

IESBA Sustainability**Question 23 – Yes****Professional Accounting Organizations (PAOs)****CAI - Chartered Accountants of Ireland**

- We have no other matters that we would like to raise now. However, this is an area that may need to be revisited as the sustainability reporting and assurance landscape evolves and further matters arise.

ICAS - The Institute of Chartered Accountants of Scotland

Paragraph 100.2

We note that proposed changes in Section 200, and others, refer to “non-financial information, including sustainability information” and suggest that, for consistency, paragraph 100.2 does the same (see in red below):

“100.2 Confidence in the accountancy profession is a reason why businesses, governments and other organizations involve professional accountants in a broad range of areas, including financial, non-financial (including sustainability information) and corporate reporting, assurance and other professional activities. Accountants understand and acknowledge that such confidence is based on the skills and values that accountants bring to the professional activities they undertake, including: (a) Adherence to ethical principles and professional standards; (b) Use of business acumen; (c) Application of expertise on technical and other matters; and (d) Exercise of professional judgment. The application of these skills and values enables accountants to provide advice or other output that meets the purpose for which it was provided, and which can be relied upon by the intended users of such output.”

Paragraph 120.13

Does it also need to be highlighted in the Code that an ethical organisational culture incorporates sustainability? Suggested change noted in red below:

“120.13 A2 The promotion of an ethical culture within an organization is most effective when:

- (a) Leaders and those in managerial roles promote the importance of, and hold themselves and others accountable for demonstrating, the ethical values of the organization;
- (b) Appropriate education and training programs, management processes, and performance evaluation and reward criteria that promote an ethical culture are in place;
- (c) Effective policies and procedures are in place to encourage and protect those who report actual or suspected illegal or unethical behavior, including whistle-blowers; and
- (d) The organization adheres to ethical values in its dealings with third parties **and in relation to sustainability matters.**”

Paragraph 200.2

In paragraph 200.2, rather than just referring to “financial and other information”, we suggest the Code could specifically reference non-financial (including sustainability) information.

Suggested change highlighted in red below:

“Professional accountants in business might be solely or jointly responsible for the preparation and reporting of financial, **non-financial (including sustainability)** and other information, on which both their employing organisations and third parties might rely.”

Paragraph 200.6 A1

Paragraph 200.6 A1 provides a list of examples of threats. We suggest including a reference to non-financial (including sustainability) information.

For example – see suggested changes to the Code highlighted in red below:

“(d) Familiarity Threats

- A professional accountant being responsible for the financial **or non-financial (including sustainability)** reporting of the employing organisation when an immediate or close family member employed by the organisation makes decisions that affect the financial **or non-financial** reporting of the organisation.

(e) Intimidation Threats

- A professional accountant or immediate or close family member facing the threat of dismissal or replacement over a disagreement about:
 - The application of an accounting principle.
 - The way in which financial **or non-financial** information is to be reported”

Paragraph 200.7 A3

The provision of non-financial information in relation to sustainability is relatively new and therefore the controls are unlikely to be as mature as an organisation’s financial reporting controls. This information tends to be kept in a lot of areas in companies, and it is not necessarily finance people that are pulling together the data. The individuals that are providing the information might not always understand the importance of the trustworthiness of the data and that people are relying on the information. Professional accountants in businesses have a role as ‘gatekeepers’, ensuring that the protocols for ensuring the integrity of the data are in place.

To highlight in paragraph 200.7 A3 the importance of having strong internal controls over not only financial information but also non-financial information, see suggested change to the Code highlighted in red below:

“Systems of corporate oversight or other oversight structures and strong internal controls **over both financial and non-financial, including sustainability, information.**”

IFAC - International Federation of Accountants

We note that in Part 2 and Part 3 of Chapter 4 there are references to ‘non-financial information, including sustainability’. These references to sustainability could become problematic if future revisions are made in respect of other non-financial information. To

future-proof the revisions, it may be preferable to remove the reference to sustainability when referring to non-financial information.

