



July 8, 2022

Ms. Gabriela Figueiredo Dias
Chairwoman
International Ethics Standards Board for Accountants

Submitted electronically

Dear Ms. Figueiredo Dias,

IESBA Strategy Survey 2022

We are writing on behalf of the Global Accounting Alliance (GAA) in response to your request for input on the IESBA Strategy and Work Plan (SWP) 2024-2027.

Introduction

The GAA was formed in November 2005 and serves as a forum for 10 leading professional accountancy bodies whose members practice in significant capital markets.

Its purpose is to serve the public interest by leading the advancement of a high-quality accounting profession by sharing information and collaborating, among GAA members, and advocating on international issues important to the profession.

The GAA's members include the following professional accountancy bodies:

- Association of International Certified Professional Accountants (AICPA & CIMA)
- Chartered Accountants Australia and New Zealand
- Chartered Accountants Ireland
- Chartered Professional Accountants Canada
- Hong Kong Institute of Certified Public Accountants
- Institut der Wirtschaftsprüfer in Deutschland e.V.
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants of Scotland
- Japanese Institute of Certified Public Accountants
- South African Institute of Chartered Accountants

The SWP deals with issues that are of great importance to the GAA's member bodies and we appreciate the opportunity to provide input. Many of our member bodies will be responding individually to your survey. However, there is one issue on which the GAA itself wishes to directly respond.

Expanding the Scope of the Code to Cover Other Assurance Service Providers

The GAA's member bodies represent more than 1,400,000 professional accountants (PAs) in over 180 countries. These PAs have completed robust credentialing and licensing processes

that include compulsory education, examination, and experience. They are also required to meet ongoing continuing education, ethical and other requirements by their institutes. Among other things, these requirements include, at a minimum, adhering to the Code and complying with regulation, discipline and oversight by their institutes.

Expansion of the Code to cover assurance providers other than professional accountants in public practice (PAPPs) is not in the public interest for the following reasons:

Erosion of public trust

The public and the capital markets rely on PAPPs because they know and trust the requirements placed upon PAPPs to obtain and maintain their credentials and licenses. They know that these requirements were designed, developed, and proven over decades as have the processes that are in place to govern, discipline, and regulate PAPPs.

These requirements and processes cannot be easily recreated for non-PAPPs. And, if non-PAPPs are not required to meet the same high standards as PAPPs, this will erode the public's trust in everyone – non-PAPPs, PAPPs, and perhaps even the IESBA and Code.

Erosion of public protection

PAPPs, and their PA firms, are subject to demanding regulation and oversight. In addition, to the requirements already noted, they are subject to robust performance and quality management standards, ongoing quality inspections, and established disciplinary processes.

Extending the Code to non-PAPPs will give the impression that they are subject to the same rigorous standards as PAPPs when, in fact, this may not be the case. Further, for a non-PAPP to cite usage of the Code could be misleading to the public in that the reader may think the user is a PAPP.

Lack of Enforcement

All GAA member bodies have stringent processes in place to identify and discipline noncompliant PAPPs and PA firms.

Who would perform that same role for non-PAPPs? Would that role be performed as effectively for non-PAPPs as for PAPPs? We believe that there is a risk that the different requirements and enforcement processes could result in an actual or perceived two-tier system that could create different levels of effectiveness of standards and undermine public confidence and trust.

Conclusion

In summary, the current PAPP credentialing and enforcement process protects the public from unqualified professionals and has the hard-earned trust of the public.

An attempt to expand the Code to include non-PAPPs is not in the public interest because it would undermine the confidence that the public currently has in PAPPs and in assurance in general.

Yours sincerely,



Jim Knafo, CPA CA CGMA
Chief Executive Officer
Global Accounting Alliance