IESBA Strategy Survey 2022

Comments on Survey Question 6

Survey Question 6

Do you believe the IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code in its next strategy period (2024-2027)?

Respondents	Comments
ACCA	Yes, we believe that the IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code in its next strategy period (2024-2027), and more specifically, prioritise PIRs of the revisions to the Code relating to NAS, Fees and PIE projects. These projects consisted of significant revisions and their PIRs would be an important part of assessing how effectively the implementation of these revisions is meeting the original objectives.
ACFBH	No
AE	Yes, we believe that IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code. Accordingly, the IESBA should prioritize PIRs of the revisions to the Code relating to the NOCLAR, NAS, Fees and PIE projects in its next strategy period. These projects led to significant revisions to the Code. A slow-down period (with no further revisions) will be beneficial for the local professional organisations allowing them to dedicate resources for implementation support in their jurisdictions. The IESBA efforts needed to raise awareness and to promote the adoption and effective implementation of the Code will most likely be diverse in different jurisdictions. It can be particularly useful for the IESBA to understand the reasons why the Code has not been adopted in some jurisdictions.

Respondents	Comments
AIA	We believe the IESBA should place a high level of importance on this area. Please see our remarks above in response to Question 5. Given our concerns regarding the project to revise the definition of the engagement team, and depending on the ultimate outcome of this project, we urge the IESBA to conduct a PIR as soon as is practicable to determine whether the changes impact the audit and assurance market.
APESB	APESB is supportive of the IESBA focusing on encouraging countries to adopt the Code in its next strategy period. However, it would be useful to understand why countries have not all moved to the restructured Code, particularly if there are concerns about the pace of change and whether the recent revisions (such as NOCLAR) are creating challenges for some jurisdictions. APESB also encourage the IESBA to consider how the eCode could be adapted and tailored for different jurisdictions. We think the availability of this resource would be an excellent incentive for jurisdictions to adopt the restructured Code. However, it appears that there may be administrative issues hindering the widespread adoption of the eCode tailored to specific jurisdictions.
BDO	BDO believes that the IESBA should devote strategic focus on standard-setting activities, IFAC should focus on promoting timely adoption of the IESBA Code and that local regulatory bodies should focus on effective implementation of the IESBA Code. BDO is of the view that a post-implementation review (PIR) provides insight into possible future amendments and highlight areas where clarity is required in terms of practical application of the IESBA Code. BDO supports the PIR that the IESBA has performed or plans to perform in the 2019/2023 workplan and encourages the IESBA to continue performing these into 2024 and beyond.
BICA	IESBA should focus on ensuring the Code and any subsequent Pronouncements are adopted timely and implemented effectively. Timely adoption will ensure any new changes strengthen public interest protection promptly. Effective implementation will allow IESBA to ascertain if the Pronouncements are working as intended.
CAANZ	It is important that both the profession and its stakeholders, understand what the requirements in the Code mean, how they build trust in PAs and how they translate to the reliability and consistency of the information presented. The more broadly the Code is adopted and implemented, the greater the likelihood that trust and consistency will be enhanced for professional accountants. Therefore, we support and encourage the efforts of the IESBA in promoting timely adoption and effective implementation of the Code.

Respondents	Comments
CACR	In our view IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code in its next strategy period as new standards introduced require PIRs to confirm the original objectives were met.
CPAA	It is difficult to conceive what this might entail on the part of the IESBA, other than the development and publication of targeted non-authoritative guidance and support materials. If this is what is being proposed by the IESBA, then it should ensure that focus is given to these activities.
CPAC	The PTC believes that timely adoption and effective implementation should remain a strategic focus area of the IESBA and specifically that focusing on stability within the Code will naturally promote these outcomes. It is important for the IESBA to weigh the benefits of a stream of additional revisions or new pronouncements against the backdrop that constant revision makes it more difficult for national standard setters to remain current in their adoption and implementation efforts and is very taxing to the resources of both the IESBA and national standards setters. The PTC notes that issuing revisions of revisions (i.e., revisions to paragraphs that are not yet effective) does little to promote the Code's robustness or utility and makes it difficult for national standard setters to promote adoption of the Code in their jurisdictions. A period of relative stability for the Code would allow national standard setters to benchmark their own standards for the purposes of comparison, before the next version of the Code is issued. The PTC also believes that national standard setters would benefit from more time between exposure drafts and longer consultation periods where possible, in order to fully consider the impact of the IESBA's proposals in their jurisdictions. The PTC thinks that if national standard setters in some jurisdictions are discouraged from adopting the Code because they believe it is not stable and there is insufficient time to understand and provide input into proposed changes to the Code, that the IESBA's work in developing and issuing revisions to the Code might be of less value in these jurisdictions. We also note that the trend toward globalization internationally appears to have paused, or perhaps even changed course to nationalization and think that this may pose an additional challenge for the IESBA in the current environment.
Cristian Munarriz	Yes, because it is critical to understand if the changes are working as intended.

