

**IESBA Strategy and Work Plan 2024 – 2027****SWP – Reference Material – NVivo Respondent Summary Analysis****Consultation Paper Q7:**

Do you have comments on any other matters addressed in the Consultation Paper or any significant matters?

**1. Monitoring Group****International Forum of Independent Audit Regulators (IFIAR)****Taking into consideration the Monitoring Group's Reforms**

Finally, we believe that IESBA strategy and work plan for the coming period should remain flexible in order to adapt to any evolution in operations of IESBA arising from the Monitoring Group's reforms. This may require IESBA to clarify any impact that the implementation of the Monitoring Group's reforms may have on its strategy and work plan going forward.

**International Organization of Securities Commissions (IOSCO)**

Thank you for the opportunity to comment on the Paper. If you have any questions or would like to discuss these matters further, please contact Nigel James at phone number: +1 (202) 551- 5394 or email address: JamesN@sec.gov or myself. In case of any written correspondence, please mark a copy to me.

**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 CEAOB International Auditing Standards Sub-group should you have any questions on the content of this letter.

**Independent Regulatory Board for Auditors (IRBA)**

We have no further comments.

**National Association of State Boards of Accountancy (NASBA)**

NASBA has no other comments.

**United Kingdom Financial Reporting Council (UKFRC)**

We have no further comments to make on this Consultation Paper or any other significant matters that the IESBA should consider in finalising the SWP for this period.

**4. National Auditing Standard Setters****Accounting Professional & Ethics Standards Board (APESB)**

Apart from the leadership and cultural issues raised in response to Question 2, APESB considers the IESBA should address the following matters:

### Promote widespread adoption of the eCode

The interactive functionalities of the eCode serve as a valuable resource tool, assisting PAs in effectively navigating and accessing relevant ethics and independence provisions pertaining to their professional activities.

However, it appears that there may be administrative issues hindering the widespread adoption of the eCode tailored to specific jurisdictions.

APESB therefore encourages the IESBA to consider how the eCode could be adapted and tailored to different jurisdictions. We think the availability of this resource would be an excellent incentive for jurisdictions to adopt the Code.

### Increase awareness of monitoring and enforcement in the non-assurance space

We understand that most accounting firms derive significant revenue from delivering non-assurance services, such as valuation, insolvency, forensic accounting, tax services, etc. However, the IESBA Code is predominantly focused on monitoring the compliance of PAs with ethical requirements when performing audit and assurance engagements.

APESB is of the view that, when there is insufficient monitoring and enforcement beyond the audit space, the expected ethics standards and professional behaviours are more likely to deteriorate.

Considering most PAs operate in the non-assurance space, it is also important to determine whether effective monitoring and disciplinary mechanisms exist to monitor and address non-compliance by PAs outside the assurance regulatory framework.

While some of this matter falls outside the IESBA's mandate for specific actions, it is important to consider the broader ethical issues that could arise across the accounting profession if this matter is not addressed.

## **New Zealand Auditing & Assurance Standard Board (XRB)**

Our responses to specific questions in the CP are set out in Appendix A. Should you have any queries concerning our submission please contact either myself at the address details provided below or Misha Pieters ([misha.pieters@xrb.govt.nz](mailto:misha.pieters@xrb.govt.nz)).

## **5. Accounting Firms**

### **BDO International Limited (BDO)**

BDO has no further comments.

### **Deloitte Touche Tohmatsu Limited (DTTL)**

None noted.

### **Ernst & Young Global Limited (EY)**

We have no further comments.

### **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)**

In correlation with our comment to consider prioritizing post-implementation reviews of effective standards, we would urge the IESBA to consider a mechanism to address unintended consequences that may arise from revisions to the Code. Such a mechanism is needed in the short term while newly effective standards are awaiting post-implementation review. We realize that there is a time-lag in adoption globally at the national standard setting level. Thus, to make this process most effective, the Board should have direct dialogue with the Forum of Firms specifically to help identify any such unintended consequences, as the firms will be actively implementing changes to the Code across their networks. Without such dialogue and a mechanism to address unintended consequences, the window between standard issuance and post-implementation review may need to be tightened, especially when issues are identified before the effective date of a standard.

The IESBA should also consider leaving capacity in its Strategy and Work Plan to accommodate any emerging topics or issues that may require standard setting in short order.

### **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)**

No further comments.

### **PricewaterhouseCoopers International Limited (PWC)**

No further comment.

### **RSM International (RSM)**

No.

## **7. Member Bodies and Other Professional Organizations**

### **Accountancy Europe (AE)**

As Accountancy Europe, we have exchanged views and experiences with different IESBA Working Groups and Task Forces at different phases of their ongoing projects. This was deemed quite beneficial by both parties. We are committed to continue this collaboration and willing to support the IESBA in achieving its strategic objectives.

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

Collective Investment Vehicles (CIVs), Pension Funds and Investment Company Complexes (ICC)

We support IESBA reviewing CIVs, ICCs, and pension plans to ensure that the independence provisions and the application of the “related entity” definition in the code remain fit for purpose with respect to these arrangements. We commend IESBA for exercising caution before determining the need for revisions to the code given the complexity of these arrangements or structures and the degree of variation across jurisdictions. We would be pleased to arrange a meeting with the staff of the [Employee Benefit Plan Audit Quality Center](#) of the AICPA to assist with your understanding of pension plans in the United States.

