



The Chairman

To the kind attention of

Gabriela Figueiredo Dias – Chair  
International Ethics Standards Board for Accountants  
International Federation of Accountants  
529 Fifth Avenue  
New York, NY 10017

7 July 2023

**Proposed IESBA Strategy and Work Plan, 2024-2027**

Dear Mrs. Figueiredo Dias,

Assirevi is the association of the Italian audit firms. Its member firms represent the vast majority of the audit firms licensed to audit companies listed on the Italian stock exchange and other public interest entities in Italy, under the supervision of CONSOB (*Commissione Nazionale per le Società e la Borsa*).

Assirevi promotes technical research in the field of auditing and accounting and publishes technical guidelines for the benefit of its members. It collaborates with CONSOB, the Italian accounting profession and other bodies in developing auditing and accounting standards.

Assirevi is pleased to submit its comments on the Consultation Paper “*Proposed IESBA Strategy and Work Plan, 2024-2027*” issued by IESBA in April 2023, as detailed in the enclosed document.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Gianmario Crescentino".

Gianmario Crescentino  
Chairman

(Enclosure)

**COMMENTS ON THE IESBA CONSULTATION PAPER**  
*Proposed IESBA Strategy and Work Plan, 2024-2027*  
(April 2023)

Assirevi is grateful for the opportunity allowed by the above-mentioned Consultation Paper and is pleased to contribute and provide some comments on the project described therein.

Assirevi fully agrees with the IESBA'S vision as stated in the Consultation Paper (i.e. *"To achieve global recognition and acceptance of its ethics (including independence) standards as being a cornerstone to ethical behavior in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide"*).

Also, we concur with the indication of the "Proposed Strategic Drivers" and "Proposed Strategic Themes" identified in the Consultation Paper.

As it relates more specifically to the Proposed Work Plan 2024-2027, and with the aim to strengthen the global recognition and acceptance of the IESBA ethics standards, Assirevi would like to specifically address the section named *"Potential New Topic Identified"*, which includes the following future projects: (i) Role of CFOs and Other Senior PAIBs, (ii) Business Relationships, (iii) Audit Firm – Audit Client Relationship, (iv) Definitions and Descriptions of Terms, (v) Custody of Data and (vi) Communication with Those Charged with Governance.

Assirevi believes that priority must be given to project under (i) ("Role of CFOs and Other Senior PAIBs"). Indeed, the role played by CFOs and, more generally, by those who are in charge to prepare the information (financial and non-financial) provided to the investors is nowadays increasingly crucial.

The role of the CFO should also be taken into account in the ongoing project called "Sustainability". In effect, as mentioned in the Consultation Paper, *"market demand for sustainability information requires CFOs to expand their focus on non-financial information. One of the key roles of the CFO and finance function is to establish clear links between financial and non-financial metrics in order to drive financial value linked to revenue and operating margins. With their expanded roles, the CFO must help to deliver trust and confidence in the governance of the organization, the quality of its data and reporting, as well as providing ethical leadership and a constructive challenge mindset"* (pag. 26).

In this context, it would be important in our view that also the professional team supporting the CFO is subject to the same ethical and independence requirements applied to CFOs. In this regard it could be useful to define the perimeter of the CFO team members to whom the rules should apply.

Finally, Assirevi would also like to comment on project under (ii) (“Business Relationships”). In this regard, it is our view that the “*materiality/significance*” item currently provided for in Section 520 of the IESBA Code should not be removed in order to appreciate business relationships capable of affecting independence.

Indeed, materiality characterizes the regulatory and professional system of independence, given that it is a parameter that must be carefully considered when performing the so-called “*reasonable and informed third party test*” in order to assess, from time to time, the extent of a threat to the auditor’s independence.

It would therefore seem appropriate to maintain the materiality/significance notion. Should any significance threshold be eliminated, audit firms could find themselves in the position of being prevented from entering into any business relationships whatsoever with their clients. From a different point of view, Assirevi believes that it might be useful, as part of the future project on “Business Relationships”, to improve the actual guidelines with more detailed instructions to handle business relationships before the audit engagement starts.