

Appendix to Technology Project Proposal

Comments by Standard-Setting Board (SSB)/IFAC Technical Managers

Due process requires that project proposals be circulated to SSB Staff and IFAC Staff for the technical areas within, or supported by, IFAC for comments on any matters of possible relevance to the project.

Senior Staff to the IFAC Quality and Development Department

In addition to the implications already identified in the proposal, we do note that in jurisdictions where a) the national standard-setter and/or PAO has to translate the standards for adoption and implementation or b) the national standard/setter and/or PAO has limited means to address and align changes within its own Code on a timely basis, this might impact global application of any changes.

No additional significant concerns or comments related to this project proposal.

We encourage the IESBA to update, issue, and if feasible translate, guidance for the changes

Senior Staff to the IFAC Education Initiative

Included in the responses from key accountancy education stakeholders to a recent survey, was the need for a better understanding of how ITC is incorporated into the standards. This is an excellent example. It would be good to create awareness of the project amongst accountancy education stakeholders. I am happy to work with IESBA staff to do so.

Senior Staff to the IFAC Professional Accountants in Business (PAIB) Committee

Given the rapid pace of technology developments, the timeframe for completion of this project over 2 and half years seems relatively long. Any updates to the Code would need to be at a high enough, principles based level to remain relevant irrespective of changes in digital technologies. As the IESBA explores other technologies as part of phase 2, these may also impact any proposed updates. The project proposal does not make it explicitly clear whether updates to the Code under this project proposal will incorporate findings from phase 2.

The project proposes addition of application materials on enabling skills and competencies to subsection 113 of the Code, as well as examples of the emergent technical skills needed in the digital age. The Code may not be an appropriate place to include guidance on skills and competencies, which come under the remit of accountancy education providers.

Senior Staff to the IFAC Public Policy and Regulation (PPR) Group

No comment.

Senior Staff to the IFAC Small and Medium Practices (SMP) Committee

Trends and developments in technology are important for IESBA to actively monitor, so it is able to react to potential issues in a timely manner in the public interest. The rapid pace of technological change makes assessing the full impact at any one point in time very challenging. Hence, only a principles-based approach provides the necessary flexibility. It is noteworthy the Working Group concluded that, generally the Codes currently provides high level, principles-based guidance for most technology-related ethics issues that professional accountants and firms might encounter.

The coordination with the Phase 2 work of the Technology initiative will be critical, together with undertaking a thorough impact assessment and cost/ benefit analysis. It is important changes are sufficiently scalable and do not have a disproportionate impact on small- and medium sized practices (SMPs). The Board needs to continue to be sensitive to balancing the burden arising from changes to the Code (e.g. translation and adapting firm methodologies etc.), the potential impact on adoption and the overall benefits to the public interest.

I strongly support the coordination with the IAASB on their respective technology initiatives. I also acknowledge the IESBA's intention to consult with the IFAC SMP Committee and will look forward to facilitating feedback as this project progresses

Senior Staff to the Transnational Auditors Committee (TAC)

Perhaps captured under “Multidisciplinary accountancy firms...” of para.15 of the project proposal, but the Forum of Firms would welcome being part of the active consultations for this project. Further, though not part of the TAC, I will coordinate to ensure there is regular update to IFAC's Technology Advisory Group (TAG) who to date have had a strong interest in this IESBA initiative.

Signed: Barry Naik – for the Knowledge Group

Date: March 6 2020

Senior Staff to International Auditing and Assurance Standards Board (IAASB)

N/A – project to be directly coordinated with IAASB.

Senior Staff to the International Public Sector Accounting Standards Board (IPSASB)

No comments.

Signed:



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