

2. (untitled)

1. From which perspective are you providing this feedback? [* Required where indicated]

Professional accountant in public practice

Please provide the following contact information:

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2. In which country or jurisdiction do you or your organization work or serve? (If international, please indicate so; if a region of the world, please indicate which region)

If country, please select country?

OR if a region of the world, please indicate which region:

OR if international, please indicate by ticking the box:

International

3. (untitled)

B.1 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We consider that the principles and conceptual framework in the Code are sufficient to apply to ever changing developments in technology. For example, cyber security controls over IT infrastructure are just new or different forms of internal controls and the principles in the Code would apply to cyber security services as they would to any other services related to internal control. However it might be useful for the Board to consider how it may refresh the provisions to include more modern examples of services. The Board might also consider developing guidance for practitioners to assist in their understanding of when providing professional services in relation to new or emerging technologies could be considered to be taking responsibility for maintaining or monitoring internal controls.

We do not consider that the fundamental principles would need to be reconsidered when reliance is placed on technology, as neither the technology itself, nor how or where it is used, should change a professional accountant's fundamental ethical obligations.

We do not consider that the use of data analytics in the performance of audit engagements is an ethical issue and is better addressed within the auditing standards.

B.2 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

The management responsibilities section of the Code was recently updated and we consider it provides sufficient guidance for concluding that audit clients should not be outsourcing the operations, maintenance nor monitoring of their controls (e.g. their management responsibilities) to their auditor.

Outside of assurance engagements and non-assurance services provided to assurance clients, third parties and PAs in business should be able to outsource services, and professional accountants should be able to accept contracts to provide managed services. Outsourcing will not excuse the accountant from complying with the fundamental principles, including the fundamental principles of objectivity, as well as professional competence and due care, which imposes an obligation to provide only those services that the professional accountant is competent to perform.

We consider the principles behind independence and concepts such as "office" and "engagement team" are already practical enough to allow the accountant to apply these principles to different workforce models, however the Board could consider further guidance to assist practitioners in applying these concepts. For example, whether the provisions of the Code should apply to independent contractors or consultants if they undertake activities that are essentially the same as that performed by an engagement team member.

B.3 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We consider that the current definition of a PIE remains appropriate. There are already many different definitions of PIEs around the world, even within the European Union, which is appropriate because they reflect very specific and unique local regulations, corporate, and prudential frameworks. We therefore support the current approach in the Code to include Listed Entities as PIEs, and defer to legislation or regulation where the jurisdiction decides an entity should be treated like a Listed Entity. The Board could however consider whether it is appropriate to continue having different requirements for Listed PIEs than for non-Listed PIEs.

We also support the current definition of a Listed Entity which is broader than the definition in the European Union (which does not encompass secondary exchanges such as the AIM). We consider it is in the public interest for any entities whose shares, stock or debt are quoted or listed on any exchange to be considered a Listed Entity under the Code. The Board could however consider guidance explaining the differences.

B.4 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We do not consider any changes to the independence provisions of the Code are required to address this issue. However it would be useful for the Board to consider developing guidance on the application of the related party definition in the case of investment vehicles such as mutual funds when the firm audits the funds, the manager, advisor or trustee of the funds or both.

B.5 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Ethical issues related to tax planning by companies, and the provision of tax services by accountants, are impacted by varying economic, legal and political environments around the world. We consider that the guidance and principles in the Code (most particularly after the many changes made to Part C and the introduction of the NOCLAR provisions), as well as the duty to act in the public interest, provide ample coverage of this issue and easily guide an accountant on appropriate professional behavior.

B.6 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Auditors are trained to assess materiality and it is not a concept that we consider has needed further explanation. However as the Code has further expanded the use of the concept, we can see that there may be merit to developing guidance on assessing materiality in areas other than the provision of NAS. While we do not support further changes being made to the Code at this time, it may be useful to provide a guidance framework, in conjunction with the IASB and IAASB, for the assessment of materiality in the Code, including both quantitative and qualitative considerations.

B.7 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We consider that the current communication provisions in both the Code and ISAs are appropriate and sufficient for setting out when and how an auditor is expected to communicate with TCWG. As noted, TCWG also have responsibilities for the oversight and independence of the auditor, however it is outside the remit of the Code to regulate corporate governance and governments need to lead the way in that respect. Most large companies have their own policies and procedures for communications with auditors from a good governance perspective and also because of local legislation or standards that may apply to TCWG. We consider there may be other ways to raise the profile of the roles and responsibilities of both auditors and TCWG, such as outreach and guidance on how auditors and audit committees can work together more effectively, without increasing requirements in this area.

B.8 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We would stipulate that documentation is a quality control rather than an ethical issue, and therefore we do not support increasing documentation requirements in the Code. While documentation can certainly demonstrate the process that was undertaken to apply professional judgment and conclude on a matter, we consider that it is very important to be clear that a lack of documentation does not change those ethical outcomes or conclusions, nor create an ethical breach. We would not support the removal of such a statement nor consider that adding more documentation requirements should be established, such as placing documentation requirements on PIABs. Further if it is determined that documentation requirements need reevaluation then we consider that overarching documentation principles would be better addressed by ISQC1.

B.9 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Our understanding of the issue that arose from the Long Association project is that the concept was introduced of familiarity threats being created as a result of long association with an audit client's operations or financial information, while the current definition of a familiarity threat seemingly only contemplates familiarity threats created by personal relationships ("long or close relationship with a client or employer"). Given this concept is only relevant to the long association provisions in the Independence Standards it would not seem appropriate to amend the definition of a "familiarity threat" that applies to the Code as a whole. With respect to PAIBs, familiarity threats must by their very nature be evaluated at a different threshold, due to fact that an employee, and certainly a long-term employee, will have a long or close relationships with their employer, which is appropriate. We consider that the examples currently provided, though limited, are appropriate.

