

27 March 2020

Mr Ken Siong
Senior Technical Director
International Ethics Standards Board for Accountants (IESBA)
International Federation of Accountants (IFAC)
529 Fifth Avenue, 6th Floor
New York, New York 10017 USA

By email: kensiong@ethicsboard.org

Dear Mr Siong,

IESBA's Exposure Draft *Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers*

Accounting Professional & Ethical Standards Board Limited (APESB) welcomes the opportunity to make a submission on the IESBA's Exposure Draft *Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers* (EQR Objectivity Proposals).

APESB is governed by an independent board of directors whose primary objective is to develop and issue, in the public interest, high-quality professional and ethical pronouncements. These pronouncements apply to the membership of the three major Australian professional accounting bodies (Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants). In Australia, APESB issues APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110) as well as a range of professional and ethical standards that address non-assurance services.

Overall comments

APESB strongly supports the IESBA's view that imposing a mandatory two-year cooling-off period when moving from an Engagement Partner (EP) to an Engagement Quality Reviewer (EQR) is not proportionate in all circumstances. We agree with the IESBA's view that if there is any threat objectivity when an EP moves to an EQR, the conceptual framework in the IESBA Code can be applied to address the identified threat.

Subject to APESB's specific comments, APESB is supportive of the IESBA's EQR Objectivity Proposals, including the consideration of a cooling-off period for EPs before they can become EQRs as one potential safeguard to reduce threats to independence (which includes objectivity and both are ethical obligations).

APESB is of the view that if such a safeguard is required, it should only be addressed in the IESBA Code and that it is not best practice to have one aspect of audit partner rotation rules outside of the IESBA Code (i.e., in ISQM-2).

We note that the IESBA Code comprehensively deals with Key Audit Partner (KAP) rotation, whether it is an EP, EQR or other KAP. Accordingly, APESB is concerned that the International Auditing and Assurance Standards Board (IAASB) is considering the inclusion of a mandatory two-year cooling-off period when moving from EP to EQR in the proposed ISQM-2 as:

- It is a disproportionate response to require this obligation in respect of all entities when it was initially globally consulted as a potential response in the form of guidance and limited to Listed Entities (refer to paragraph A 42 of [IFAC Due Process Document](#)); and
- introduces a KAP audit partner rotation rule external to the IESBA Code.

As the National Standards Setter for professional and ethical standards in Australia, APESB is of the firm view that partner rotation requirements are ethical requirements that need to be maintained in one location (i.e., within the IESBA's Code) rather than in standards of multiple Boards. We note that several National Standards Setters (including the UK, South Africa, and New Zealand) who responded to the proposed ISQM-2 held similar views (Appendix B summarises the responses to question 4(b) of ED ISQM-2 in respect of whether guidance on cooling off should be located in the IESBA Code or ISQM-2).

We favourably note that the IESBA undertook a robust process over a significant period of time to develop the Audit Partner Rotation requirements in the IESBA Code. This process did not result in the imposition of a mandatory cooling-off period when moving from EP to EQR, as long as the practitioner adheres to the applicable time on and time off periods when they perform a combination of KAP roles. For example, if an audit partner performs EP and EQR roles in combination for four or more years, then they will be subject to the maximum cooling-off period. This approach is no different from the same partner performing an EP role for five years on an audit engagement.

APESB is of the firm view that if changes are required to the existing partner rotation requirements that there must be an evidentiary basis (e.g., empirical evidence) and a clear rationale for the inclusion of additional partner rotation requirements. Evidence from fact-based research has not been provided by the IAASB to support a mandatory two-year cooling-off period when moving from an EP to an EQR in circumstances where there is no identified threat to independence.

Further, as noted above, the proposed ISQM-2 included a two-year cooling-off period as guidance in relation to audits of Listed Entities only, which has now been elevated to a mandatory two-year cooling off to apply to all instances of where an EP moves to an EQR. Based on a review of the submissions to the proposed ISQM 2, we note that there were varying views and of those respondents that requested this change, it was in the context of Listed Entities (Appendix C summarises the responses to question 4(a) of ED ISQM-2 in respect of the inclusion of guidance of a two-year cooling-off period when moving from EP to EQR of a Listed Entity).

