



Grant Thornton

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International Ethics Standards Board for Accountants
529 Fifth Avenue, 6th Floor
New York, NY 10017

July 16, 2018

International Ethics and Standards Board Proposed Strategy and Work Plan, 2019-2023

To the members of the International Ethics Standards Board for Accountants:

Grant Thornton International Ltd. (GTIL) appreciates the opportunity to comment on the consultation paper, Proposed Strategy and Work Plan, 2019 – 2023 approved for publication by the International Ethics Standards Board for Accountants (the IESBA or the Board).

GTIL is an umbrella organisation that does not provide services to clients. Services are delivered by GTIL member firms around the world. Representative GTIL member firms have contributed to and collaborated on this comment letter with the public interest as their overriding concern.

We support the Board's proposals and believe they will enable IFAC in its mission to serve the public interest and allow the Board to achieve its objective of strengthening the IESBA Code (the Code) by continuing to set high-quality standards that will enhance the profession.

Request for Specific Comment

1. *Do you agree with the proposed criteria for the IESBA to determine its actions and priorities over the strategy period?*

GTIL agrees with the proposed criteria for the IESBA to determine its actions and priorities over the strategy period and believes the proposed criteria will achieve the Board's objectives of promulgating high quality global standards that enhance public trust in the Code, strengthen auditor independence, and increasing global adoption and implementation of the Code.

2. *Do you support the actions that have been identified with respect to each strategic theme? If not, please explain why?*

GTIL supports the actions that have been identified with respect to each strategic theme.

3. *Recognizing that this proposed SWP is ambitious, do you believe the IESBA should accelerate or defer any particular work stream(s)? If so, please explain why?*

GTIL appreciates the SWP put forth by the IESBA in order to strengthen the public interest objectives and trust in the accountancy profession.

We believe the Board should consider accelerating the project proposal for materiality. We believe the new application material to explain materiality in relation to provisions addressing non-assurance services delivered to audit clients is extremely beneficial to help Professional Accountants (PAs) assess threats created by performing certain non-assurance services.

However, materiality is a prevalent concept in the Code referenced in the financial interests and business relationships sections of the Code. As materiality is a subjective concept, we believe PAs in public practice and in business would greatly benefit from additional “materiality” guidance that improves clarity and covers both quantitative and qualitative factors, to aid PAs when assessing the risks created by financial interests, business relationships and breaches of the Code. Accordingly, we recommend the Board consider accelerating its Q1 2021 start for this project.

We also believe the timing of issuing guidance for trends and developments in technology and innovation and emerging or newer models of service delivery should also be accelerated given the rate of growth in these services areas and the lack of guidance that is presently available in the Code.

4. *Do you have comments on any other matters addressed in this consultation paper or any significant matters not covered in this consultation paper that you believe the IESBA should address?*

GTIL does not have any comments on any other matters addressed in the consultation paper or on any significant matters not covered in this consultation paper.

GTIL would like to thank the IESBA for this opportunity to comment. As always we welcome an opportunity to meet with representatives of the IESBA to discuss these matters further. If you have any questions, please contact Gina Maldonado-Rodek, Director - Global Independence at gina.maldonado-rodek@gti.gt.com.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a final flourish, representing the name Antony Nettleton.

Antony Nettleton

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