COVID-19 Pandemic

• Health, social and financial crisis → Unprecedented challenges for all industries, including the accountancy profession
• Trust in financial statements is especially important in adverse times
• More than ever, accountants must focus on ethics and their responsibility to act in the public interest
COVID-19

Impact on Threats to the Fundamental Principles

• Working from home is new normal in some, but not all countries
• Sudden changes might create new threats
  – Bias business judgments and conclusions
  – Decision-making amidst pressures and uncertainties
  – Security risks heightened
  – Supervision difficult in a virtual environment
  – Virtual CPE or online learning may not be accessible/ helpful
  – New laws in response to the pandemic

IESBA COVID-19 Response

• Near-term impacts:
  – Virtual Board and TF/WG meetings
  – Decreased stakeholder responsiveness → anticipating need to reduce intensity and pace of some work streams
  – But priority focus on completing pre-commitments, esp. NAS and Fees

• IESBA Staff Q&As released in May 2020
COVID-19 Staff Q&As Publication

- Highlights aspects of Code that are especially relevant during pandemic
  - Stresses the importance of complying with the fundamental principles of ethics during the pandemic; crisis is not an excuse for unethical behavior
  - Includes ethics guidance for all PAs, including PAIBs – e.g., preparers; public sector organizations; and accounting educators; as well as PAPPs
  - Includes independence guidance for auditors

IESBA COVID-19 Response

- IESBA COVID-19 webpage provides links to useful resources
- IESBA collaborate with NSS to develop resources to help PAs apply the Code during COVID-19
  - NSS representatives from Australia, Canada, China, South Africa, the UK and the US
  - APESB & IESBA Staff document released in June 2020
  - Future publications are being developed
    - The IESBA Code and considerations relating to fraud
    - Using specialists in the COVID environment
    - Ethical considerations in applications for COVID-related government support programs
Access to COVID-19 Resources

- IESBA COVID-19 resource page include links to
  - IESBA Staff-prepared Q&As
  - IESBA-NSS COVID-19 WG resources
  - Resources developed by others, including IAASB, IPSASB & IFAC

- Other relevant ethics & independence guidance
  - IESBA eCode
  - Exploring the IESBA Code
  - NOCLAR webpage

The Ethics Board

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