For example, IFAC Small and Medium Practices Committee's submission on this matter included that they "*are therefore concerned to note that the IAASB is seeking to go beyond the requirements of the IESBA Code*" and "*requiring a cooling-off period unless absolutely essential (risk cannot be reduced to an acceptably low level by other means) may well deprive the EQR of the services of the best-placed individual, and thus be detrimental to engagement quality.*"

In jurisdictions such as Australia, where auditor supply is severely limited, creating a further mandatory cooling-off period rule, without an evidentiary basis, will lead to an unnecessary regulatory burden on all entities. We do not believe that this approach is commensurate with the independence threats it seeks to address.

We bring to your attention that during the last decade or so, the number of registered company auditors in Australia has declined by over 50%. If such restrictive partner rotation rules are adopted (without an evidentiary basis and in the absence of any identified independence threats), invariably, it will only be the big six audit firms who will have a sufficient number of KAPs to be able to perform external audits.

We are also aware that the IAASB is concerned that the IESBA Code (adopted in 120 Countries) covers fewer countries than the IAASB standards (adopted in 130 Countries), which arguably creates another reason for having the mandatory cooling-off period in ISQM-2.

It is advisable for the IAASB and the IESBA to undertake a process to identify the relevant 10 countries where there is a potential gap and work with the National Standard Setters of those jurisdictions to introduce additional requirements at a jurisdictional level (if this was deemed necessary). We believe this is a pragmatic approach rather than imposing this additional obligation on the vast majority of countries that have adopted the IESBA Code.

APESB understands that the two-year cooling-off period is a US PCAOB requirement. Interestingly, the US currently limits the application of this rule to the entities subject to the PCAOB Standards and has a small firm exemption from partner rotation requirements, which is not available in countries such as Australia.

We strongly believe that if a National Standards Setter of a jurisdiction, taking into consideration circumstances in its jurisdiction, determines that a two-year EQR cooling-off period should be a requirement for all entities, then that National Standards Setter can always make a decision and elevate the guidance in an international standard to a mandatory requirement in their respective country. There are numerous examples in the past where National Standard Setters, including the APESB, have set a higher standard than an International Standard issued by the IESBA or the IAASB.

APESB's responses to the IESBA's specific and general questions on the EQR Objectivity Proposals are attached in Appendix A.

Recommendations

APESB's key recommendations in relation to the EQR Objectivity Proposals for the IESBA's consideration are:

- Relocate the guidance from Section 120 to either Sections 540 and 940 or Part 3 of the IESBA Code;
- Enhance the guidance on objectivity and broaden it to cover EPs, EQRs and other KAPs;
- Co-ordinate with IAASB and maintain all partner rotation requirements in the IESBA Code which could be cross-referenced to ISQM-2 for the benefit of the accounting profession as a whole; and
- Include guidance in the IESBA Code that where there is an identified independence threat of an EP moving to an EQR in respect of a Listed Entity, a possible safeguard is a cooling-off period of two years.

Concluding comments

We trust you find these comments useful in your final deliberations. Should you require additional information, please contact APESB's Chief Executive Officer, Mr. Channa Wijesinghe, at channa.wijesinghe@apesb.org.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nancy Milne". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Nancy Milne OAM
Chairman

Cc Mr. Thomas Seidenstein
Chairman
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APPENDIX A

APESB's Specific Comments

APESB's responses to the specific matters raised by the IESBA on the EQR Objectivity Proposals for the IESBA's consideration are as follows:

1. Do you support the proposed guidance addressing the topic of the objectivity of an EQR?

APESB does not support the proposed guidance addressing the objectivity of only the EQR in its current form. All EPs, EQRs and other Key Audit Partners (KAPs) are required to be independent, which is a higher ethical requirement than the fundamental principle of objectivity (which applies to all professional activities provided by professional accountants). It may also be confusing to separately address objectivity from the other components of independence, being the fundamental principle of integrity and the exercise of professional scepticism.

Professional accountants undertaking assurance engagements are subject to strict independence requirements in Parts 4A and 4B of the IESBA Code, which includes EPs, EQRs and other KAPs. Therefore, compliance with Parts 4A and 4B results in the EQR fulfilling their independence requirements under the IESBA Code, including compliance with the fundamental principle of objectivity.