Respondents	Comments
CSCADG	Yes, the Code should be implemented in a timely manner. If only 85 out of 120 jurisdictions have adopted or committed to adopt the Code in a timely manner, then this needs to be addressed as a priority.
Deloitte	Deloitte Global considers, overall, that a more substantial share of the Board's activities should be directed at seeking wider understanding, adoption and effective implementation of the Board's standards, including through implementation reviews and proactive engagement with all key stakeholders. We stress promoting wider adoption of the Code is particularly important as global consistency is in the public interest. Deloitte Global also urges the Board to meet its commitment to undertake implementation reviews which must, in our view, be prioritised. There is not only the restructured Code to be considered, but the Board should also prioritize undertaking post- implementation reviews of previous significant changes to the Code (such as the breaches provisions, NOCLAR, Part 4B and non-assurance services and fees provisions). We would recommend that the Board use this information to determine whether the objectives of the many revised standards over the last few years have been met, and also determine whether additional guidance in particular areas is needed.
Dilip Jain from Crowe Global	Yes. Timely adoption and implementation are a must. And professionals should know in advance what is coming their way so that they can prepare for the same.
EFAA	We believe the IESBA should place a high level of importance on this area. Please see our remarks above in response to Question 5. Given our concerns regarding the project to revise the definition of the engagement team, and depending on the ultimate outcome of this project, we urge the IESBA to conduct a PIR as soon as is practicable to determine whether the changes impact the audit and assurance market.
EY	It is in the public interest to have independence standards for audit and assurance that are consistently implemented and applied on a global level. We therefore believe that the IESBA should devote significant strategic focus on promoting full adoption, timely adoption and effectively implementation of the Code in the next strategy period. Further, we believe that it is important to focus promotion also on Part 4B of the Code as some jurisdictions are seeing an increased requirement for assurance services which again has triggered local standard setting instead of adoption of the Code. This is for example true for the EU with regards to assurance services related to Green Bonds and in the Digital Services Act. In addition to promoting timely adoption, we believe the IESBA should equally devote strategic focus on alignment between the Code and local requirements in jurisdictions that report the Code as adopted. Many of these jurisdictions have made (significant) modifications in their adoption of the Code, resulting in global misalignment.
FIPECAFI	Yes I agree. The adoption of the Code is key for auditors and its roles as a whole.

