Proposed Revisions to the Code to Promote the Role and Mindset Expected of Professional Accountants

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 Revisions to the Code to Promote the Role and Mindset Expected of Professional Accountants.

We support all efforts by the Board to promote the role, mindset and behavioural characteristics expected of professional accountants, and we believe that the proposed additional applicational materials will be useful to help professional accountants to strengthen their understanding of the significance of their role in society and the importance of compliance with the Code in fulfilling their responsibility to act in public interest.

In addition, we believe that introducing new concepts such as having an inquiring mind will enhance the application of the conceptual framework. We encourage the Board to consider adding application material in Section 200 to provide guidance on how Professional Accountants in Business can apply the concept of an inquiring mind, and to emphasise that it is not only solely an issue for Professional Accountant in Public Practice.

Set out below are our responses to specific questions posed in this Consultation.

Responses to Request for Specific Comment

Role and Values of Professional Accountants

1. Do you support the proposals in Section 100 that explain the role and values of professional accountants as well as the relationship between compliance with the Code and professional accountants acting in the public interest? Are there other relevant matters that should be highlighted in these paragraphs?

Yes, we do support the development of new application materials in Section 100. We think that the new application materials will help professional accountants to understand the linkage between the role, mindset and behavioural characteristics expected of professional accountants and compliance with the fundamental principles.

2. Do you support the inclusion of the concept of determination to act appropriately in difficult situations and its position in Subsection 111?

Yes, we support the inclusion of the concept of determination to act appropriately in difficult situations and its position in Subsection 111.

Professional Behavior

3. Do you support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1 A1 (e) and R115.1?

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING
Yes, we agree with the Board's expectation that professional accountants should behave in a manner that is consistent with their professional responsibility to act in the public interest when performing any professional services. We therefore support the proposal to introduce the concept as a requirement in R115.1 which highlights the importance of the profession's responsibility to act in the public interest.

However, professional accountants perform a wide variety of professional services which may not always result in deliverables which are available to the public. What does the requirement in R115.1 mean for a professional accountant if the deliverables from his/her professional service is only for internal use? Therefore, we encourage the Board to provide additional guidance to make sure that this requirement can be applied more broadly.

Impact of Technology
4. Notwithstanding that the IESBA has a separate Working Group that is exploring the implications of developments in technology, are there any additional matters relating to the impact of technology beyond the proposals in paragraphs 110.1 A1(b)(iii), 113.1 A2 and 120.12 A2 that you consider should be addressed specifically as part of the Role and Mindset project?

No.

Inquiring Mind
5. Do you agree with the concept of an inquiring mind as set out in the proposals in Section 120?

Yes, we agree with the concept of an inquiring mind. We welcome the Board's decision to highlight the difference in scope between the concepts of "having an Inquiring mind" and "exercising professional skepticism".

As mentioned before, we encourage the Board to consider adding application material in Section 200 to provide guidance on how Professional Accountants in Business can apply the concept of an inquiring mind, and to emphasise that it is not only solely an issue for Professional Accountant in Public Practice.

Bias
6. Do you support the approach to addressing bias? If so, do you agree with the list of examples of bias set out in paragraph 120.12 A2? Should any examples be omitted or new ones added?

Yes, we support the approach to addressing bias and agree with the examples.

Organizational Culture
7. Are there any other aspects about organizational culture in addition to the role of leadership that you consider should be addressed in the proposals?

No. We believe the proposals are sufficient and appropriate.

We would be pleased to discuss our comments further with members of the IESBA or its staff. If you have any questions or comments please do not hesitate to contact me (+44 (0)207 601 1077).

Yours sincerely

Marion Hannon
Global Leader, Quality & Risk
RSM International