The EQR Objectivity Proposals EM notes that when an EP subsequently becomes an EQR, *"a self-review or self-interest threat might be created when judgements made by the individual in the previous engagement continue to influence subsequent periods, as is often the case in an audit of financial statements."*¹ However, the APESB believes that this is also relevant to EQRs and other KAPs moving roles, not just the EPs moving to an EQR.

Further, it is unclear to APESB why the objectivity of the EQR is considered to be unique, and by specifically singling out the EQR, it appears to suggest that the EQR's objectivity is more important than the objectivity of the EP or other KAP.

Additionally, it implies that the fundamental principle of objectivity is more important than other fundamental principles, such as professional competence and due care. We respectfully suggest that in the context of assurance engagements, the fundamental principles of professional competence and due care and integrity are as important as the fundamental principle of objectivity. For example, an auditor may meet all the independence requirements and be able to act objectively but may not have the necessary professional competence and skills to perform specific specialised audits (i.e., financial services entities).

The EQR Objectivity Proposals EM discusses the IAASB's view that if an EQR immediately becomes an EP, the threats to objectivity are significant and that a cooling-off period is the most appropriate safeguard,² which is now intended to become a

¹ Paragraph 4 of the EQR Objectivity Proposals EM.

² Paragraph 8 of the EQR Objectivity Proposals EM.

mandatory cooling-off period.³ APESB strongly supports IESBA's view that imposing a mandatory two-year cooling-off period of two years when moving from an EP to an EQR is not proportionate in all circumstances. If there is any threat to independence (including in respect of objectivity) when an EP moves to an EQR, the conceptual framework in the IESBA Code can be applied to address the identified threat.

APESB is of the view that moving from EP to EQR may not always create threats to objectivity that need to be addressed. For example, assume a professional accountant acted as an EP in 2020 after serving in that role for two years, and an EQR reviewed the EP's judgements. In 2021, the original EP becomes the EQR, and a new EP is appointed that has not previously been involved in the engagement. Therefore, there have now been three separate professional accountants who have considered relevant judgements. Arguably, this could actually reduce threats to objectivity, as the new EP would approach the engagement and judgements with renewed vigour.

In respect of the identified threats in paragraph 120.14 A2, APESB makes the following comments:

a) *"Self-interest threat"*

Two engagement partners who serve as an engagement quality reviewer for each other's engagement".

APESB believes this threat may be equally applicable to the EPs and other KAPs.

b) *"Self-review threat"*

The accountant serves as an engagement quality reviewer on an audit engagement after serving as the engagement partner or other engagement team member".

APESB believes this threat would be equally applicable if an EQR subsequently serves as EP or another KAP moves to the EP role.

c) *"Familiarity threat"*

The accountant who serves as engagement quality reviewer has a long association or close relationship with, or is an immediate family member of, an audit team member".

Sections 540 and 940 of the IESBA Code include comprehensive rotation requirements and family and personal relationships are dealt with in Sections 521 and 921 of the IESBA Code, which apply to EPs, EQRs and other KAPs.

d) *"Intimidation threat"*

The accountant who serves as engagement quality reviewer for an audit engagement also has a direct reporting line to the engagement partner".

APESB agrees that such an arrangement is inappropriate.

³ The IAASB Meeting Highlights and Decision December 2019, the Board generally supported the ISQM 2 Taskforce's proposed changes to ED ISQM 2 for a "mandatory cooling-off period of two-years, or longer if required by relevant ethical requirements, to address objectivity for individuals moving into the role of EQ reviewer after serving as the engagement partner".

APESB is also of the view that the factors listed in proposed paragraph 120.14 A3 are equally applicable to evaluating the level of threats to the objectivity of an EP, EQR and other KAP. Another relevant factor might be if the audit client is a public interest entity.

APESB does not support all of the proposed safeguards in paragraph 120.14 A4 of the EQR Objectivity Proposals for the following reasons:

- “*Implementing a period of sufficient duration (a cooling-off period) before the professional accountant is appointed as engagement quality reviewer.*”

APESB agrees that this may be an appropriate safeguard in certain situations; however, we do not agree that this should be a default requirement as proposed by the IAASB (refer discussion above and response to question 3 below) for all entities. This safeguard could be linked to the requirements in paragraphs R540.4 or R940.4 of the IESBA Code as applicable.