Respondents	Comments
Frederik Eloff from SAICA	no comment
HKCIPA	We consider it is important that the IESBA conducts post-implementation reviews (PIRs) to assess if the revisions to the Code relating to the NAS, Fees and PIE projects meet the original objectives of the revisions but this should be done between two and five years of application so that users of the Code are more familiar with the revisions. Therefore, we consider that this topic is important but not urgent and should be prioritized for a later date. It would be useful for the IESBA to state clearly on its website the PIRs policy such as the time frame, selection criteria and basis for conducting PIRs.
IAFEI	I agree to IESBA devoting strategic focus on promoting timely adoption and effective implementation of the Code in 2024-27 strategy period. Lots of professional time and efforts were spent to develop the revised Code and seeing to it that it is adopted is an expected consequence.
ICAEW	ICAEW agrees with this proposal. ICAEW considers that greater priority should be given to persuading more countries to adopt the current standards, rather than making minor changes to those standards. Global adoption would contribute to "levelling the playing field" and would be an immense benefit to world investment and world trade.
ICAS	We note that of the 120 jurisdictions that used the Code prior to the release of the restructured Code, around 85 have adopted, or committed to adopt, the restructured Code. It might be that this gap indicates that too much standard setting has been taking place, and therefore PAOs are not wanting to take it on, or some countries might be finding it more difficult to translate the Code so they are taking more time to implement it. This time lag for implementation might grow if new provisions are continually introduced. The IESBA should therefore consider devoting attention to those countries that have not yet implemented the restructured Code. It is noted that 85 jurisdictions have committed to adopting the Code, but how many have actually done so and what is the timeline for those who have committed but not yet done so. This could take place during outreach discussions, and be coordinated with IFAC, and it may be necessary to specifically target certain jurisdictions. The support of the Monitoring Group in promoting the need for jurisdictions to adopt the IESBA Code would be beneficial in this regard.
IDW	Yes, see above question 5. IESBA might want to focus on promoting the adoption of the Code's requirements, especially in jurisdictions with sustainability reporting and its assurance.

Respondents	Comments
IFAC SMPAG	Yes, we believe the IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code, and this will need to involve extensive outreach efforts and dedicated resources. There is a risk with all of the recent changes that not all the requirements of the currently effective Code will be adopted in certain jurisdictions. The recent rapid pace of change is also an issue that impacts the adoption of the Code, in particular with translations, and we would strongly suggest a period of stability to allow policy makers and impacted professional accountants to catch up. This is a view that is consistent with what the SMPAG has been continuously requesting over the past few years. The pandemic only made keeping up with the pace of change more challenging. That, now coupled with some regions experiencing hyperinflation and rising interest rates, has put a huge burden on the SMP community in that many are just trying to assist their clients in any way they can to help them stay afloat and keeping up with changes in standards can be especially difficult. As the IESBA is already aware, the SMPAG would like the IESBA to continue with evidence-based standard-setting. Evidence can be based on academic literature and surveys, and it is not practical to simply incorporate the laws and regulations of a certain jurisdiction into the Code. For example, the IESBA is currently doing a benchmark survey against SEC/PCAOB rules, whereas the rules are for US public companies. Furthermore, composition of the Board is also important. One of the main user categories is the SMP community whose clients are primarily SMEs, and the Code should not be set specifically for larger firms and PIEs. It is important that going forward the Board includes members who have extensive experience in the areas of SMPs/SMEs.
Ikhlaas Dooreemeah from BDO International Limited	yes
IRBA	We support *promoting timely adoption and effective implementation of the Code* proposed strategic pillar across all jurisdictions, and especially for developing economies.
ISCA	Yes, we believe IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code in its SWP 2024 – 2027.

Respondents	Comments
	Encouraging more jurisdictions to adopt the Code will be very helpful in enhancing global consistency in all professional accountants across the world when it comes to compliance with ethical standards. In addition, we agree that post-implementation reviews (PIRs) are important and rightly should be accorded high priority. With feedback from PIRs, the standards can be refined to meet their intended objectives more effectively.
JICPA	To ensure the effectiveness of the revised Code, we believe that its timely adoption and effective application should be monitored in conjunction with the establishment of the Code. Recently established provisions on non-assurance services (NASs), fees, and the definition of public interest entity (PIE) are of particular importance from the perspective of ensuring auditors' independence. We believe that the next strategic period should include a focus on assessing the status of their implementation. In a group audit, the component audit team is required to comply with the Code with which the group auditor is required to comply, and the status of the implementation of the Code in each jurisdiction (fully implemented/partially implemented) has created a situation where the level of the Code to be followed by the component audit team differs. This creates an undue burden on both the group audit team and the component audit teams to reconcile these differences. It would be beneficial to reduce the burden of group audit teams by providing guidance to require the uniform application of the requirements of the Code in group audits, and it is strongly recommended that measures be developed and implemented to encourage the full implementation of the Code in each jurisdiction.
KPMG	We believe this would be an appropriate area of strategic focus. The consistent use of the Code across many jurisdictions on a global basis is critical to support the provision of high-quality information to investors and other stakeholders, and to driving audit quality and the performance of high-quality assurance engagements. We therefore support efforts to further drive consistency on a global basis. We are also supportive of the proposed post-implementation reviews. Given the significant revisions to the Code in recent periods, we believe it is critical to understand the implications/effects of these revisions as they are adopted and implemented.
LCPAA	Yes, we agreed with your comment.
Leaf Excellence	Yes. With technology it is possible to speed up implementation.
MIA	Yes, to ensure a level playing field for all accountants globally. This will enable better comparability of financial and non-financial information reported by various entities across different jurisdictions.
MNP	Yes, given the significance of the changes, it will be imperative that the IESBA dedicate strategic focus on supporting PAPPs in the adoption and effective implementation of these changes in its next strategy period.

