Comments to the Fees Project Proposal by Standard-Setting Board (SSB)/IFAC Technical Managers

The comments of SSB/IFAC Technical Managers for the technical areas within, or supported by, IFAC are required before this Project Proposal is considered by the SSB or IFAC committee proposing to undertake the project.

Technical Manager to the Compliance Advisory Panel and Professional Accountancy Organization Development Committee

In addition to the implications already identified in the proposal, we do note that in jurisdictions where a) the national standard-setter and/or PAO has to translate the standards for adoption and implementation or b) the national standard/setter and/or PAO has limited means to address and align changes within its own Code on a timely basis, this might impact global application of any changes.

No additional significant concerns or comments related to this project proposal.

We encourage the IESBA to update, issue, and if feasible translate, the guidance for the changes, especially for PAOs in developing contexts.

Signed: Sarah Gagnon  
Date: 8/29/18

Technical Manager to the International Accounting Education Standards Board (IAESB)

No comments.

Signed: David McPeak  
Date: September 7, 2018

Technical Director to International Auditing and Assurance Standards Board (IAASB)

The matters of coordination related to the Fees Initiative will follow the general principles of coordination agreed by the IAASB and IESBA during their September 2017 joint meeting.

Technical Manager to the Professional Accountants in Business (PAIB) Committee

Other than PAIBs need to be aware of fee provisions, rules and best practice — I don’t think any changes will have much of an impact to PAIBs. We agree that the “project may also have implications for those charged with governance (TCWG), particularly PAIBs who take part in decisions regarding appointing and reappointing auditors, and for other PAIBs who have a role in negotiating or agreeing fees for audit engagements.”

Signed: Stathis Gould  
Date: 8/28/2018

Technical Director to the International Public Sector Accounting Standards Board (IPSASB)

The IESBA is encouraged to be aware of arrangements in which a regulator determines audit fees or audit fees negotiated with consortium rather than a counterparty (audit client).

Signed: John Stanford  
Date: 9/7/2018
Technical Director to the IFAC Small and Medium Practices (SMP) Committee

I support the IESBA approach of undertaking an academic review of issues related to fees in order to inform the Board and balance perception around audit fees. As noted in the response to the Fees Questionnaire – the SMPC believes that the IESBA Code, together with ISQC 1 establishes sufficient and appropriate provisions to help firms deal with the threats to compliance with the Code and there needs to be a collective effort from multiple stakeholders to ensure audit is viewed as a valuable service. The SMPC believes this issue could be partly addressed by greater education of the public and other stakeholders about the restructured code and compliance with the fundamental principles.

I consider that the SMPC will be concerned about the potential impact of the project on both SMPs and SMEs. For example, the consideration of a specific threshold for non-PIE audit clients. I therefore welcome the acknowledgement of the need for outreach to the SMPC and ensuring input is received at all stages. I also believe that the project would benefit if an SMP were included in the task force and would be happy to explore a representative from the SMPC.

Given the overlap with the Non-Audit Services (NAS) I would also like to take this opportunity to emphasize the importance of the Fees Working Group liaising closely with the NAS Working Group.

Signed: C. Arnold  
Date: 9/7/18

Technical Manager to the Transnational Auditors Committee (TAC)

Supportive of this project with no comments.

Signed: Barry Naik  
Date: 9/7/2018