

IESBA'S Future Strategy and work Plan Survey

Response ID:112 Data

2. Section A

1. 1. Please provide the following information:

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2. 2. Please specify the stakeholder you/your organization represents:

Accounting/Audit firm or network

3. 3. Please specify the geographical region where you or your organization is based:

Global

5. Section B

4. 1. What level of importance do you believe the IESBA should place on dedicating strategic focus to responding through standard-setting action to the developments in sustainability reporting and assurance in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.

Deloitte Global supports the IESBA dedicating time to identifying and responding to emerging issues, as an important input in maintaining the Code's relevance. However, Deloitte Global considers that the principles and conceptual framework in Part 4B of the Code are already adequate to be applied to many assurance services and other services provided by PAs in Practice to assurance clients. We recognize development of the international sustainability disclosure and reporting standards is an evolving area and once complete, the IESBA may determine Part 4B is not sufficiently robust in certain instances. However, the IESBA standard-setting actions should not precede these other initiatives. In the meantime, the Board can consider providing timely, relevant and practical guidance to professional accountants on the application of the fundamental principles in Part 4B of the Code to the particular facts and circumstances related to sustainability assurance to help professional accountants properly apply the extant Code. Ethical guidance that is specific to the preparers of sustainability information would also be helpful for PAIBs.

5. 2. Do you believe the IESBA should explore the concept of expanding the scope of the Code to cover assurance service providers other than PAPPs? What preconditions would need to be in place and what potential challenges or drawbacks do you foresee if the Code's provisions were scoped to the nature of the assurance services provided as opposed to who is providing the assurance services?

Deloitte Global believes that anyone who references the IAASB Assurance Standards should be required to comply with the Code. However, we question the Board's authority for monitoring or enforcement of compliance with the Code with those who are not Professional Accountants, especially given the need to have a system of quality management in compliance with ISQM1. We encourage the IESBA to engage in dialogue with the regulatory community to ensure complete compliance with all applicable standards.

6. 3. Are there other matters the IESBA should consider with regards to this strategic focus area?

Deloitte Global considers that the objective of maintaining a global Code that is fit for purpose in the evolving environment is best achieved by the Code remaining principles based while adding guidance and examples to aid in consistent implementation. As noted above the Board should focus on effective implementation guidance on assurance services and the application of Part 4B.

7. Section B: Strategic Direction and Priorities

7. 4. Beyond sustainability reporting which is covered under the first strategic focus area above, do you believe the IESBA should dedicate strategic focus on further raising the bar of ethical behavior for PAIBs in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.

Deloitte Global is not aware of any systemic trends or evidence-based analysis that would suggest the Board should dedicate strategic focus on further standard-setting for professional accountants in business. However, as noted above the Board could consider developing specific ethical guidance for those who are responsible for the preparation of sustainability reporting.

9. Section B: Strategic Direction and Priorities

8. 5. Do you believe the IESBA should continue to dedicate strategic focus on strengthening the IIS for audit engagements in its next strategy period (2024-2027)? If so, what specific developments or issues do you believe the IESBA should focus on beyond the matters outlined above and in Section C? Please be as specific as possible and explain your reasoning.

Deloitte Global urges the Board to look beyond its current focus on standard-setting to provide a period of stability for the IIS for audit engagements, which have gone through many amendments over recent years, some of which are not yet even effective. There will be significant effort by firms and organisations simply to implement the NAS and Fees standards and the Board should ensure any future standard-setting efforts are guided by the outcomes of post-implementation reviews and evidence that the amended provisions are not effective.

11. Section B: Strategic Direction and Priorities

9. 6. Do you believe the IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.

Deloitte Global considers, overall, that a more substantial share of the Board's activities should be directed at seeking wider understanding, adoption and effective implementation of the Board's standards, including through implementation reviews and proactive engagement with all key stakeholders. We stress promoting wider adoption of the Code is particularly important as global consistency is in the public interest.

Deloitte Global also urges the Board to meet its commitment to undertake implementation reviews which must, in our view, be prioritised. There is not only the restructured Code to be considered, but the Board should also prioritize undertaking post-implementation reviews of previous significant changes to the Code (such as the breaches provisions, NOCLAR, Part 4B and non-assurance services and fees provisions). We would recommend that the Board use this information to determine whether the objectives of the many revised standards over the last few years have been met, and also determine whether additional guidance in particular areas is needed.

10. 7. Are there specific operability issues or concerns with respect to the Code you believe the IESBA should be made aware of?

No

11. 8. Are there key environmental trends or developments, beyond those already noted above, you believe the IESBA should focus on in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.

No

13. Section C: Possible Future Standards-Related Projects or Initiatives

12. How would you rate Independence of External Experts as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus

as well as other relevant information.

14. Section C: Possible Future Standards-Related Projects or Initiatives

13. How would you rate **Audit Firm – Audit Client Relationship** as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

15. Section C: Possible Future Standards-Related Projects or Initiatives

14. How would you rate **Business Relationships** as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

16. Section C: Possible Future Standards-Related Projects or Initiatives

15. How would you rate **Definition of Audit Client for PIEs** as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

17. Section C: Possible Future Standards-Related Projects or Initiatives

16. How would you rate **Matters Arising from Quality Management (QM)-Related Conforming Amendments to the Code** as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

18. Section C: Possible Future Standards-Related Projects or Initiatives

17. How would you rate **Familiarity Threat in Relation to Part 2 of the Code** as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

19. Section C: Possible Future Standards-Related Projects or Initiatives

18. How would you rate **Professional Appointments** as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

20. Section C: Possible Future Standards-Related Projects or Initiatives

19. How would you rate Breaches of the Code as a strategic priority on a scale of 1 – 5?

1

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

21. Section C: Possible Future Standards-Related Projects or Initiatives

20. How would you rate Definitions and Descriptions of Terms as a strategic priority on a scale of 1 – 5?

4

21. If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

This rating related solely with respect to the initiative of ensuring that the definitions in the Code and the IAASB standards are aligned to the extent possible.

22. Section C: Possible Future Standards-Related Projects or Initiatives

22. How would you rate Non-Authoritative Material (NAM) as a strategic priority on a scale of 1 – 5?

1

23. Section C: Possible Future Standards-Related Projects or Initiatives

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

24. Section C

23. 9. Are there specific ethics or independence-related topics not otherwise covered in this Section or this survey that you believe should be given a high priority by the IESBA? If so, please explain and be as specific as possible.

Overall, we continue to urge the Board to adhere to its criteria for determining actions and priorities and make evidence-based decisions about new workstreams or topics of focus where there is a real problem to solve or a need to make real and impactful improvements. As noted above, we support the Board focusing on developing more implementation guidance and education materials and considering any future standard setting changes only once the Board has undertaken appropriate post-implementation reviews.

25. Thank You!

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