

## **IESBA STRATEGIC REVIEW QUESTIONNAIRE**

### **INTRODUCTION**

The International Ethics Standards Board for Accountants (IESBA) plans in 2007 to conduct a strategic review and develop a new strategic and operational plan for the Board's activities for the period 2008-2009. We are seeking the views of interested parties at an early stage to identify key issues for discussion during this review.

We would be grateful if you could complete the following questionnaire, and return it to [dorothyofori@ifac.org](mailto:dorothyofori@ifac.org) by **May 4, 2007**. Individual responses to the questionnaire will not be on public record. They will be summarized for discussion purposes. The summary, which may be made public, will not identify the names or organizations of the respondents.

Name or Organization: Koninklijk NIVRA  
the Netherlands

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Please provide your name and/or organization and your email address should you wish to receive an electronic copy of the proposed IESBA strategy and work plan for 2008-2009 when it is issued for public comment during 2007.

### **SECTION 1 – ACHIEVING THE IESBA's OBJECTIVE**

The IESBA's objective is to serve the public interest by setting high quality ethical standards for professional accountants and by facilitating the convergence of international and national ethical standards, thereby enhancing the quality and consistency of services provided by professional accountants throughout the world and strengthening public confidence in the global accounting profession.

To achieve these objectives the IESBA has identified three initiatives on which it could focus:

1. Development of Standards – Establish high quality ethical standards for professional accountants.
2. Facilitating Convergence – Promote the acceptance and adoption of the Code of Ethics for Professional Accountants throughout the world.
3. Communications – Promoting good ethical practices and fostering international debate on ethical issues faced by professional accountants.

The IESBA has identified the following groups that are affected by its activities (i.e., its stakeholders) and, therefore, will be consulted in developing the IESBA's future strategy and work program (they are listed alphabetically):

- Accountants in business
- Accountants in public practice
- Audit oversight bodies
- IFAC member bodies
- National ethical standard setters
- Preparers of financial statements
- Regional professional accounting organizations
- Securities and other regulators
- Users of financial statements (other than regulators)

a) Please list any other groups that, in your view, are stakeholders of the IESBA.

- *International standard setters/regulators*
- *Internal auditors/governmental auditors*
- *Government*
- *Employees' representative organizations, including worker's councils*
- *Investor community (institutional investors). Private investors, meaning the public at large (the latter in order to explain what are the profession's tasks and to close expectation gap)*

b) Which, if any, stakeholder group do you belong to?

*National ethical standard setters*

c) What, in your view, does the stakeholder group to which you belong expect from the IESBA?

*We support the three objectives, identified by the IESBA.*

*In addition training regarding ethical standards is essential to achieve the application of these standards (both education and continuous education).*

*Due consideration should be given to comments received.*

## SECTION 2 – STANDARDS DEVELOPMENT

### Existing projects

In 2008 the IESBA will complete three projects it already has in progress. These are

- i) Revisions to the independence requirements contained in the Code as proposed in the exposure draft issued in December 2006 proposing revisions to existing Section 290 Independence – Audit and Review Engagements and proposing new Section 291 Independence – Other Assurance Engagements;
- ii) The following additional independence matters:
  - Whether it is appropriate to revise the existing guidance related to the provision of internal audit services to audit clients;
  - Whether it is appropriate to include additional guidance related to economic dependence in the paragraphs dealing with fees in Section 290 (and proposed Section 291); and
  - Whether it is appropriate to revise the existing guidance relating to contingent fees.
- iii) Revisions to the Code to clarify how the guidance in Parts A, B and C applies to accountants in government.

In addition, the IESBA will consider the implications on the Code of the new drafting conventions adopted by the Clarity Project by the International Auditing and Assurance Standards Board. *Comment: NIVRA supports.*

### Possible future projects

The IESBA is seeking your input on future projects which should be addressed in the next 3-4 years. The following is a list of possible projects, in alphabetical order, which could be addressed. Please consider this list and determine whether you believe any of these projects should be addressed in the time-frame noted. If there are other projects which you feel should be addressed please provide a description of the project.

*Conflicts of Interest* – additional guidance in the Code related to conflicts of interest which might be faced by a professional accountant.

*Fraud and Illegal Acts* – additional guidance in the Code related to ethical issues faced by professional accountants in business and professional practice when encountering fraud or illegal acts.

*Independence – Actuarial services* – additional guidance on the independence considerations related to providing actuarial services to an audit client.

*Independence – Compilation and Agreed Upon Procedures Engagements* – develop guidance in the Code on the standards against which independence would be judged in engagements to perform agreed-upon procedures and engagements to compile financial statements.

*Independence – Financial interest held in trusts* – additional guidance on independence considerations of trustee holdings of financial interests by the firm or members of the firm of an audit client of the firm.