### **Sustainability and Use of Experts**

In our [response](#) to *The IESBA Strategy Survey 2022*, we expressed our concerns about IESBA expanding the code to assurance providers other than professional accountants in public practice. We continue to believe that developing a profession-agnostic code will lead to erosion of public protection, weakening of standards, and diminished enforcement relating to the profession itself. IESBA should prioritize developing guidance for PAs rather than other professions that may want to use IESBA’s code. IESBA was created with a focus on the accounting profession and should maintain that focus by prioritizing the accounting profession over others.

As part of IESBA’s collaboration with the IAASB, we encourage IESBA to consider observations raised through the IAASB’s SWP process about profession-agnostic standards, including those raised by the [AICPA Auditing Standards Board](#).

## **Association of Italian Audit Firms (Assirevi)**

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

## **Association of Chartered Certified Accountants (ACCA)**

No, there are no further matters we would wish to highlight.

## **Botswana Institute of Chartered Accountants (BICA)**

*No further comments.*

## **Chartered Accountants Australia and New Zealand (CA ANZ)**

CA ANZ has no further comment with respect to other matters addressed in this Consultation paper.

## **The Chamber of Auditors of the Czech Republic (CACR)**

No such comments.

## **Certified Professional Accountants Australia (CPAA)**

CPA Australia believe it is appropriate for IESBA to temper the pace of changes following the high frequency or revisions in recent years as noted elsewhere in this consultation. We welcome the shift in focus from practitioners to non-practitioners as some of the most significant issues in recent years, such as corporate failures, have been somewhat outside the control of the profession and more to do with issues in the management of businesses.

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

### *National Standard Setters*

There are several areas within the Consultation Paper where the implementation of the Monitoring Group recommendations are referenced. The PTC remains cautious and looks forward to timely updates about the new Board operating model including a reduced size and adequate technical staff complements, including secondees, in the context of achieving the SWP. We are supportive of the IESBA's plan to monitor its available resources with the intent to adjust project timelines as needed and would welcome regular updates at NSS meetings in this regard.

The Consultation Paper indicates that the IESBA will remain flexible and agile regarding adjusting its priorities to address urgent or unexpected issues. The PTC would welcome insights as to how prioritization of issues or topics is/will be undertaken and what transparency of the costs and benefits will be provided in making such adjustments should they be needed. We believe this would be a useful discussion item for an NSS meeting in follow-up to this consultation process.

In considering this Consultation Paper, we noted that there was a significant shift in the Vision included compared to the last proposed Strategy and Work Plan for the period 2019-2023. In the current SWP, the IESBA's Vision is provided and notably it does not reference accounting, accountants or the accounting profession. In the 2019-2023 Consultation Paper, IESBA's Vision was as follows: "The IESBA's vision is for the Code to be a foundation of strong ethical principles, values and standards to underpin trust in the global accountancy profession in a dynamic and uncertain world, and to enable the profession to act in the public interest." While we note the shift relative to a focus on sustainability and related ethics for service providers who are not professional accountants, we believe the core focus of IESBA is and clearly should remain ethics standards for the global accountancy profession. We would have welcomed a discussion of the evolving Vision at an NSS meeting in advance of the Consultation Paper and now look forward to an opportunity following this consultation process.

As we look forward to the SWP period of 2024-2027, we are hopeful that a regular and frequent meeting cadence will be established for the NSS as has been previously discussed. The Consultation Paper scopes out the dynamic environment for standard setting and we believe the NSS can make important contributions to the IESBA's efforts.

### *Comment periods for IESBA Exposure Drafts and Consultations*

As outlined in our previous communications with the IESBA, the PTC would like to reemphasize that a 90-day comment period is highly challenging in a multi-jurisdictional country such as Canada. The challenge of responding within a relatively short time frame is even more acute in our circumstances, as our due process for providing comments includes the public exposure of IESBA proposals to revise the International Independence Standards in French and English and presented compliant with accessibility legislation. The issue is further exacerbated when multiple IESBA consultations occur concurrently or in close proximity to each other.

As the IESBA continues its important work in encouraging and promoting global adoption of the Code, we recommend it consider whether longer public consultation periods would result in more comprehensive and considered input leading to a more rigorous standard-setting process in the public interest. As indicated in the Consultation Paper, the IESBA acknowledges the continuing challenge of adequately engaging some stakeholders such as investors and TCWG. The PTC believes that a 90-day comment

period may contribute to this ongoing challenge of not being able to adequately engage with some stakeholders.

In Canada, the IESBA proposals must be considered in the context of multi-jurisdictional laws and regulation. We remain concerned that a 90-day comment period does not allow sufficient time to coordinate and prioritize the resources required for robust consultation in all jurisdictions and request again, that the IESBA increase the length of comment periods going forward.