- “*Having an appropriate reviewer review specific areas of significant judgement.*”

It may be more effective and efficient for the firm to implement the first safeguard. Further, in applying this safeguard to the above example would result in a fourth person being involved in reviewing judgements, which may be excessive.

- “*Reassigning responsibilities within the firm.*”

This safeguard appears to replicate the first listed safeguard.

2. If so, do you support the location of the proposed guidance in Section 120 of the Code?

APESB does not support the location of the proposed guidance in Section 120 of the IESBA Code, as this Section applies to all professional accountants. The proposed guidance relates to the specific role of an EQR and, therefore, is not relevant to the majority of professional accountants.

The positioning of the proposed provisions in paragraphs 120.14 A1 to 120.14 A5 comes under the heading *Considerations for Audits, Reviews and Other Assurance Engagements*. Although this is consistent with the fact that the term EQR is only located in Parts 4A and 4B and the Glossary of the IESBA Code, the EQR Objectivity Proposals EM notes the scope of the guidance applies to all engagements where an EQR is determined to be an appropriate response under proposed ED-ISQM 1.⁴ Therefore, if a firm determined that an EQR was an appropriate response for a non-assurance engagement, they may not refer to a section of the IESBA Code under *Considerations for Audits, Reviews and Other Assurance Engagements*.

APESB’s view is that as EQRs predominantly relate to assurance engagements, Part 4A, Section 540 and Part 4B, Section 940 may be more appropriate locations for the proposed guidance. Alternatively, as EQRs could potentially be used as a response for a non-assurance or assurance engagement under ISQM-1, Part 3 of the IESBA Code may be an appropriate location.

⁴ Paragraph 37(e)(iii)b. of ED-ISQM 1.

3. Do you agree with the IESBA that it would be more appropriate for the IAASB to determine whether a cooling-off requirement should be introduced in proposed ISQM-2, as discussed in Section III.C above, and that the Code should not be prescriptive in this regard?

APESB does not agree that it is more appropriate for the IAASB to determine whether a cooling-off requirement should be introduced in proposed ISQM-2 as it is an ethical requirement.

We note that the IESBA Code comprehensively deals with Key Audit Partner (KAP) rotation, whether it is an EP, EQR, or other KAP. Accordingly, APESB does not support the IAASB, including a mandatory two-year cooling-off period when moving from EP to EQR in proposed ISQM-2 as it is disproportionate to require this in respect of all entities and such an approach introduces a rotation rule external to the IESBA Code.

APESB is of the firm view that if changes are required to the existing partner rotation requirements that there should be an evidentiary basis and a clear rationale for the inclusion of additional partner rotation requirements. Evidence from fact-based research has not been provided by the IAASB to support a mandatory two-year cooling-off period when moving from an EP to an EQR. Further, we note that the proposed ISQM-2 included a two-year cooling-off period as guidance in relation to audits of listed entities, which has now been elevated to a mandatory two-year cooling off to apply to all instances of where an EP moves to an EQR (refer to paragraph A 42 of [IFAC Due Process Document](#)). However, based on the submissions to the proposed ISQM 2, support for such an elevation is clearly varied (refer to Appendix C).

For IESBA's reference, APESB included the following comments in its submission to the IAASB on ED-ISQM 1 and ED-ISQM 2 on 1 July 2019:

APESB is concerned that the IAASB propose a cooling-off period for a previous Engagement Partner (EP) before they become an Engagement Quality Reviewer⁵ and the application material suggests a minimum period of two years for listed entities.⁶

We believe this is inconsistent with the requirements of the IESBA Code, which takes into account the possibility of multiple Key Audit Partner (KAP) roles (EP, Engagement Quality Control Reviewer (EQCR) or other KAP) and has rules in place where a combination of roles occur. APESB does not consider it best practice in standard-setting to have an aspect of rotation rules outside of the IESBA Code. We are strongly of the view this matter should be considered by the IESBA and addressed in the IESBA Code as:

- (i) KAP rotation is comprehensively dealt with in the IESBA Code;*
- (ii) There is no current prohibition in respect of movement between EP and EQCR, as long as, collectively the practitioner adheres to the applicable time on and time off periods when they perform a combination of KAP Roles. Further, if there is an independence threat for an EP moving to EQCR role, then it is dealt with by the conceptual framework of the IESBA Code; and*

⁵ Paragraph 16 of ED-ISQM 2.

