



International Federation
of Accountants

IESBA Survey 2009

International Ethics Standards Board for Accountants Strategic Review Questionnaire

The International Ethics Standards Board for Accountants (IESBA) is conducting a strategic review to develop a new strategic and operational plan for the period 2010-2012. We are seeking the views of interested parties at an early stage to identify key issues for discussion during this review.

Please complete this short survey and submit your comments by July 27, 2009. 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.

Part 1: Classification

In which country or jurisdiction is your organization located?

Netherlands

Please provide the following contact information:

Your name and role/title: Drs. R.G. Bosman RA, Technical Director

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Your organization's name: Koninklijk NIVRA

From which perspective are you providing this online feedback?

- Professional Accountant in Public Practice
- Professional Accountant in Business
- User of Financial Statements (e.g., Investor, Customer, Creditor / Supplier, Lender, Analyst)
- Standard Setter
- Regulator
- Other

If you selected other, please specify

Both Dutch Professional Accountancy Body and Standard Setter.

Part 2: IFAC Code of Ethics for Professional Accountants Implementation Support

At its April 2009 meeting, the IESBA approved revisions to the IFAC Code of Ethics for Professional Accountants (the Code). The IESBA expects the revised Code to be published early in Q3 2009, after the Public Interest Oversight Board has confirmed that due process was followed in its development.

The IESBA plans to develop and issue a toolkit to assist member bodies and firms to implement the revised Code. This toolkit will include:

- Slide-deck with speaking notes outlining the changes to the Code;
- Template to assist member bodies and firms analyze differences between the requirements in their jurisdiction and the Code; and
- Comparison of the revised Code to the previous Code.

Is there other material which you think would be of assistance? Please be as specific as possible as to the nature and content of the material:

NIVRA: We support IESBA's plan to develop and issue a toolkit to assist member bodies and firms to implement the revised Code. However, due to a lack of detail on what the items as mentioned above will include, it is currently impossible to determine whether such material will be sufficient to truly support the application and the implementation of the Code.

Part 3: IESBA Possible Future Projects

Part 3 asks you to indicate the priority of possible future projects for IESBA:

The IESBA has identified two projects which it believes are a top priority. These projects are Conflicts of Interest and Ethical Guidance for Professional Accountants when Encountering Fraud or Illegal Acts. Both of these projects are discussed below.

The IESBA considered whether to 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. The International Auditing and Assurance Standards Board has started a project addressing Reviews and Compilation Engagements. The IESBA plans to monitor the progress of that project before embarking on its own project to address the independence issues associated with compilation engagements.

The IESBA is seeking your confirmation of the priority of the two projects and your input on other future projects which should be addressed in the next 3-4 years. The following list includes the identified priority projects and other potential projects which could be carried out.

Please rank how important, in your view, the following projects are for achieving IESBA's objective of setting high quality ethical standards for professional accountants.

3.1 Conflicts of Interest

The Code, in Section 220 and Section 310, contains general guidance for professional accountants in practice and professional accountants in business who face conflicts of interest. The Code provides examples of conflicts and examples of safeguards to be applied when facing a conflict. The project would consider whether to expand the guidance in this area. It would consider matters such as:

- Providing additional guidance on the types of conflicts that could be encountered;
- Providing additional guidance on the institutional mechanisms that can safeguard confidential information and assist in managing conflicts of interest; and
- Developing a process which accountants could follow to identify and address conflicts of interest or potential conflicts of interest.

How important, relative to the other projects in this listing, is this project on conflicts of interest?

- very important
- important
- neither important nor unimportant

NIVRA: **X** unimportant

- very unimportant

NIVRA: We think the provisions on conflicts of interest in the (current and) revised Code are sufficient. Therefore we think additional guidance is unimportant.

3.2 Fraud and Illegal Acts

The Code, in Section 140, contains general guidance for all professional accountants regarding disclosure of confidential information. The Code provides for three circumstances where professional accountants are required, or may be required, to disclose confidential information:

- Disclosure is permitted by law and is authorized by the client or the employer;
- Disclosure is required by law; and
- There is a professional duty or right to disclosure when not prohibited by law.

Professional accountants in public practice and business may encounter situations including:

- The professional accountant discovers a suspected fraudulent or illegal act;
- The professional accountant has reported an alleged fraudulent or illegal act but no action has been taken, or the action is inadequate; and
- Another individual within the organization has informed the professional accountant about the existence of a suspected fraudulent or illegal act

The project would consider whether a global Code of Ethics should provide additional guidance for accountants when encountering fraud or illegal acts.

How important, relative to the other projects in this listing, is this project on fraud and illegal acts?

