

**Supplement to Project Proposal****Comments by IFAC Technical Managers**

The comments of IFAC Technical Manager from each technical area are required before this Project Proposal is considered by the board or committee proposing to undertake the project.

**Technical Manager to the Compliance Advisory Panel and Professional Accountancy Organization Development Committee**

No comments.

Signed: Szymon Radziszewicz

Date: December 3, 2012

**Technical Manager to the International Accounting Education Standards Board (IAESB)**

The IAESB supports the project proposal on Non-Assurance services, but does not expect this project to have a significant impact on the current work plan of the IAESB.

Signed: David McPeak

Date: December 3, 2012

**Technical Manager to International Auditing and Assurance Standards Board (IAASB)**

The project proposal appropriately identifies the need to assess the potential implication of the project in relation to the provision of ISQC 1.

We note, however, that paragraph 27 of the project proposal makes reference to issues such as approval by those charged with governance (27(d)) and regulatory approval (27(e)). Depending on the direction that the Board takes, there may be implications for ISA 260, other ISAs or other IAASB standards. It is important that the IAASB is able to assess the implications to its standards on a timely basis, and for the IESBA to consider whether its proposals can be operationalized on their own or if there is a need for contemporaneous amendments to IAASB standards that are impacted directly or indirectly by the IESBA's proposals.

It is requested that the IESBA staff undertake to periodically brief IAASB staff, and as appropriate the IAASB Steering Committee, on major developments on the project. It is also requested that at an appropriate predetermined stage in the development of any exposure draft the IESBA and IAASB consider whether a suitable degree of coordination is being achieved on issues of mutual interest.

Signed: James Gunn

Date: December 6, 2012

**Technical Manager to the International Public Sector Accounting Standards Board**

No comments.

Signed: 

Date: December 3, 2012

**Technical Manager to the Small and Medium Practices Committee**

This project is of great interest to the SMP Committee, not least given the findings and recommendations of the IESBA's SME/SMP Working Group in this area. Given the high degree of relevance of the subject matter to the SME/SMP community, and the unique challenges it can present to SMPs, we feel there

would be significant benefit to this project if an SMP were to be included on the resultant IESBA project task force. Additionally, the SMP Committee will be willing and able to assist the IESBA with this project in any way it can.

Signed: Paul Harrison

Date: December 3, 2012

### **Technical Manager to the Transnational Auditors Committee (TAC)**

TAC staff have considered the proposal to the best of our abilities and knowledge about the topic and with regard to IESBA due process – this is a difficult and evolving area so comments are based on some of our experiences to date in terms of FoF interest in this topic:

- The broader subject area for this project proposal is extremely topical at present and will need to be handled with sensitivity. Many Forum of Firms members would have already provided views in this broader area in comments responding to materials from other regulatory agencies and as such we think it would be useful to ensure that these get taken into serious consideration as part of the project research.
- We think it will be helpful to be cognizant of the practical realities associated with further developing an international benchmark – in looking at the practice across jurisdictions, important to give serious consideration to the implementation challenges/considerations and global differences.
- While some research studies are mentioned in para 50, we also wonder if there is benefit further highlighting the importance of any research and empirical evidence supporting the extent to which the provision of non-assurance services actually impairs independence? Para 28 highlights that ‘varying views exist’. This is a very sensitive topic so perhaps it is useful to ensure that the project’s due process ensures there is a thorough and complete literature review (beyond bench-marking) so that any final determinations are based on solid behavioral research and benchmarking so that the project is not driven by simply ‘keeping up’ with other jurisdictions.
- Some suggested editorials are offered below:
  - Para 33: Should the non-assurance services provisions in the Code be further enhanced, the primary benefit would be to help further strengthen the actual and perceived independence of the professional accountant.
  - Para 35: On the other hand, it is possible that the introduction of new or further restrictions leads to the development of greater competition among firms for some non-assurance services, a potential benefit for the ~~assurance~~ market as a whole.

Please consider the FoF available to assist as possible – and where possible, the FoF would be grateful to be kept apprised on key developments with the project.

Signed: Barry Naik

Date: December 6, 2012