⁶ Paragraph A5 of ED-ISQM 2.

- (iii) *Audit partner rotation relates to ethical obligations, and it is advisable for all such ethical obligations to be dealt with in one place (the IESBA Code).*

APESB's General Comments

APESB's general comments on the EQR Objectivity Proposals for the IESBA's consideration are as follows:

(a) *Regulators and Audit Oversight Bodies*

Not applicable.

(b) *Small- and Medium-Sized Entities (SMEs)*

APESB notes the significant regulatory burden for SMEs in relation to further restrictions to commercial activity if a mandatory 2-year EQR cooling off period is introduced when moving from an EP to an EQR for SMP audit firms that service these entities. We agree with the comments made by the IFAC SMP Committee in this regard. This proposed requirement will severely impact SMP audit firms and audits performed in regional areas of Australia. In the absence of an identified independence threat, we believe that such an outcome does not serve the public interest.

(c) *Developing Nations*

Not applicable.

(d) *Translation*

APESB has no general comments concerning translation.

Other Editorial Comments

APESB notes that there will also need to be a change to the Glossary to include EQR and delete EQCR.

APPENDIX B

Summary of Respondents to ED-ISQM 2 Question 4(b) - Location of the Guidance (or Requirement)

Full Question in ED-ISQM 2

Question 4 - Do you support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to the engagement quality reviewer as described in paragraphs 16 and 17, respectively, of ED-ISQM 2?
 (b) If you support such guidance, do you agree that it should be located in proposed ISQM 2 as opposed to the IESBA Code?

Number	Agree that the guidance should be addressed in proposed ISQM 2	Respondent Type	Agree but with further comments that the guidance (or requirement) should be addressed in proposed ISQM 2	Respondent Type	Agree but with further comments that the guidance (or requirement) should be addressed in both proposed ISQM 2 and the IESBA Code, or align with, or include reference to the IESBA Code	Respondent Type	Disagree that the guidance (or requirement) should be addressed in proposed ISQM 2 (i.e., should be addressed in the IESBA Code)	Respondent Type	Unclear or no specific response	Respondent Type
1	Compagnie Nationale des Commissaires aux Comptes (CNCC) and the Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC)	4	Irish Auditing and Accounting Supervisory Authority	3	International Organization of Securities Commissions	1	National Association of State Boards of Accountancy	3	Basel Committee on Banking Supervision	1
2	Haysmacintyre LLP	5	Hong Kong Institute of Certified Public Accountants	4	Financial Reporting Council (United Kingdom)	3	American Institute of Certified Public Accountants N	4	International Association of Insurance Supervisors	1
3	PKF South Africa	5	Japanese Institute of CPAs	4	Independent Regulatory Board for Auditors (South Africa)	3	Australian Auditing and Assurance Standards Board A	4	International Forum of Independent Audit Regulators	1
