Mr Willie Botha  
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Submitted via the website  
Uploaded on website  

Brussels, 4 July 2019

Subject: Consultation on Quality Management for Firms and Engagements

Dear Mr Botha,

Accountancy Europe is pleased to provide you with its comments on the questions included in the explanatory memorandum. We refer to the appendix attached.

Our main concern refers to the costs of implementation, including the costs of translation. It would be detrimental for worldwide adoption of the IAASB suite of standards if some jurisdictions could not afford translation of these standards.

Sincerely,

Olivier Boutellis-Taft  
Chief Executive

ABOUT ACCOUNTANCY EUROPE

Accountancy Europe unites 51 professional organisations from 36 countries that represent 1 million professional accountants, auditors and advisors. They make numbers work for people. Accountancy Europe translates their daily experience to inform the public policy debate in Europe and beyond.

Accountancy Europe is in the EU Transparency Register (No 4713568401-18).
APPENDIX

OVERALL QUESTIONS

Question 1 - Do you support the approach and rationale for the proposed implementation period of approximately 18 months after the approval of the three standards by the Public Interest Oversight Board? If not, what is an appropriate implementation period?

(1) We think that the proposed implementation period will be manageable for large firms that have enough resources to dedicate to this project. We are concerned about the proposed implementation period for small and very small firms that may not have the time and resources available. We suggest providing 12 months more to make sure all have enough time to implement the new quality management standards.

Question 2 - In order to support implementation of the standards in accordance with the IAASB’s proposed effective date, what implementation materials would be most helpful, in particular for SMPs?

(2) In terms of supporting material for implementation, an update of the ISQC 1 guidance published by the SMP committee could be useful¹. Also, it could be helpful to update the IAASB staff Q&As published for ISQC 1².

GENERAL QUESTIONS

(a) Developing Nations—Recognizing that many developing nations have adopted or are in the process of adopting the International Standards, the IAASB invites respondents from these nations to comment on the proposals, in particular, on any foreseeable difficulties in applying it in a developing nation environment.

(3) Nothing to report

(b) Public Sector—The IAASB welcomes input from public sector auditors on how the proposed standards affect engagements in the public sector, particularly regarding whether there are potential concerns about the applicability of the proposals to the structure and governance arrangements of public sector auditors.

(4) Nothing to report

(c) Translations—Recognizing that many respondents may intend to translate the final ISQMs and ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents may note in reviewing the proposed standards.

(5) The IAASB should be mindful that, for some jurisdictions, translations are becoming very difficult to deal with, due to timing issues, but also volume of the changes. To translate the revised standards, proper due process should be put in place involving knowledgeable experts. It would be detrimental for worldwide adoption of the IAASB suite of standards if some jurisdictions would not be able to afford qualitative translations anymore.

¹ Guide to Quality Control for Small and Medium-Sized Practices - The purpose of the Guide is to provide practical guidance to implementing a system of quality control for SMPs.

² Staff Questions & Answers - Applying ISQC 1 Proportionately with the Nature and Size of a Firm