*Independence – Legal protection clauses* – additional guidance related to the independence implications of legal protection clauses such as auditor indemnification and limitations on auditor liability.

*Independence – Mutual funds and other similar collective investment vehicles* – additional guidance related to independence implications for audit clients that are mutual funds or other similar collective investment vehicles.

Please identify the projects that, in your view, would best contribute to the IESBA's objectives over the next 3-4 years? Please identify no more than 5 projects (either from the list of potential projects above or other projects that you may have identified), giving reasons for each choice, and rank in order of importance (where 1= most important and 5=least important):

#### **General comment**

*We do not feel that there is reason to add more ethical guidance after the present revision. Continuous modification results in lots of implementation problems. Practitioners experience this as biggest problem in respect of regulation. Besides that local implementation efforts in a wide number of countries are relatively inefficient.*

*We have a strong preference to create a stable platform and to emphasize training and communication efforts.*

*IESBA should consider to launch a study on professional ethics and measures to enhance ethical behavior within the profession - currently it tends to follow a regulatory approach in particular with respect to independence and appears to lose sight of the core ethical values of a professional (that cannot be regulated but educated and trained).*

#### **Potential projects**

**1. Convergence with other international ethical codes.**

*Reason: in implementing the Code of Ethics problems arise in areas of difference with other relevant codes.*

**2. Review of the present guidance for accountants in business in consultation with relevant stakeholder groups.**

*Reason: in implementing the Code of Ethics in the Netherlands there has been criticism regarding the number of and the nature of requirements in this area.*

**3. Improve the coherence with other IFAC standards (interrelationships, definitions, delete double standards).**

*Reason: Differences and a lack of coherence result in implementation problems.*

### SECTION 3 – OTHER INITIATIVES

a) For each of the following initiatives, please suggest one or more specific activities relating to the initiative that you believe the IESBA should undertake during the period 2008-2009?

- Facilitating Convergence

*Reference is made to the 1<sup>st</sup> project mentioned above (Possible future projects).*

- Communications
- *As a result of the increased involvement of regulators in the acceptance of standards and as the expanding, often negative, media attention for the audit profession at large, there is a higher need for communication, education/clarification and responding to questions on what are high quality standards, how they contribute to the public interest and what they can and cannot achieve. The development of appropriate material to explain and educate the wider public on these issues will equally need to become a key activity. For example a brochure like “What can I expect my accountant to do.”*
- *In addition there’s demand for communication about what the added value of new (or modified) regulation is, what the similarities or differences to comparable regulation or codes are, and how new (or modified) regulation has to be implemented in practice.*
- *Communication concerning the results of a broader benchmarking exercise, see above for further details.*
- *In communication efforts specific attention should be paid to ethical standards in the professional accountants in business environment.*

b) Are there any other specific initiatives you believe the IESBA should prioritize for the period 2008-2009? If so, what are they?

1. *No.*
- 2.
- 3.

### SECTION 4 – OTHER

a) Are there any other issues you feel the IESBA should consider when it conducts its strategic review in 2007? In particular, do you have any comments and suggestions as to

how the IESBA can best ensure it serves the public interest? Please write as much as you like in the space below:

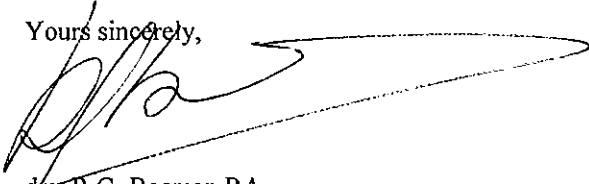
- *Reference is made to the general comment above.*
- *There is a need for IESBA to perform an urgent impact assessment of cost and benefits of IESBA activities - It appears that the burden of the long and detailed Code is not any longer a burden to the profession only (SMPs in particular) but also to clients (SMEs in particular).*

**Please mark the box(es) that best describe the capacity in which you are responding to this questionnaire**

- IESBA Member (current or former)
- IESBA Technical Advisor
- IESBA CAG Member Organization / Representative
- Member or Technical Advisor of Other IFAC Board or Committee –  
please specify \_\_\_\_\_
- IFAC Member Body
- Preparer of Financial Statements
- Professional Accountant in Public Practice
- Professional Accountant in Business
- User of Financial Statements (e.g., Investor, Customer, Creditor / Supplier, Lender, Analyst, Researcher etc.; Other than Regulator) –  
please specify \_\_\_\_\_
- Governmental or legislative body
- Regulator
- Audit Oversight Body
- Standard setter
- Academia
- Private Sector
- Public Sector
- Small and Medium Sized Entity
- Small and Medium Sized Practice
- Other – please specify \_\_\_\_\_

We would be pleased to discuss our comments at your request.

Yours sincerely,



drs. R.G. Bosman RA  
Technical director