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Mr Ken Siong
IESBA Technical Director
International Ethics Standards Board for Accountants
529 Fifth Avenue
New York, NY 10017

04 July 2018

Proposed Strategy and Work Plan for 2019-2023

Dear Mr Siong,

On behalf of RSM International Limited, a global network of independent accounting and consulting firms, we are pleased to respond to your Consultation Paper – Proposed Strategy and Work Plan for 2019-2023.

We agree with the IESBA's vision for the Code of Ethics for Professional Accountants ("Code") and we recognise that a significant amount of improvements have been made. We support the proposed strategy and work plan ("SWP") for the period 2019-2023 as we believe that the SWP will facilitate advancement of the Code's relevance and impact, deepen the Code's influence and expand the IESBA's perspectives and inputs. However, following are our responses to specific questions posed in this Consultation.

Responses to 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?

We generally agree with the proposed criteria for determining actions and priorities. However, we believe that Communication with Those Charged with Governance (TCWG) may not be as high of a priority as reflected since a majority of these communications with TCWG occur due to auditor-client relationships which is addressed by ISA 260 and Paragraph 17 of ISA 260 specifically addresses communicating independence matters between the auditor and TCWG.

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

We support the actions that the IESBA has 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.

We note that the proposed SWP is ambitious and continue to support the Board's efforts.

- We recognize the importance of the commencement of work on Trends and Developments in Technology given the current global focus on technologies. However, we question the current expected completion date of 2022 because what is considered as an emerging technology today will be old in four years. Therefore we believe that it is critical that the Code addresses this issue as an urgent priority. On the other hand, the commencement of work on Newer Models of Service Delivery could be made a lower priority as we believe that this may not be a real business issue and is also being dealt with in conjunction with the IAASB projects on Quality Control.
- We believe that the Code should provide requirements and guidance directed to defining the “public interest” and defining specific types of entities meeting the IESBA definition of a PIE as this would assist professional accountants in applying the Code more consistently. However, we have some concerns that this project will not start until the second quarter of 2021 and thus should be placed as a higher priority on the IESBA Work Plan.

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?

- We generally support the on-going Professional Skepticism work and believe that this project should be on the IESBA work plan. However, we believe that the effort should be concentrated on explaining how the application of professional skepticism by professional accountants in public practice is different from, and elevated above, that applied by professional accountants in business (PAIBs) rather than focussing too heavily on the application of professional skepticism to PAIBs. We also believe that the IESBA should work very closely with the IAASB on this project so that the ISAs and the Code closely aligned on this topic.
- The project, Consistency of Part 4B of the restructured Code with ISAE 3000, should be more closely coordinated with the IAASB.
- The IASB, IAASB and many NSSs have, or had, projects on Materiality. However, it seems that these projects have not produced any significant guidance beyond that which already exists. Thus, we are not convinced about the need for the IESBA to devote time to this project given that other professional standard-setting bodies have not been able to develop more meaningful guidance than that which exists today.
- Finally, we encourage the global standard-setting bodies such as the IESBA, IAASB and IAESB to work together on their strategies and work plans to ensure consistency among and between the respective standards.

We would be pleased to discuss our comments further with members of the IESBA or its staff. If you wish to do so, please contact Robert Dohrer (tel: +44 207 601 1080; email: robert.dohrer@rsm.global).

Yours sincerely

A handwritten signature in black ink, appearing to read "Robert Dohrer", with a stylized flourish at the end.

Robert Dohrer
Global Leader - Quality and Risk
RSM International

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