4. (untitled)

B.10 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We do not consider the first topic warrants a new standard-setting project. The guidance provided on breaches outside of independence breaches seems sufficient and we question the need to amend the Code merely to state that an accountant should stop an activity that caused a breach, when the Code already requires a PA to address the consequences of a breach.

We do not think enough time has passed for the Board to re-open issues that were exposed for comment and due consideration of the public interest at the time the breaches provisions were developed, including the question of whether a breach should be reported to a regulator. We suggest instead that the Board first undertake a more holistic post-implementation review of the breaches provisions and evaluate whether they have accomplished the intended objective, including consideration of the various breach reporting already required by legislation and/or regulation.

B.11 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We support the harmonization, where possible, of the definitions of terms in the Code and terms in the IAASB's standards, and support any initiatives that lead to better coordination between IESBA and IAASB. However, we do not consider that any of the topics listed in the bullet points have sufficient merit to warrant the consideration of new standard setting projects. For example the Code already clearly provides that financial interests may be held through an intermediary such as a trust. Further changes to the Code should be only be considered if there is sufficient evidence that the current provisions or descriptions are not effective.

B.12 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Post-implementation reviews have not been undertaken previously and must, in our view, be prioritised. There is not only the restructured Code to be considered - as mentioned previously, the Board should also be undertaking post-implementation reviews of previous significant changes to the Code (such as the breaches provisions, NOCLAR, Long Association and non-assurance services provisions) when sufficient time has passed. We would recommend that the Board use this information to determine whether additional guidance in particular areas are needed. It would also provide the Board with input on possible areas where it should concentrate its standard-setting efforts. It would seem important to analyse the efforts of member bodies to implement the Code, including the restructured Code, before deciding on further projects or changes.

B.13 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

A thought piece or discussion paper on the meaning of the "public interest" in a global context might be useful implementation material, however we do not consider this needs to be prioritised.

Are there any trends, developments or issues not otherwise covered in this section that you would rank in your top six priorities? If so, please explain why.

As we have previously commented, we believe that a substantial share of the Board's activities should be directed at seeking wider adoption and implementation of the IESBA's standards and increasing outreach with key stakeholders, particularly in respect of the long association provisions. This includes considering how it may improve understanding and gain acceptance of the restructured Code by focusing on outreach, implementation guidance and other educational materials. The Board should look beyond its current focus on standard setting to provide both a period of stability for the Code and also ensure standard setting efforts are guided by the outcomes of post-implementation reviews and evidence that the current provisions are not effective.

Please rank your top six priorities among items B.1 to B.13 above (1 being highest and 6 being lowest).

1. B.12 Post-implementation review of the restructured Code
2. B.6 Materiality
3. B.4 Collective investment vehicles
4. B.11 Definitions and descriptions of terms
5. B.1 Trends and developments in technology and innovation
6. B.3 Concepts of “public interest entity” and “listed entity”

5. (untitled)

C.1 Do you have any comments on any of the above activities or initiatives? In particular, do you believe any of them should not be a strategic priority for the IESBA and, if so, why? Please be as specific as possible.

As noted above, we agree that adoption and implementation efforts are important priorities for IESBA. In addition to the above, we believe it is important for the Board to reach out more to national authorities and IFAC member bodies to help achieve a better understanding of the Code's requirements. Adoption and implementation guidance should also focus on helping SMPs and services to clients that are not public interest entities.

C.2 Are there any specific activities or initiatives you believe the IESBA should undertake to promote further adoption and more effective implementation of the Code? If so, please explain why.

6. (untitled)

D.1 Are there any particular matters you believe the IESBA should consider in relation to any one of these pre-existing commitments? Please be as specific as possible and explain your reasoning.

This list of work further supports our previous comments that the Board should not be considering new standard setting projects when it has so many pre-existing commitments to deliver.

With respect to the first two topics (NAS and Fees) we understand these are fact-finding exercises only at this stage and the Board has not approved any commitment to commence standard-setting projects in these areas. We are not aware of any evidence to suggest the Code should be enhanced in these areas and we urge the Board to be guided by the outcomes of post-implementation reviews and evidence that the current provisions are not effective before considering whether any further work should be undertaken in these areas.

With respect to the development of the e-Code, it would be helpful to include each Basis for Conclusion in an Appendix to the Code – or hyperlinked from each amended section or standard - to aid the reader with interpretation of the Code. The material contained in the Basis for Conclusion is critical for the understanding and effective implementation of new standards, however it is currently difficult to locate the various separate documents on the website.

7. (untitled)

Section E: Any Other Strategic Matters

E.1 Are there any other matters of strategic importance not covered elsewhere in this survey or your earlier responses that you believe the IESBA should consider as it positions the Code for 2025? Please be as specific as possible.

We would urge the Board to direct a significant amount of its activities at seeking an understanding of the impacts of the long association provisions and planning for what its response will be if jurisdictions have not responded in a way the Board expects by the time the sunset of the jurisdictional provisions in 2023. The Board should be considering how it will demonstrate improvements in audit quality resulting from the new provisions, or conversely identify if audit quality have been adversely affected, before determining what its response will be.

Overall, we continue to recommend the Board to adhere to its objectives 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. There have been significant and numerous changes to the Code, even changes to provisions that were not yet effective. We support future standard-setting projects being considered only once the Board has undertaken appropriate post-implementation reviews.

8. (untitled)

3. Please confirm that you have completed all your responses?

Yes