

The Institute of Chartered Accountants of Bangladesh (ICAB)

ICAB's Comments on "Proposed Changes to Certain Provisions of the Code Addressing Non-Assurance Services for Audit Clients" through May 2014 Exposure Draft by IESBA

We have gone through the overall Exposure Draft issued by International Ethics Standard Board for Accountants (IESBA) at May 2014 on Proposed Changes to Certain Provisions of the Code Addressing Non-Assurance Services for Audit Clients. Our Comments on the Exposure Drafts (Re Proposed Changes to Section 290 and 291) are as follows:

- We think the proposed changes to the Management Responsibilities will provide further guidance and clarification to make clear the understanding as to what constitutes a management responsibility. We agree with the addition and modification to the examples of management responsibilities.
- The insertion of paragraph Re "administrative services" seems appropriate.
- We agree with the removal of the emergency provisions Re accounting and bookkeeping services for audit clients that are that are Public Interest Entities (PIEs) as we also believe that this would strengthen the Code by removing the potential for misuse of the provisions due to subject terms such as "emergency" and "unusual situations" included in the extant guidance.
- We have the same opinion that the auditor and/or firm shall not assume a management responsibility. We think the deletion of words "significant" from paragraph 290.162 and "generally" from paragraph 290.163 is more appropriate.
- We agree that the above changes will help to enhance auditor independence and further clarify expectations from the client's management in relation to the performance of non-assurance services by an auditor.

Specific Comments on the following queries:

Emergency Provisions

1. Are there any situations that warrant retention of the emergency exceptions pertaining to bookkeeping and taxation services?

Answer: There are no situations that warrant retention of the emergency exceptions pertaining to accounting and bookkeeping services.

Management Responsibilities

2. Does the change from “significant decisions” to “decisions” when referring to management responsibilities (paragraph 290.162) enhance the clarity of a management responsibility?

Answer: Yes.

3. Are the examples of management responsibilities in paragraph 290.163 appropriate?

Answer: Yes.

4. Are there any challenges in understanding and applying the prerequisite set out in paragraph 290.165 for non-assurance services that should be considered?

Answer: No.

5. Will the enhanced guidance assist engagement teams to better meet the requirement of not assuming a management responsibility?

Answer: Yes.

6. Does the relocation of the guidance pertaining to administrative services into its own subsection provide greater clarity?

Answer: Yes.

Routine or Mechanical

7. Does the proposed guidance on “routine or mechanical” clarify the term, or is additional guidance needed?

Answer: Yes, the proposed guidance clarifies the term. No additional guidance needed at this moment.

8. Is the meaning and identification of source documents sufficiently clear, taking into account documents that may be generated by software?

Answer: Yes.

Section 291

9. Do the changes proposed to Section 291, specifically the additional requirements to proposed paragraph 291.146, enhance the clarity of a management responsibility?

Answer: Yes.

10. Are the examples of management responsibilities in paragraph 291.144 appropriate?

Answer: Yes.

11. Does the relocation of the guidance pertaining to administrative services provide greater clarity?

Answer: Yes.