

July 16, 2018

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

Dear Mr. Siong:

Re: *Proposed Strategy and Work Plan, 2019-2023*

I am writing on behalf of the Public Trust Committee (PTC) of the Chartered Professional Accountants of Canada (CPA Canada) in response to the request for comments on the Consultation Paper entitled *Proposed Strategy and Work Plan, 2019-2023*.

CPA Canada is the national body of Canada's accounting profession, with more than 210,000 members both at home and abroad. The Canadian CPA designation was created with the unification of three legacy accounting designations (CA, CGA, and CMA).

CPA Canada conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government. It issues guidance on control and governance, publishes professional literature, develops continuing education programs and represents the Canadian CPA profession nationally and internationally.

The PTC is responsible for overseeing the regulatory structures and processes across provincial jurisdictions in Canada. The PTC's goals include achieving consistency between the provincial CPA bodies in Canada and ensuring that the processes and standards in Canada meet or exceed the international standards.

Thank you for the opportunity to provide our comments on the Proposed Strategy and Work Plan. We commend IESBA for its efforts in developing this well-presented Consultation Paper and for consulting broadly with stakeholders to inform the development of the Proposed Strategy and Work Plan.

Overall, the PTC is very supportive of the Proposed Strategy and Work Plan and we recognize that it is ambitious and necessary for the future. In particular, we were pleased to note the close alignment of the new items identified as priorities for 2019-2023 to the PTC's 2017 Survey response submitted in regards to IESBA's request for input on potential topics and priorities. In

developing the Consultation Paper, we appreciate that care has been taken by IESBA to assess the proposed actions as well as to consider overall capacity and resources in addition to recognizing the need for considering emerging issues that may require actions not already contemplated within the Proposed Strategy and Work Plan.

Please find below our responses to the questions identified for input from respondents as outlined in the Consultation Paper:

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 the IESBA to determine its action and priorities over the strategy period. We agree with and support IESBA's intention that the Strategy and Work Plan will be dynamic and that the proposed criteria will be helpful in this regard.

In discussing the themes and criteria for actions and priorities, we noted that adoptability of the Code is a measure of impact and influence. However, we also noted that overall compliance with the Code and its enforceability should also be measures of its impact and influence. Improving enforceability can benefit the public interest and it could also be used to evaluate actions that assist in raising the bar on ethics by supporting public interest outcomes.

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

Generally, we agree with the actions that have been identified with respect to each strategic theme. Beyond the specific work stream issues to be worked on, we appreciated the references where coordinating activities will take place with the International Auditing and Assurance Standards Board and noted the on-going efforts that will take place by the Emerging Issues and Outreach Committee.

When discussing the proposed actions as they relate to Trends and Developments in Technology, the PTC reflected upon the significant technology issues that have occurred in business since the 2017 Survey and was pleased that IESBA's working group began its efforts in Q1 2018. The PTC also noted that the challenge in this area will be the pace of change in regards to technology and determining a process by which recommendations made will retain currency into the future.

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 noted that fact finding work on the new tax planning and related services stream is proposed to begin in Q2 2019. Given the global issues and interest that have arisen in recent years through tax planning, strategies and structures that are perceived as

aggressive tax avoidance, we respectfully suggest consideration should be given to beginning this work as soon as possible, and earlier than Q2 2019.

We also were concerned that work to be carried out on the new documentation stream would not result in expected completion until 2026. As indicated in our 2017 Survey response, we believe this is an area by which the enforceability of the IESBA Code may be improved and this may result in greater adoptability. Respectfully, we suggest consideration should be made to beginning this work earlier than 2023.

In making the above suggestions, the PTC is aware that the Strategy and Work Plan as presented is a heavy undertaking and there is a critical need for appropriate resourcing to achieve all of the significant projects identified including increased outreach and communication efforts. We are supportive of IESBA identifying and seeking out additional resources in order to accomplish the actions identified and in order to advance the relative prioritization of our suggestions made above.

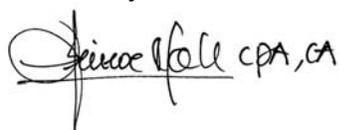
4. Do you have comments on any other matters addressed in this consultation paper or any significant matters not covered in this consultation paper that you believe the IESBA should address?

We were pleased to note that work stream recommendations or outputs will not necessarily result in changes to the requirements of the Code and may appropriately result in other deliverables including IESBA Staff publications. As indicated in our response to the 2017 Survey, we believe that a “longer shelf life” Code is desirable and it would likely enhance adoptability and usability. Managing the pace of change to the requirements of the Code may enable more effective implementation, increased compliance and improved enforceability through stability.

When considering the new work stream regarding communication with those charged with governance, the importance of engaging stakeholders was noted. The recent roundtable held in Washington to consider Professional Skepticism and Non-Assurance Services was a very useful demonstration of how to engage diverse stakeholders and encourage increased awareness and understanding of varying perspectives. Although this requires an investment of resources and effort, we believe this format would bode well for working on a topic such as communication with those charged with governance.

We thank you for the opportunity to comment on this Consultation Paper and appreciate that further revisions to the proposals may occur through the feedback provided by stakeholders.

Yours truly,



Geneviève Mottard, CPA, CA
Chair, Public Trust Committee
CPA Canada