4	RSM International	5	Duncan and Toplis	5	Conselho Federal de Contabilidade - Federal Accounting Council	4	Institut Der Wirtschaftsprüfer	4	International Corporate Governance Network	2
5	Auditor General South Africa	6	Office of the Auditor General of Alberta	6	Kammer der Steuerberater und Wirtschaftsprüfer	4	Malaysian Institute of Accountants - Auditing and Assurance Standards Board	4	Canadian Public Accountability Board	3
6	Australasian Council of Auditors General	6	Office of the Auditor General of Canada	6	Baker Tilly International	5	New Zealand Auditing and Assurance Standards Board	4	Canadian Auditing and Assurance Standards Board	4
7	International Organization of Supreme Audit Institutions	6	Botswana Institute of Chartered Accountants	7	Baker Tilly Virchow Krause LLP	5	Royal Nederlandse Beroepsorganisatie van Accountants	4	Chinese Institute of Certified Public Accountants	4
8	National Audit Office of Malta	6	California Society of CPAs	7	BDO International	5	Deloitte Touche Tohmatsu Limited	5	CAS International	5
9	Provincial Auditor Saskatchewan	6	Institut des Experts-Comptables et des Conseils Fiscaux - Institut Van de Accountants en de Belastingconsulenten	7	Crowe Global	5	ETV Global	5	Belgian Institute of Registered Auditors	7
10	Swedish National Audit Office	6			KPMG IFRG Limited	5	EY Global Limited	5	FAR (Institute for Accounting Profession in Sweden)	7
11	US Government Accountability Office	6			Kreston International	5	Grant Thornton International Limited	5	FSR - Danish Auditors	7
12	IFAC Small and Medium Practices Committee	7			Mazars	5	Nexia Smith & Williamson	5	Illinois CPA Society	7
13	Institute of CPAs of Uganda	7			Mazars USA LLP	5	PriceWaterhouseCoopers	5	Institute of Singapore Chartered Accountants	7
14	Instituto de Censores Jurados de Cuentas de España	7			MNP LLP	5	Office of the Auditor General New Zealand	6	New York State Society of Certified Public Accountants	7
15	Korean Institute of CPAs	7			Moore Stephens International	5	Accountancy Europe	7		
16	Vera Massarygina	8			Nexia International	5	Australian Accounting Professional and Ethics Standards Board	7		
17					PKF International Limited	5	CA Ireland	7		
18					Center for Audit Quality	7	Chartered Accountants Australian and New Zealand and ACCA	7		
19					Comision Interamericana de Control de Calidad de la AIC	7	CPA Australia	7		
20					Comite Control de Calidad del ICPARD	7	EXPERTSuisse	7		
21					Institute of Chartered Accountants in England and Wales	7	Federación Argentina de Consejos Profesionales de Ciencias Económicas	7		
22					Institute of Chartered Accountants of Brazil	7	Institute of Chartered Accountants of Pakistan	7		
23					Instituto Mexicano de Contadores Públicos	7	Institute of Chartered Accountants of Scotland	7		
24					Self-Regulatory Organization of Auditors Association	7	Malaysian Institute of CPAs	7		
25					South African Institute of Chartered Accountants	7	Nordic Federation of Public Accountants	7		
26					Training and Advisory Services and Chartered Accountants Academy	8	Wirtschaftsprüferkammer	7		