Question 23 – No

Regulators and Oversight Authorities, incl. Monitoring Group members

ACRA - Accounting and Corporate Regulatory Authority (Singapore)

BAOA - Botswana Accountancy Oversight Authority

No other matters to raise.

CEAOB - Committee of European Auditing Oversight Bodies

ESMA - European Securities and Market Authority

IAASA - Irish Auditing & Accounting Supervisory Authority

IFIAR - International Forum of Independent Audit Regulators

IOSCO - International Organization of Securities Commissions

IRBA - Independent Regulatory Board for Auditors

Our review of Chapter 4, Proposed Revisions to Parts 1 to 3 of the Extant Code to Reflect Sustainability Reporting Considerations for Professional Accountants, was limited to amendments made to Parts 1 and 3, because Part 2 has not been adopted by the IRBA and incorporated into the IRBA Code. We have no comments in respect of these proposed amendments and no responses have been provided to Questions 20 - 23 that relate to this chapter.

NASBA - National Association of State Boards of Accountancy (US)

NASBA has no other matters to raise concerning the proposals in Chapter 4 of the Exposure Draft.

PAABZ - The Public Accountants and Auditors Board of Zimbabwe

SGX - Singapore Exchange Limited

UKFRC - United Kingdom Financial Reporting Council

No.

Investors and Other Users

Ceres Accelerator

DIR - Daiwa Institute of Research Ltd

Ans. No.

IAIP - Indian Association of Investment Professionals (CFA Society India)

MSCI - Morgan Stanley Capital International

NBIM - Norges Bank Investment Management

SAAJ - The Securities Analysts Association of Japan

Preparers and Those Charged With Governance

Asma Jan Muhammad

BD - Bruno Dirringer

Q23 : None

ICFOA - International CFO Alliance

Public Sector Organizations

AGNZ - Office of the Auditor General of New Zealand

We have chosen not to comment on this question because it relates to the different view we have about the adequacy of the underlying Code.

GAO - US Government Accountability Office

We have no other comments concerning the proposals in Chapter 4.

UNCTAD ARL - UNCTAD's Latin America Regional Alliance

No comments presented.

UNCTAD ARP - UNCTAD African Regional Partnership

There were no other matters raised by the respondents.

Independent National Standard Setter

APESB - Accounting Professional & Ethical Standards Board (Australia)

There are no other matters concerning the proposals in Chapter 4 of the ED that APESB wishes to raise.

NZAuASB - New-Zealand Auditing & Assurance Standard Board

Response:

No comment. The preparation of sustainability information is outside the XRB's mandate.

Professional Accounting Organizations (PAOs)

ACCA - Association of Chartered Certified Accountants

No other matters.

AE - Accountancy Europe

No, there are no other matters we would like to raise concerning the proposals in Chapter 4 of the ED.

AIC - Asociacion Interamericana de Contabilidad (Inter-American Accounting Association)

We have no further comments to make on the proposals in Chapter 4 of the ED.

AICPA - American Institute of Certified Public Accountants Professional Ethics Executive Committee

Overall response: No.

BICA - Botswana Institute of Chartered Accountants

Comment

- Any additional matters or suggestions concerning the proposals in Chapter 4 of the ED should be addressed to ensure comprehensive coverage and alignment with sustainability reporting objectives.

CAANZ - Chartered Accountants Australia and New Zealand

No comments.

CBPS-CFC-IBRACON - Comitê Brasileiro de Pronunciamentos de Sustentabilidade, Conselho Federal de Contabilidade and Instituto Brasileiro de Auditoria Independente

CFAR - Chamber of Financial Auditors of Romania

No

CNCC-CNOEC - Compagnie Nationale des Commissaires aux Comptes and Conseil National de L'Ordre Des Experts-Comptables

No

CPAA - CPA Australia

CPA Australia raises no other matters.

CPAC - Chartered Professional Accountants Canada Public Trust Committee

The PTC did not identify any other matters.

EFAA - European Federation of Accountants and Auditors for SMEs

We do not have any other matters to raise concerning the proposals in Chapter 4.

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas

GAA - Global Accounting Alliance

HKICPA - Hong Kong Institute of Certified Public Accountants

No specific comments.