### **Hong Kong Institute of Certified Public Accountants (HKICPA)**

We trust that our comments are of assistance to you. If you have any questions regarding the matters raised above, please contact Selene Ho, Deputy Director of the Standard Setting Department ([selene@hkicpa.org.hk](mailto:selene@hkicpa.org.hk)).

### **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)**

No further comments.

### **Institute of Chartered Accountants in England and Wales (ICAEW)**

- ICAEW notes the IESBA's direction of travel in relation to the development of "profession agnostic standards", particularly in relation to the field of sustainability. However, the practical challenge is likely to be the degree to which non-IFAC bodies would adopt (and adhere) to such standards.
- The issue of how to deal with non-compliance or purported compliance by such bodies would need careful consideration. Unlike IFAC accountancy bodies, "sustainability assurance organisations" might not have a clear disciplinary structure to disincentivise breaches of the Code. Implementation of such structures might require national legislation or regulation.
- Considerable care would also need to be taken to ensure that claims to a wider use of the Code by such organisations does not lead to the apparent "certification" of non-professional bodies or organisations or, through that, a diminishing in the public perception of the Code or its enforcement.

### **Institute of Chartered Accountants of Nigeria (ICAN)**

No further comment other than as stated in our response to (5) above.

### **The Institute of Chartered Accountants of Scotland (ICAS)**

We have no further comments.

### **Institut der Wirtschaftsprüfer (IDW)**

The IDW does not have further comments.

### **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](mailto:alice.tan@isca.org.sg) or Ms Ng Shi Zhen at [shizhen.ng@isca.org.sg](mailto:shizhen.ng@isca.org.sg).

### **Japanese Institute of Certified Public Accountants (JICPA)**

In Appendix 3, NAM in Other Activities has an anticipated demand on resources of “L” (Low), but we believe that the development of NAM will require considerable amount of resources. We believe that it is highly desirable to publish a NAM at the earliest possible time to support the adoption of the revised Code. However, the release of the “Staff Questions & Answers” document on “Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code” was delayed until 2023, which was originally scheduled to be in July or August 2022. We are concerned about significant delay in publication, while acknowledging that it depends on the state of discussions. The Code is a principles-based framework, and so guidance such as NAM that serves as a reference during application is of great interest not only for professional accountants but also for TCWG and senior levels of corporate management as they need to refer to the Code. We believe that it is important to consider whether appropriate resources have been allocated to the prompt development of NAM to ensure sufficient preparation for the application of the Code.

Further, we believe that irrespective of the topics, the principle-based standard-setting will better facilitate the adoption of the Code by taking into sufficient consideration the legislation, culture, and custom that would differ across jurisdictions in the IESBA’s discussions including those in the task force.

Also, translation needs in non-English speaking jurisdictions should be taken into account when developing the Code. We suggest the IESBA should avoid lengthy sentences and use concise and easily understandable wording.

### **Korean Institute of Certified Public Accountants (KICPA)**

We are also very pleased to have opportunity to provide our comments on IESBA Consultation Paper, “Proposed IESBA Strategy and Work Plan, 2024-2027”.

Please contact us at [dyou@kicpa.kr](mailto:dyou@kicpa.kr) for any further matters regarding the “Proposed IESBA Strategy and Work Plan, 2024-2027”.

### **Pan-African Federation of Accountants (PAFA)**

*While we are largely supportive of the proposed strategy and work plan, we do want to make a plea to the board to ensure that standard development and amendments are done at a pace that allows users adequate time to implement them so as not to be overwhelming and resource intensive. This may also have a bearing on how and when the IESBA and the IAASB in their collaboration issue standards as the same stakeholders would most likely have to implement them.*

### **Pennsylvania Institute of Certified Public Accountants (PICPA)**

See response to question #1.

### **South African Institute of Chartered Accountants (SAICA)**

Below are significant matters not covered that SAICA believe the IESBA should consider in finalising the SWP 2024-2027:

- Global economic risks:
  - Impact of international conflicts and the ethical implications it may have on economic relationships affected by the conflicts e.g., Russia-Ukraine war; US-China trade war.

- Impacts of high inflation
- Public Sector and whistleblowing
- Impact of global climate changes.

These scenarios increase pressures on PAIBs and PAPPs and pose even greater challenges to ethical conduct.

### **Wirtschaftsprüferkammer (WPK)**

We do not have any further comments or any other significant matter.

## **8. Individuals and Others**

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

*We have no further comments.*

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

No further comments

### **Munarriz CE**

No additional comments

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

The SMPAG believes it is appropriate for IESBA to temper the pace of changes following the high frequency or revisions in recent years as noted elsewhere in this consultation. We welcome the shift in focus from practitioners to non-practitioners as some of the most significant issues in recent years, such as corporate failures, have been more to do with issues in managing businesses.

It is critical for the Board to ensure that scalability and proportionality are at the forefront of the future revisions to the Code. Where any future developments are intended to increase focus on PIEs or larger entities, consideration must be made of the potential impact on both SMPs and SMEs. It can be difficult for these constituency groups to provide their views as they often lack the time or resources to closely follow all developing projects.

The SMPAG, of course, looks forward to continuing to engage regularly with the IESBA on its various projects.