Respondent Type

- 1 Monitoring Group
- 2 Investors and Analysts
- 3 Regulators and Audit Oversight Authorities
- 4 National Auditing Standards Setters
- 5 Accounting Firms
- 6 Public Sector Organisations
- 7 Member Bodies and Other Professional Organisations
- 8 Individuals and Others

APPENDIX C

Summary of Respondents to ED-ISQM 2 Question 4(a): Need for a Cooling-Off Period and Related Guidance

Question 4 - Do you support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to the engagement quality reviewer as described in paragraphs 16 and 17, respectively, of ED-ISQM 2?

Full Question in ED-ISQM 2

(a) What are your views on the need for the guidance in proposed ISQM 2 regarding a "cooling-off" period for that individual before being able to act as the engagement quality reviewer?

Number	Agree	Respondent Type	Agree but with further comments	Respondent Type	Disagree	Respondent Type	Unclear or no specific response or refer to another respondent's views	Respondent Type
1	Compagnie Nationale des Commissaires aux Comptes (CNCC) and the Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC)	4	International Forum of Independent Audit Regulators	4	American Institute of Certified Public Accountants	4	Basel Committee on Banking Supervision	1
2	Japanese Institute of CPAs	4	International Organization of Securities Commissions	4	Australian Auditing and Assurance Standards Board	4	International Association of Insurance Supervisors	1
3	Baker Tilly Virchow Krause LLP	5	Financial Reporting Council (United Kingdom)	3	Institut Der Wirtschaftsprüfer	4	International Corporate Governance Network	2
4	ETY Global	5	Independent Regulatory Board for Auditors (South Africa)	3	Malaysian Institute of Accountants - Auditing and Assurance Standards Board	4	Canadian Public Accountability Board	3
5	Mazars USA LLP	5	Irish Auditing and Accounting Supervisory Authority	3	New Zealand Auditing and Assurance Standards Board	4	Chinese Institute of Certified Public Accountants	4
6	RSM International	5	National Association of State Boards of Accountancy	3	Royal Nederlandse Beroepsorganisatie van Accountants	4	FAR (Institute for Accounting Profession in Sweden)	7
7	International Organization of Supreme Audit Institutions	6	Canadian Auditing and Assurance Standards Board	4	Grant Thornton International Limited	5	FSR - Danish Auditors	7
8	National Audit Office of Malta	6	Conselho Federal de Contabilidade - Federal Accounting Council	4	Australian Accounting Professional and Ethics Standards Board	7	Institute of Singapore Chartered Accountants	7
9	CA Ireland	7	Hong Kong Institute of Certified Public Accountants	4	CPA Australia	7	New York State Society of Certified Public Accountants	7
10	Illinois CPA Society	7	Kammer der Steuerberater und Wirtschaftsprüfer	4	Institute of Chartered Accountants of Pakistan	7		
11	Institut des Experts-Comptables et des Conseils Fiscaux – Instituut Van de Accountants en de Belastingconsulenten	7	Baker Tilly International	5	Nordic Federation of Public Accountants	7		
12	Institute of Chartered Accountants of Scotland	7	BDO International	5	Wirtschaftsprüferkammer	7		
13	Korean Institute of CPAs	7	CAS International	5				
14	Malaysian Institute of CPAs	7	Crowe Global	5				
15	Self-Regulatory Organization of Auditors Association	7	Deloitte Touche Tohmatsu Limited	5				
16	Vera Massarygina	8	Duncan and Toplis	5				
17			EY Global Limited	5				
18			Haysmacintyre LLP	5				
19			KPMG IFRG Limited	5				
20			Kreston International	5				
21			Mazars	5				
22			MNP LLP	5				
23			Moore Stephens International	5				
24			Nexia International	5				
25			Nexia Smith & Williamson	5				
26			PKF International Limited	5				
27			PKF South Africa	5				
28			PriceWaterhouseCoopers	5				

Summary of Respondents to ED-ISQM 2 Question 4(a): Need for a Cooling-Off Period and Related Guidance

Question 4 - Do you support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to the engagement quality reviewer as described in paragraphs 16 and 17, respectively, of ED-ISQM 2?

(a) What are your views on the need for the guidance in proposed ISQM 2 regarding a "cooling-off" period for that individual before being able to act as the engagement quality reviewer?

Number	Agree	Respondent Type	Agree but with further comments	Respondent Type	Disagree	Respondent Type	Unclear or no specific response or refer to another respondent's views	Respondent Type
29			Auditor General of South Africa	6				
30			Australasian Council of Auditors General	6				
31			Office of the Auditor General New Zealand	6				
32			Office of the Auditor General of Alberta	6				
33			Office of the Auditor General of Canada	6				
34			Provincial Auditor Saskatchewan	6				
35			Swedish National Audit Office	6				
36			US Government Accountability Office	6				
37			Accountancy Europe	7				
38			Belgian Institute of Registered Auditors	7				
39			Botswana Institute of Chartered Accountants	7				
40			California Society of CPAs	7				
41			Center for Audit Quality	7				
42			Chartered Accountants Australian and New Zealand and ACCA	7				
43			Comision Interamericana de Control de Calidad de la AIC	7				
44			Comite Control de Calidad del ICPARD	7				
45			EXPERTsuisse	7				
46			Federación Argentina de Consejos Profesionales de Ciencias Económicas	7				
47			IFAC Small and Medium Practices Committee	7				
48			Institute of Chartered Accountants in England and Wales	7				
49			Institute of CPAs of Uganda	7				
50			Institute of Independent Auditors of Brazil	7				
51			Instituto de Censores Jurados de Cuentas de España	7				
52			Instituto Mexicano de Contadores Públicos	7				
53			South African Institute of Chartered Accountants	7				
54			Training and Advisory Services and Chartered Accountants Academy	8				

Respondent Type

- 1 Monitoring Group
- 2 Investors and Analysts
- 3 Regulators and Audit Oversight Authorities
- 4 National Auditing Standards Setters
- 5 Accounting Firms
- 6 Public Sector Organisations
- 7 Member Bodies and Other Professional Organisations
- 8 Individuals and Others