

WIRTSCHAFTSPRÜFERKAMMER . Postfach 30 18 82 . 10746 Berlin

Ms. Gabriela Figueiredo Dias
Chair
Mr. Ken Siong
Program and Senior Director
International Ethics Standards Board
for Accountants
529 Fifth Avenue, 6th Floor
New York, NY 10017
USA

Wirtschaftsprüferhaus
Rauchstraße 26
10787 Berlin

Phone +49 30 726161-0
Fax +49 30 726161-212
Email kontakt@wpk.de

Submitted electronically through the IESBA website

July 4, 2023
Contact: +49 30 726161-0

IESBA Consultation Paper: IESBA Strategy and Work Plan 2024 – 2027

Dear Gabriela,

Dear Ken,

The Wirtschaftsprüferkammer (WPK) is pleased to take the opportunity to comment on the Consultation Paper on the IESBA's Proposed Strategy and Work Plan for 2024-2027 (CP). We would like to highlight some general comments first and provide you with our specific responses to the individual questions of the CP subsequently.

General Comments

The WPK welcomes the proposed approach to attach the highest priority to the Sustainability Project since sustainability without any doubt is one of the most urgent issues for the profession at the moment. When adopting the ethical standards to sustainability reporting and assurance, the IESBA should first check to which extent the existing principles-based provisions of the Code are appropriate and sufficient to adequately cover the topic of sustainability from an ethical perspective and, in a second step, consider changes of the principles only, if deemed absolutely necessary. As the IESBA outlined, further close coordination with the IAASB in order to ensure the harmonization of terminology is of essential importance especially in the light of the fact that the IAASB accelerated its timeline for issuing the respective auditing standard ISSA 5000.

The WPK is principally in favor of the extension of the ethical rules for sustainability assurance to service providers outside the profession in order to ensure a high quality and to avoid possible competitive disadvantages for the audit profession. Since the IESBA rules do not directly bind such other service providers, the main question is how to oblige other service providers to follow these rules. A close cooperation with the responsible global regulators and oversight bodies as well as key jurisdictional bodies seems to be crucial in order to achieve this goal.

Another question that may arise in this context is how IESBA could make such other services providers participate in covering the cost of the standard-setting.

As far as the other proposed projects are concerned, the WPK suggests to defer them as far as necessary to focus the available resources on the Sustainability Project. Since significant and extensive revisions have been made to the Code over the previous years and thereby the bar of ethics has been immensely risen, we are convinced that the latest version of the principles-based Code provides a profound and sufficient basis covering the current needs of the profession with the exception of sustainability reporting and assurance. The WPK believes that it is in the broader public interest to lower the pace of standard-setting and to focus on developing non-authoritative material (NAM) as well as on how the IESBA pronouncements have been adopted and implemented in the respective jurisdictions. This will help the profession as a whole and small and medium practices (SMPs), in particular, to adopt and implement the new or revised standards.

Specific Comments

1. Do you agree with the IESBA's Proposed Strategy Drivers?

We principally agree with the environmental and operational drivers proposed by the IESBA. However, we are not in a position to comment on the roles of professional accountants in business (PAIB) since German law does not allow for PAIB.

2. Do you agree with the IESBA's Proposed Strategy Themes and Proposed Strategy Actions?

As outlined in our general comments above, top priority should be given to the Sustainability Project. As far as the proposed Work Plan 2024-2027 is concerned, we refer to our comments relating to question 4 below.

3. *Do you support the IESBA considering the topics set out in Table B as potential work streams? If so, please also share your views on any specific issues or questions you believe the IESBA should consider under these topics. If not, please explain your reasons.*

The WPK does not support the topics set out in Table B since the principles-based Code provides a profound and sufficient basis covering the current needs of the profession apart from sustainability reporting and assurance as explained in detail above. An exception and therefore approved by us would be the proposed IESBA project „Definitions and Descriptions of terms“, in particular, in the light of the need to harmonize the terminology between the IAASB standards and the Code.

4. *Do you believe the IESBA should accelerate or defer any particular ongoing, potential or pre-committed work stream(s) set out in Tables A, Band C? Please explain your reasons.*

Project and Work Streams Commenced Before 2024 (Table-A)

As already pointed out in our general comments above, sustainability reporting and assurance should be given absolute priority. In order to focus the available resources on the sustainability project and to give all stakeholders sufficient time to comment on the exposure drafts in the consultation process, we recommend to defer the projects "Use of Experts" and „Post-Implementation Review - Non-Compliance with Laws and Regulations (NOCLAR)". As far as the project „Collective Investments Vehicles, Pension Funds and Investment Company Complexes" is concerned, the profession does not seem to see a necessity for it.

Potential New Topics Identified (Table-B)

As explained in our comments relating to question 3 above, the WPK does not see a need of the profession for the potential topics addressed in Table-B, except for the project „Definitions and Descriptions of terms".

Pre-committed Work Streams (Table-C)

The WPK principally agrees to these work streams, if sufficient resources will be available.

5. *Are there other topics the IESBA should consider as potential new work streams? If so, please indicate whether these topics are more important than the topics identified in Table B, and the needs and interests that would be served by undertaking work on such topic(s).*

Since the principles-based Code covers the current requirements of the profession, the WPK does not suggest to consider any potential new work streams at the moment.

6. *The IESBA's proposed Strategy and Work Plan emphasizes the importance of close coordination with its sister Board, the IAASB. Do you have views or suggestions as to how coordination between the IESBA and IAASB could be enhanced to better serve the public interest?*

We share the IESBA's view that it is essential that IESBA and IAASB harmonize their terminologies and timelines to the highest extent possible. Therefore, a close coordination and strong cooperation between the two Boards is of extraordinary importance. Even if the IAASB has meanwhile accelerated its timeline for issuing ISSA 5000, we assume and strongly recommend that both Boards do their utmost to ensure the harmonization of terminologies in their sustainability projects.

7. *Do you have comments on any other matters addressed in this Consultation Paper or any significant matters not covered that you believe the IESBA should consider in finalizing the SWP 2024-2027?*

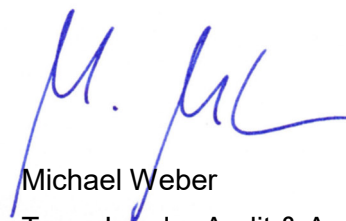
We do not have any further comments or any other significant matter.

We hope that our comments are helpful. If you have any questions relating to our comments in this letter, we should be pleased to discuss matters further with you.

Kind regards,



Dr. Michael Hüning
Chief Executive Officer



Michael Weber
Team Leader Audit & Accounting