Respondents	Comments
NRF	Yes, see our response to Q 5
OECD	**EXD/DO** Yes. Raising awareness of the Code would create more trust amongst stakeholders. **EXD/PBF** No comment **GOV/PSI** Strategic focus on promoting timely adoption and, especially, effective implementation of the code demonstrates one of the primary components of the internal (integrity-driven) control environment. An internal control environment represents managers' commitment to public integrity and public-service values, and that provides a reasonable level of assurance of an organisation's efficiency and performance. From both the government-wide and institutional perspectives organisations shall tailor policies and practices to effectively manage integrity risks, conduct risk assessments and sustain a control environment that safeguards public integrity.
PWC	We agree that this is important but understand that this is the primary responsibility of IFAC, through the work of the Compliance Committee. Please see our response to Q5 where we note that a continuous cycle of changes may be a barrier to timely adoption due to jurisdictions having to consider, translate and amend local equivalents. This may exacerbate "partial adoption". This said, we recognize that while assurance providers are generally well aware of the Code and its requirements, we have the sense that such awareness remains low among those PAs who provide non-assurance services and particularly among PAIBs. Auditors are part of an ecosystem; companies do not fail because of poor audits (although good and effective audits are essential); they often fail because of poor management/governance. While awareness raising is primarily the responsibility of member bodies, and of course firms embed requirements in their policies, guidance and systems and train their people, we recommend that the IESBA considers what role it can play, with others such as IOSCO, in raising awareness of the Code, notably among PAIBs. We agree that at some point it will be appropriate to carry out Post Implementation Reviews but given that the revised NAS and Fees Standards are not yet effective, we can envisage that such PIRs may be relevant towards the end of the Strategy period.
RSM	Yes, we think that it is important that the IESBA rules are adopted globally as consistency in standards helps ensure understanding of the users of the assurance reports and therefore helps increase public trust in the profession. 120 jurisdictions had adopted the Code before its restructuring but only 85 jurisdictions had adopted the code after the restructuring. The IESBA should seek to understand the reasons for this so that it can take

Respondents	Comments
	action to encourage international adoption of the Code. There has been significant change in the IESBA Code in recent years and it is important that different jurisdictions and those that comply with the Code understand its application. We support the Post-Implementation Review projects on the changes made as we believe that this will help demonstrate the value in the changes made and identify areas where further change is required. With the significant change it is important that the IESBA focuses on how effectively the Code is being implemented to help determine what further action is needed.
Tony Alizzi from Hewlett Packard Enterprise	YES
UKFRC	The FRC supports the IESBA in devoting its energies on promoting timely adoption and effective implementation of the Code. This should represent business as usual rather than a distinct strategic workstream, since the overall effectiveness of the Code rests upon this work.
Validor Management	YES
WFE	Our response to question 5 expresses that much effort has been put into the ethical and independence requirements of the audit and assurance providers in recent years, however, it is now probably right to let the national standard-setters and practitioners have enough time to adopt and apply the requirements. We would support IESBA in conducting post-implementation reviews of these new changes.
WPK	It is important that the Code does not turn out to be a theoretical set of rules only, but that new changes are implemented and applied by the IFAC member bodies. Otherwise, IESBA and the Code would not achieve their goals. Against this background, we answer this question in the affirmative.
XRB	• The XRB supports the efforts of the IESBA in promoting timely adoption and effective implementation of the Code.