IESBA Strategy Survey 2022

Comments on Survey Question 8

Survey Question 8

Are there key environmental trends or developments, beyond those already noted above, you believe the IESBA should focus on in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.

Respondents	Comments
ACCA	As mentioned in our response to Question 2 above, the current key trends show an increasing demand for IT-related advisory services, eg. Cybersecurity, IT-risk management etc. Given that these services can also be provided by professionals other than PAs, we suggest that the IESBA closely monitors the developments in this space and considers including these services in the provisions of the Code, if it proceeds with expanding its Code to non-PAs. Similar to sustainability services, all providers of these assurance services should be held to the same high ethics and independence standards, regardless of the profession to which they belong. Another matter that the IESBA should consider relates to the applicability of its Code to SMPs. The current standard-setting activity at the reporting, assurance and regulation level globally, focuses on PIEs. However, these recent developments could have a significant impact upon the SME/SMP community too. So, we suggest that similar to the IAASB's on-going work on the ISA for LCE project, the IESBA addresses issues related to its Code that might impair and reflect the needs of SMPs.
ACFBH	No
AE	In addition to assurance on financial and sustainability reporting, we observe an increasing demand on technology-related assurance services. These may be related to a variety of subject matters such as cybersecurity, digital resilience, data protection, Information Technologies (IT) risk management, etc. There is a wide range of professional firms outside of the accountancy profession that are providing IT-related assurance services. Ethical requirements including rules on objectivity and independence are key for ensuring high-quality in such

Respondents	Comments
	independent third-party verifications, Therefore, the IESBA may consider the need for a global and specific ethical framework relevant to technology-related assurance services.
AIA	We expect as sustainability reporting and assurance gains ground that there will be increasing focus on the 'connective tissue', that is the integration, of this and financial reporting and assurance. Integrated reporting may be this connective tissue. As the two pillars of reporting integrate other unforeseen ethical issues may arise. We observe, especially in the US and some EU member states, an increasing demand on technology-related assurance services of various types and that many services are being provided by firms outside of the accountancy profession. Hence, the IESBA may wish to consider the merits of an ethical framework relevant to technology-related assurance services.
APESB	• Technology and AI are areas that are constantly evolving. Therefore, while we note the progress made in the IESBA's current Technology project, it will be advisable to have some capacity to deal with emerging technologies in the Strategic period 2024-2027. • Recent examples of significant ethical failures in large firms in Australia, the United States of America and Canada indicate leadership and cultural issues. As these ethical failures have occurred in several major G20 jurisdictions, APESB believes the IESBA has a role to play in determining whether this relates to deficiencies in the IESBA Code or if there is a need for increased awareness education, training or monitoring. The IESBA, in collaboration with the IAASB, could potentially consider thought leadership activities or guidance material emphasising the firm culture and leadership requirements in the IESBA Code and the IAASB's quality management standards.
BDO	No additional matters noted.
BICA	None noted.
CAANZ	In informing its strategy we encourage the IESBA to consider the ongoing sustainability and longevity of the accounting profession, particularly the audit profession. Attracting and retaining the best and brightest talent to the profession is imperative for maintaining and enhancing audit quality in the long term. Our members are reporting increasing challenges with respect to attracting and retaining talent, which amongst other factors, can be attributed to the pace and volume of regulatory change. A downturn in the number of skilled and experienced accounting professionals is not in the public interest. There needs to be a balance sought between protecting audit quality via refining the Code and ensuring that the level of regulation does not become burdensome and therefore a deterrent to entry.
CPAA	There are no other matters that have not been mentioned above, or on which the IESBA is not already working, that we believe should be considered at this time.

