

# IESBA'S Future Strategy and Work Plan Survey

Response ID:115 Data

## 2. Section A

### 1. 1. Please provide the following information:

Name : Selene Ho

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Role : Deputy Director, Standard Setting Department

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### 2. 2. Please specify the stakeholder you/your organization represents:

IFAC member body or other professional accountancy organization

### 3. 3. Please specify the geographical region where you or your organization is based:

Asia

## 5. Section B

### 4. 1. What level of importance do you believe the IESBA should place on dedicating strategic focus to responding through standard-setting action to the developments in sustainability reporting and assurance in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.

Given the rapid expansion of the market demand for sustainability information and the related reporting and assurance services, we agree that it is essential for the IESBA to understand the roles and responsibilities of professional accountants in the provision of sustainability reporting and related assurance services, and assess whether the current provisions to the Code remain robust and fit for purpose.

In addition, we consider that this topic is closely related to the ISSB's two exposure drafts on the proposed standards on general sustainability-related disclosure requirements and climate-related disclosure requirements which were released in March 2022, and also the IAASB has prioritized its focus on sustainability assurance, these necessitate an immediate action for the IESBA to assess the ethical implications arising from the provision of sustainability reporting and assurance services by PAIBs and PAPPs.

### 5. 2. Do you believe the IESBA should explore the concept of expanding the scope of the Code to cover assurance service providers other than PAPPs? What preconditions would need to be in place and what potential challenges or drawbacks do you foresee if the Code's provisions were scoped to the nature of the assurance services provided as opposed to who is providing the assurance services?

It is noted that ISAE 3000 is one of the reporting framework to support the performance of assurance engagements relating to sustainability reporting, we consider that understanding the Code is vital for all associated assurance service providers to follow ethical standards and better serve the public interest. Accordingly, we agree the Code's provisions to be scoped to the nature of the assurance services provided as opposed to who delivers the services. However, there would be potential challenges, for example, is there governing rule to require non-PAPPs assurance providers to comply with the Code? Are they aware of the Code provisions when providing such assurance services? We believe we need regulators' support to pursue the reporting, assurance and ethical requirements relating to sustainability and qualifications to be a service provider.

### 6. 3. Are there other matters the IESBA should consider with regards to this strategic focus area?

The IESBA is encouraged to reach out to regulators to express the importance of consistency in engagement performance and adhering to the high ethical values in the Code including those service providers who are non-professional accountants.

## 7. Section B: Strategic Direction and Priorities

**7. 4. Beyond sustainability reporting which is covered under the first strategic focus area above, do you believe the IESBA should dedicate strategic focus on further raising the bar of ethical behavior for PAIBs in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.**

Considering the global trend of using innovative technology in the accountancy profession and in providing professional services, there is a need to enhance the Code robustness and expand its relevance in an environment being reshaped by rapid technological advancements. Given that the Code would be revised for requirements relating to technology, we believe the Code would remain robust and fit for purpose for the years to come. We would support providing guidance through non-authoritative material rather than making further revisions to the Code itself.

## 9. Section B: Strategic Direction and Priorities

**8. 5. Do you believe the IESBA should continue to dedicate strategic focus on strengthening the IIS for audit engagements in its next strategy period (2024-2027)? If so, what specific developments or issues do you believe the IESBA should focus on beyond the matters outlined above and in Section C? Please be as specific as possible and explain your reasoning.**

We agree that the initiatives outlined in Section C cover a wide range of areas that the IESBA should continue dedicating strategic focus on.

## 11. Section B: Strategic Direction and Priorities

**9. 6. Do you believe the IESBA should devote strategic focus on promoting timely adoption and effective implementation of the Code in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.**

We consider it is important that the IESBA conducts post-implementation reviews (PIRs) to assess if the revisions to the Code relating to the NAS, Fees and PIE projects meet the original objectives of the revisions but this should be done between two and five years of application so that users of the Code are more familiar with the revisions. Therefore, we consider that this topic is important but not urgent and should be prioritized for a later date. It would be useful for the IESBA to state clearly on its website the PIRs policy such as the time frame, selection criteria and basis for conducting PIRs.

