

Comments to the IESBA Exposure Draft "Proposed Revisions to the Non-Assurance Services Provisions of the Code"

Japan Audit & Supervisory Board Members Association

The Japan Audit & Supervisory Board Members Association appreciates this opportunity to comment on the International Ethics Standards Board for Accountants (IESBA) Exposure Draft, *Proposed Revisions to the Non-Assurance Services Provisions of the Code*.

Communication with those charged with governance (when the clients are PIEs)

The Exposure Draft requires the concurrence of those charged with governance as a premise for the provision of non-assurance services. However, regarding the requirement for auditors to obtain the concurrence from those charged with governance for non-assurance services to audit clients, it can be considered necessary from a practical point of view that the concurrence of those charged with governance be conducted in a practical process or manner (as it may be practically difficult if concurrence is required on an individual engagement basis), and that sufficient information be provided by the auditors.

In regard to this matter, we would like to confirm that the preparation / submission of management letters is part of an audit service, and is not a non-assurance service which is restricted under the Exposure Draft. What clients expect of auditors is not limited to the provision of assurance services. Clients have expectations that auditors will contribute to the clients' growth and the improvement of medium- to long-term corporate value by pointing out issues and other matters through the audits, and by making suggestions to the management in order to improve management quality and corporate risk management. Our hope is that management letters will be utilized as a component of such opportunities, i.e., that the content of management letters will serve those expectations.