NIVRA: very important

- important
- neither important nor unimportant
- unimportant
- very unimportant

NIVRA: Because of the reference to Section 140 of the Code, we understand that the project focuses on disclosure of confidential information in relation to fraud and illegal acts. However, we suggest to deal with disclosure of confidential information not only in the context of fraud and illegal acts, but in its totality. Examples are:

- guidance regarding the situation that disclosure is permitted by law, but the client or the employer does not authorize disclosure;
- guidance on professional duty or right in relation to the duty to act in the public interest (article 100.1 of the revised Code) regardless whether the client or the employer does or does not authorize disclosure.

3.3 Independence Requirements for Professional Accountants who are not in Public Practice who Perform Assurance Engagements

Sections 290 and 291 of the Code address independence requirements for assurance engagements. The sections apply to professional accountant in public practice. The project would address independence requirements for other professional accountants that perform assurance engagements such as accountants in government and internal auditors.

How important, relative to the other projects in this listing, is this project on independence requirements for professional accountants who are not in public practice who perform assurance engagements?

NIVRA: very important

- neither important nor unimportant
- unimportant
- very unimportant

NIVRA: In the Netherlands we currently work on rules of independence applicable to accountants in government and internal auditors respectively. Both set of rules are expected to be effective on January 1, 2010.

3.4 Ethical Guidance for Professional Accountants in Public Practice Providing Non-Assurance Services

Part B of the Code addresses all professional services provided by professional accountants in practice. The project would address additional ethical guidance for professional accountants in public practice that provide non-assurance services such as financial advisory services, taxation services and actuarial advisory services.

How important, relative to the other projects in this listing, is this project on ethical guidance for professional accountants in public practice providing non-assurance services?

NIVRA very important

- important
- neither important nor unimportant
- unimportant
- very unimportant

NIVRA: With respect to IAASB's Reviews and Compilation Engagements project (mentioned under Part 3 above), we think this is very important, since it is likely that independence aspects will come up in the discussion about the revision of compilation engagements.

3.5 Independence – Collective investment vehicles including mutual funds

Develop guidance in the Code on the application of the related entity definition in the audits of collective investment vehicles including mutual funds.

How important, relative to the other projects in this listing, is this project on independence – collective investment vehicles including mutual funds?

- very important
- important
- neither important nor unimportant

NIVRA: unimportant

- very unimportant

3.6 Other projects for Part B of the Code

In light of the IESBA's identified priorities and possible other projects described above, **are there any other matters that should be addressed in Part B of the Code?** (please describe in detail)

None

How important, relative to the other projects in this listing, is this proposed project for Part B of the Code?

- very important
- important
- neither important nor unimportant
- unimportant
- very unimportant

3.7 Other projects for Part C of the Code

In light of the IESBA's identified priorities and possible other projects described above, **are there any other matters that should be addressed in Part C of the Code?** (please describe in detail)

NIVRA:

- Guidance on objectivity regarding accountants in business. For example guidance regarding objectivity in relation to acting on behalf of the employer or the client while, for example, performing financial advisory services.
- An analysis of the similarities and differences between the guidance for accountants in business in the revised Code and other relevant codes, such as corporate governance codes.

How important, relative to the other projects in this listing, is this proposed project for Part C of the Code?

- very important

NIVRA: important

- neither important nor unimportant
- unimportant
- very unimportant

3.8 Any other projects

Are there any other matters that should be addressed in the Code? It would be helpful if you could be as specific as possible.

None.

How important, relative to the other projects in this listing, is this proposed other project?

- very important
- important
- neither important nor unimportant
- unimportant
- very unimportant

Part 4: Other IESBA Initiatives

Part 4 asks you to indicate other matters that should be a priority for IESBA:

The IESBA's objective, as established in its Terms of Reference, includes the promotion of good ethical practices and fostering international debate on ethical issues faced by professional accountants thus assisting in furthering IFAC's strategic objective of speaking out on public interest issues relating to ethics.

Do you believe the IESBA should undertake any initiatives in this area such as, for example, developing thought pieces on matters such as integrity? If so, please describe the activities you believe the IESBA should undertake it would be helpful if you could be as specific as possible.

NIVRA: We think the principle based provisions on, for example, integrity in the (current and) revised Code are sufficient.

Part 5: Finalizing the Survey

Are there any other issues you feel the IESBA should consider as it develops its next Strategic Plan?

NIVRA: As the revised IFAC Code of Ethics is effective on January 1, 2011, NIVRA believes that the time for a pause in standard setting has arrived. The IESBA should now focus on the application and the implementation of the Code. The Member bodies need time to do so as well.

Since we are not sure what the status of the proposed (additional) guidance will be, we warn for new and additional *rules*. We refer to our letter of August 31, 2007, regarding the Strategic and Operational Plan, 2008-2009.

In particular, do you have any comments and suggestions as to how the IESBA can best ensure it serves the public interest?

See above

Please submit survey by July 27, 2009

DON'T FORGET TO ACTUALLY SUBMIT THE SURVEY BY PUSHING THE "SUBMIT SURVEY" BUTTON AT THE BOTTOM OF THIS PAGE!

Thank you for completing this survey.