**10. 7. Are there specific operability issues or concerns with respect to the Code you believe the IESBA should be made aware of?**

No.

**11. 8. Are there key environmental trends or developments, beyond those already noted above, you believe the IESBA should focus on in its next strategy period (2024-2027)? Please be as specific as possible and explain your reasoning.**

No. We consider the major trend is around sustainability reporting and assurance services which have already been identified by the IESBA for strategic focus in its next strategy period.

## 13. Section C: Possible Future Standards-Related Projects or Initiatives

**12. How would you rate Independence of External Experts as a strategic priority on a scale of 1 – 5?**

2

**If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.**

## 14. Section C: Possible Future Standards-Related Projects or Initiatives

**13. How would you rate Audit Firm – Audit Client Relationship as a strategic priority on a scale of 1 – 5?**

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

### 15. Section C: Possible Future Standards-Related Projects or Initiatives

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14. How would you rate Business Relationships as a strategic priority on a scale of 1 – 5?

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

### 16. Section C: Possible Future Standards-Related Projects or Initiatives

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15. How would you rate Definition of Audit Client for PIEs as a strategic priority on a scale of 1 – 5?

3

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

### 17. Section C: Possible Future Standards-Related Projects or Initiatives

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16. How would you rate Matters Arising from Quality Management (QM)-Related Conforming Amendments to the Code as a strategic priority on a scale of 1 – 5?

2

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

### 18. Section C: Possible Future Standards-Related Projects or Initiatives

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17. How would you rate Familiarity Threat in Relation to Part 2 of the Code as a strategic priority on a scale of 1 – 5?

4

18. If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

Given the limited guidance for PAIBs currently, we welcome additional guidance preferably as non-authoritative materials regarding how PAIBs should address familiarity threats in the context of their work for employing organizations.

### 19. Section C: Possible Future Standards-Related Projects or Initiatives

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19. How would you rate Professional Appointments as a strategic priority on a scale of 1 – 5?

If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.

### 20. Section C: Possible Future Standards-Related Projects or Initiatives

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**20. How would you rate Breaches of the Code as a strategic priority on a scale of 1 – 5?**

4

**21. If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.**

We are not aware of significant number of breaches around Independence Standards in our jurisdiction. However, we welcome additional guidance to be included in the Code to address the consequences of a breach. For example, paragraph R100.8(b) states that if the accountant identifies a breach of any other provisions of the Code, the accountant shall determine whether to report the breach to the relevant parties but the extant paragraph does not contain any suggested factors for such determination.

### 21. Section C: Possible Future Standards-Related Projects or Initiatives

**22. How would you rate Definitions and Descriptions of Terms as a strategic priority on a scale of 1 – 5?**

**If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.**

### 22. Section C: Possible Future Standards-Related Projects or Initiatives

**23. How would you rate Non-Authoritative Material (NAM) as a strategic priority on a scale of 1 – 5?**

5

### 23. Section C: Possible Future Standards-Related Projects or Initiatives

**24. If you rate this topic as either 4 or 5 (i.e., high priority), please provide your reasons including any specific areas of focus as well as other relevant information.**

A number of revisions to the Code have been issued and will become effective for audits and reviews of financial statements for periods beginning on or after 15 December 2022 (i.e. NAS and Fees revisions, etc.). We agree that the IESBA's non-authoritative guidance materials to illustrate the applications of the revisions to the Code under different circumstances would definitely help facilitate PAs for effective implementation of the relevant revisions.

### 24. Section C

**25. 9. Are there specific ethics or independence-related topics not otherwise covered in this Section or this survey that you believe should be given a high priority by the IESBA? If so, please explain and be as specific as possible.**

### 25. Thank You!

#### New Send Email

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