



Association of Accounting Technicians response to IESBA Proposed Revisions Pertaining to Safeguards in the Code—Phase 2 and Related Conforming Amendments

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1. Introduction

AAT welcomes the opportunity to comment on the proposed revisions pertaining to safeguards in the Code of Ethics for Professional Accountants. AAT fully supports the direction of travel the IESBA proposes in this exposure draft, and agrees that the change of focus from “applying a safeguard” to “addressing a threat”; with requisite evaluation of effectiveness of the actions taken is the right approach to facilitate compliance with the fundamental principles. It is AAT’s view that this will enhance clarity, and be more appropriate and effective than the existing approach to the conceptual framework.

2. AAT response to the consultation paper

In response to question 1:

Do respondents support the proposals in Section 600? If not, why not? In particular, do respondents agree with the proposal to extend the scope of the prohibition on recruiting services as described in paragraph 25(h) above to all audit client entities? If not, please explain why.

AAT supports the proposals in Section 600 including the proposal relating to recruiting services. While this is unlikely to apply to many of our members, we support the principle that these services may be considered high risk regardless of whether it relates to a PIE or not.

In response to question 2:

Do respondents support the proposals in Section 950? If not, why not?

AAT generally supports the proposals in Section 950. However, we suggest a reconsideration of the wording at 950.6 (a) as to whether it is practical to insist that a single individual be responsible ‘at all times’ for the client’s decisions. In reality, a number of individuals may be required for such responsibility.

In response to question 3:

Do respondents have suggestions for other actions that might be safeguards in the NAS and other sections of the Code that would meet the revised description of a safeguard?

AAT has no further comments at this time.

In response to question 4:

Do respondents agree with proposed conforming amendments set out in:

(a) Chapter 2 of this document.

b) The gray text in Chapters 2–5 of Structure ED-2.

AAT supports the proposed amendments and the conformity these amendments will bring to the documents.

In response to question 5:

Respondents are asked for any comments on any other matters that are relevant to Phase 2 of the Safeguards project.

AAT has no further comments at this time.

3. About AAT

AAT is a professional accountancy body with approximately 50,000 full and fellow members and over 90,000 student and affiliate members worldwide. Of the full and fellow members, there are over 4,250 licensed accountants who provide accountancy and taxation services to individuals, not-for-profit organisations and the full range of business types.

AAT is a registered charity whose objectives are to advance public education and promote the study of the practice, theory and techniques of accountancy and the prevention of crime and promotion of the sound administration of the law.

4. Further information

If you have any questions or would like to discuss any of the points in more detail then please contact Adam Williamson, Head of Professional Standards, at:

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