

IAASB Exposure Draft

*Proposed Amendments to the IAASB's International Standards,
Responding to Non-Compliance or Suspected Non-Compliance
with Laws and Regulations*

response to exposure draft

21 October 2015

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/ 151021 SC0219

Kathleen Healy
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International Auditing and Assurance Standards Board
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Submitted electronically
October 2015

Dear Kathleen Healy

Exposure Draft

Proposed Amendments to the IAASB's International Standards, Responding to Non-Compliance or Suspected Non-Compliance with Laws and Regulations

CIPFA is pleased to present its response to this exposure draft, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

We note that the proposed amendments reflect proposed changes to the Ethics Code, set out in an IESBA ED to which CIPFA has also responded.

The current ED explains that the proposed amendments to IAASB standards encompass:

- (a) amendments to reflect changes to the auditor's duty of confidentiality, particularly the duty or right to disclose identified or suspected NOCLAR.
- (b) the implications of the IESBA's NOCLAR proposals on ISA 250, such as the possibility that the auditor may otherwise become aware of matters that the auditor is required to address under relevant ethical requirements.
- (c) provisions that bring key aspects of the IESBA's NOCLAR proposals to the auditor's attention.
- (d) a requirement in the IESBA ED that, for audits of financial statements, an incoming auditor shall request the existing accountant / predecessor auditor to provide any information that might, in their opinion, be relevant to acceptance of the engagement
- (e) guidance to recognize that laws or regulations may prohibit alerting ("tipping off") the entity when, for example, the auditor is required to report a NOCLAR to an appropriate authority pursuant to money laundering legislation.
- (f) Other changes, such as additional examples or explanatory material.

CIPFA supports these amendments.

I hope this is a helpful contribution to the development of the Board's guidance in this area. If you have any questions about this response, please contact Steven Cain (e:steven.cain@cipfa.org, t:+44(0)20 7543 5794).

Yours sincerely

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