Respondents	Comments
CPAC	The PTC observes an increasing possibility that PAPPs may split into two categories (e.g., EY recent announcement) in the coming years: assurance providers and consultants. The implications of such a division on the needs and requirements of PAs could be a key trend that the IESBA should focus on in its next strategy period. Additionally, the rapid developments seen in the metaverse, crypto assets and non-fungible tokens have implications, particularly for accountants in business and issues surrounding valuation. These areas are growing, to some extent, in popularity and have very large public interest implications that could be an area of focus in the IESBA's next strategy period.
Cristian Munarriz	NO
CSCADG	NONE
Deloitte	NO
Dilip Jain from Crowe Global	Sustainability reporting must be a major focus area. The Board can collaborate and work with various professional bodies around the world and make sustainability reporting a mandatory requirement in their respective jurisdiction.
EFAA	We expect as sustainability reporting and assurance gains ground that there will be increasing focus on the 'connective tissue', that is the integration, of this and financial reporting and assurance. Integrated reporting may be this connective tissue. As the two pillars of reporting integrate other unforeseen ethical issues may arise. We observe, especially in the US and some EU member states, an increasing demand on technology-related assurance services of various types and that many services are being provided by firms outside of the accountancy profession. Hence, the IESBA may wish to consider the merits of an ethical framework relevant to technology-related assurance services.
EY	None beyond the focus on sustainability reporting and assurance referenced above.
FIPECAFI	The new business from new technoligics, ESG requeriments could be offter more possibilities of new ethical requeriments, in this case more orientation could be done.
Frederik Eloff from SAICA	no comment
HKCIPA	No. We consider the major trend is around sustainability reporting and assurance services which have already been identified by the IESBA for strategic focus in its next strategy period.

Respondents	Comments
IAFEI	Regional situations differ and such geographical dynamics should be taken into account, There may be no one size fits all type of way forward. General guideposts with milestones may be suggested.
ICAEW	ICAEW has no further comments on this question.
ICAS	We do not believe there are any other key environmental trends or developments that would have relevance to the work of IESBA.
IDW	Not to our knowledge.
IFAC SMPAG	Opening up the market to non-PAs will be challenging and may be difficult to enforce, as discussed in our response to question 2.
Ikhlaas Dooreemeah from BDO International Limited	no
IRBA	We have no additional comments, over and above what we have already raised in response to Questions 4, 5 and 7.
ISCA	NONE
JICPA	We have no comment.
KPMG	We don't have any comments on key environmental trends or developments, other than those already noted by IESBA.
Leaf Excellence	1. Specific guudance on scaling requirements according to circumstances of practices. Regulators are abusing existing codes and standards to inappropriately discipline members. 2. Regulators refuse to assist firms to comply with requirements. This is not in the public interest. 3. Regulators do not follow due legal process to discipline practitioners and extort fines with settlements to avoid legal costs.
MIA	NONE

Respondents	Comments
OECD	**EXD/DO** No. Keep it simple! **EXD/PBF** No comment **GOV/PSI** The key developments are related to the new data analytics tool - Indicators Portal - Indicators - OECD - Public Integrity Indicators (oecd-public-integrity-indicators.org) to support countries in benchmarking and measuring progress according to international standards and good practices. In particular, Risk Management - OECD - Public Integrity Indicators (oecd-public-integrity-indicators.org)) focuses on risk management, internal audit and internal control issues - a completely new worldwide domain. Internal control and risk management mechanisms are essential for safeguarding public integrity in the public sector. The internal control and internal audit frameworks comprise the foundation for all other systems and this data analytic tool provides a unique opportunity to explain the role and to show the value of the systems in more concrete terms.
PWC	No additional comment but please see our comments on ESG reporting above.
RSM	As noted above it is important that the IESBA keeps pace with change and the changing complexities of the business environment today such that it becomes increasingly current rather than reactionary.
Tony Alizzi from Hewlett Packard Enterprise	NO
UKFRC	We are not aware of other environmental trends or developments other than those noted in the consultation document that the IESBA should focus upon.
Validor Management	YES

Respondents	Comments
WFE	We encourage IEBSA to explore how the demand for Sustainability reporting and assurance impacts the Code and whether additional independence requirements are needed. For example, the accountancy profession may need to engage outside experts to perform advisory and assurance services related to Sustainability reporting. Consideration should be given as to whether the same ethical requirements should apply to outside experts.
WPK	NONE
XRB	• In New Zealand there are significant pressures on audit firms in terms of attracting and retaining staff.. We consider that the Code plays a key role in reinforcing the value of the profession. • The impact of the pandemic created many changes in the work environment, for example, working from home, inability to travel to client premises. There is a need to consider the impact of this change, for example, how is client confidentiality maintained in this changed work environment?