordinated and delayed until there is an appropriate gap for responders. It is important that stakeholders have sufficient time to review and collate feedback to provide high-quality and useful input to help develop the standards. This can be compromised when there are multiple overlapping consultations for both boards. In addition, both the IESBA and IAASB provide helpful project timetables with target dates for projects, exposure drafts and approvals for final standards on their respective websites. We believe that it would be very useful for stakeholders to have a combined calendar of activities for both IESBA and IAASB, which is visible in one place. Compilation of this may also help the IESBA and IAASB understand where there may be specific issues with the timing of input.

There is also a need to consult on the respective responsibilities of the Boards at the earliest stages of a project. As an example, the recent and ongoing work concerning the definition of the term PIE led to IESBA debating changes to the auditor's report, which is an issue clearly in the remit of the IAASB and that would have benefited from better coordination - also in terms of aligning timing of the two Board's respective projects. SMPs in particular will struggle to adopt changes in multiple standards where the effective dates are too close to each other, as they have limited capacity to deal with such changes. In this way, delays between effective dates of IESBA and IAASB changes can be helpful and should actively be managed and consulted on with stakeholders, especially SMPs. This would be important, for example, when considering the effective dates for the IESBA and IAASB sustainability projects.