ICAEW - Institute of Chartered Accountants in England and Wales

We have no additional comments.

ICPAU - Institute of Certified Public Accountants of Uganda

IDW - Institute der Wirtschaftsprüfer (Germany)

Given our focus on assurance, we have chosen not to respond to the questions relating to Chapter 4.

IICA - Institute of Indonesia Chartered Accountants

No

INCP - National Institute of Public Accountants of Colombia

IPA - Institute of Public Accountants (Australia)

IPA does not have any other matters to raise concerning the proposals in Chapter 4.

ISCA - Institute of Singapore Chartered Accountants

IWP - Institut Österreichischer Wirtschaftsprüferinnen

No.

JICPA - Japanese Institute of Certified Public Accountants

(Comment)

We have no comment.

KICPA - Korean Institute of Certified Public Accountants

Questions 20 -23

The KICPA supports the ED with no other matter to raise.

MIA (Malta) - The Malta Institute of Accountants

No other matters to raise given that the proposals are deemed to be consistent with the Code of Ethics.

MIA-Malaysian - Malaysian Institute of Accountants

We do not have further matters to raise concerning the proposals.

MICPA - Malaysian Institute of Certified Public Accountants

Comment:

We do not have any further matters on this.

NBA - Royal Netherlands Institute of Chartered Accountants

NYSSCPA - New York State Society of CPAs

PAFA - The Pan-African Federation of Accountants

We have no further comments

PICPA - Pennsylvania Institute of Certified Public Accountants

SAICA - South African Institute of Chartered Accountants

Response:

No.

SOCPA - Saudi Organization for Chartered and Professional Accountants

SOCPA Comments:

SOCPA has no other matters to raise relating to the proposals in Chapter 4 of the ED

WPK - Wirtschaftsprüferkammer (Germany)

No additional comments.

Other Assurance Providers and Accreditation Bodies (non-PAs)

AccountAbility

IAF - International Accreditation Forum

JAB - Japan Accreditation Board

Accounting Firms and Sole Practitioners

Assirevi - Association of Italian Audit Firms

BDO - BDO International Limited

Paragraph 5400.3a outlines when the standard would apply to an assurance engagement. Criteria (b) (ii) notes that it would apply when the information is 'publicly disclosed to support decision-making by investors or other stakeholders'. It may be difficult to determine or unknown what the users use this information for, or could be unclear or open to debate.

BKTI - Baker Tilly International

DTTL - Deloitte Touch Tohmatsu Limited

Deloitte Global has no additional comments about the proposals in Chapter 4 of the ED.

EY - Ernst & Young Global Limited

We have no additional matters to raise in addition to our responses to the questions above.

GTIL - Grant Thornton International Limited

KPMG - KPMG IFRG Limited

We have no other matters to raise concerning Chapter 4.

MAZARS - Mazars Group

Response

We have no further comments.

MOORE - Moore Global Network Limited

There are no other matters that we would like to raise concerning the proposals in Chapter 4.

MU - Muhammad Umar - Mo Chartered Accountants

None

PKF - PKF Global

PKF Global Response:.. We have no other matters to raise, concerning the proposals in Chapter 4 of the ED.

PP - Pitcher Partners Advisors Proprietary Limited

No other matters to note.

PwC - PricewaterhouseCoopers International Limited

Overall response: No further comment

RSM - RSM International Limited

There are no other matters we would like to raise the following matter concerning the proposals in Chapter 4 of the ED.

Academia and Research Institutes

AFAANZ - The Auditing and Assurance Standards Committee of the Accounting and Finance Association of Australia and New Zealand

Response:

No.

DIRC - Deakin University Integrated Reporting Centre

There any no other matters you would like to raise concerning the proposals in Chapter 4 of the ED.

NNN - Nada Naufal, Director at the American University of Beirut

NRS - Professor_Nicole_Ratzinger-Sakel

NSU - Nova Southeastern University (Florida)

Questions 22 and 23: no responses

Others

IBA - The International Bar Association

IIA - The Institute of Internal Auditors