

9 July 2018

Mr Ken Siong  
Senior Technical Director  
International Ethics Standards Board for Accountants  
529 Fifth Avenue  
6th Floor  
New York NY 10017

Via email – [kensiong@ethicsboard.org](mailto:kensiong@ethicsboard.org)

Dear Mr Siong

**Consultation Paper - IESBA Proposed Strategy and Work Plan 2019-2023**

We are pleased to provide our response to your Consultation Paper entitled “Proposed Strategy and Work Plan 2019 – 2023” (the “SWP”). As a professional body representing over 100,000 members we are supportive of the International Ethics Standards Board for Accountant’s (IESBA) proposed vision being “for the Code to be a foundation of strong ethical principles, values and standards to underpin trust in the global accounting profession in a dynamic and uncertain world, and to enable the profession to act in the public interest.” Appendix A contains more information about Chartered Accountants Australia and New Zealand (“CA ANZ”).

We have provided our responses to the specific questions in the SWP in Appendix B.

If you have any questions regarding this submission, please contact my colleague, Kristen Wydell via email at [Kristen.Wydell@charteredaccountantsanz.com](mailto:Kristen.Wydell@charteredaccountantsanz.com).

Yours sincerely



Simon Grant FCA ACCA  
Group Executive  
International Development, Advocacy  
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Kristen Wydell FCA  
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## Appendix A

### About us

Chartered Accountants Australia and New Zealand is made up of over 100,000 diverse, talented and financially astute professionals who utilise their skills every day to make a difference for businesses the world over.

Members of Chartered Accountants Australia and New Zealand are known for professional integrity, principled judgement and financial discipline, and a forward-looking approach to business. We focus on the education and lifelong learning of members, and engage in advocacy and thought leadership in areas that impact the economy and domestic and international capital markets.

We are represented on the Board of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

## Appendix B

### Responses to IESBA's Questions

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

We are supportive of the proposed criteria for IESBA to determine its actions or priorities, however these decisions need to be evidence based.

We note your paragraphs 31 to 35 discuss factors that affect the timelines within the work plan. CA ANZ strongly encourages IESBA to assess its resourcing and processes so as to identify opportunities to improve the timeliness of the completion of projects. If projects can be completed in a timely manner IESBA will be better placed to achieve its vision.

We believe that the time lines for many of the projects in Appendix 2 of the SWP are too long and IESBA needs to identify ways it can better balance due process, consultation and timeliness. Specific examples are included in the table below.

<b><i>Project name</i></b>	<b><i>Start</i></b>	<b><i>Finish</i></b>	<b><i>Project length</i></b>
<i>Trends in Technology</i>	Q2 2018	2022	4 years
<i>Materiality</i>	Q1 2021	Q2 2023	2.5 years
<i>Documentation</i>	Q3 2023	2026	2.5 – 3 years
<i>Post implementation review of restructured Code</i>	Q2 2023	Q4 2024	1.5 years

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

We are supportive of the actions identified by IESBA. At paragraph 28 reference is made to working with the IFAC PAIB Committee. We encourage this as we believe some PAIB may lack awareness of the International Code of Ethics for Professional Accountants (including International Independence Standards) (“the Code”). We are currently exploring a project to increase awareness of the ethical obligations and support available of and for our members in business.

The Code is a principles based standard. Whilst we understand that providing greater guidance on the concept of materiality (paragraphs 59-63) may result in more consistent application of the Code we urge IESBA to ensure they do not replace the concept of materiality with prescriptive rules.

At paragraph 67 reference is made to the Code's documentation provisions. We again urge IESBA to exercise caution in this matter. Documentation is not an ethical requirement but evidence of compliance with ethical requirements. The nature and extent of documentation a professional accountant needs to prepare as evidence of their compliance with the Code is a matter for the professional accountant, their employer or local regulators to establish. In many circumstances it may be a legal matter.

**3. Recognising 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.**

We are supportive of IESBA's proposed work streams. At paragraph 49 you refer to using your Emerging Issues and Outreach Committee to advise you on emerging issues. At paragraph 50 you propose to discuss these matters twice per annum. We feel it is important to monitor emerging issues more frequently.

**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?**

The Code has been through significant change, this change requires users of the Code to invest heavily in translation, training and other roll out activities. It is important for users of the Code to have a period of stability to allow for a "settling in" period for the revised Code.

At paragraph 29 of the SWP you refer to recognising the importance of evidence based standard setting. We strongly encourage IESBA to obtain and use appropriate research and evidence as a basis upon which to make decisions regarding the Code and the IESBA work programs.

At paragraph 34 you describe the outreach and communication with stakeholders. We encourage IESBA to direct resources to these activities as they are important to encouraging consistent application of the Code. The supporting communication material you refer to in the last point (podcasts, video Q&As, fact sheets, At-a-glance documents and Q&A publications) is highly valuable to associations such as CA ANZ as they assist us understand IESBA's intent and encourage globally consistent application.