

Those Charged With Governance Exposure Draft Comments (Generally Supportive)

Xref	Comment Letter # & Respondent	Comment
1.	1 – RSM	In general it is important that the standards issued by IFAC's International Standard Setting Boards are consistent and include requirements and guidance that are complementary with one another.
2.	8 – DTT	We support the Board's effort to achieve consistency between the Code and ISAs wherever possible.
3.	9 – CGA Canada	CGA-C is supportive of the objective to more closely align to the definition contained within the IAASB's International Standard on Auditing (ISA) 260, <i>Communication with Those Charged with Governance</i> .
4.	10 – NZAuASB	The NZAuASB is responsible for the establishment of both auditing and assurance standards, including professional and ethical standards for assurance practitioners in New Zealand. Differences or inconsistencies, especially differences in the definitions, between the IESBA's Code of Ethics and the IAASB's International Standards on Auditing are therefore of particular interest to the NZAuASB. Efforts to minimise these differences are particularly helpful for the NZAuASB as we prefer where possible to have consistency in the standards issued by the NZAuASB.
5.	11 – CND-CEC	We appreciate in general the effort to ensure overall consistency and clarity within the code and with other standards and to provide professional accountants with more precise indications, aiming at facilitating the application of the code. Our comments relate to the specificity of the IESBA code as ethical standards and to the impact of the changes proposed in SME.
6.	15 – KICPA	We support the IESBA's commitment to developing and promoting high-quality ethical standards for professional accountants.

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		We are supportive of IESBA's proposed change to the definition in the Code of "those charged with governance" to more closely align with the definition in ISA 260. We agree with the IESBA that the communications required under the Code should be to the same group of people as the communications under ISA 260. We believe that proposed change would clarify the definition and improve the consistency between the Code and ISA.
7.	16 – AICPA	We support the IESBA's efforts to review and clarify, where necessary, the requirements contained in the IESBA <i>Code of Ethics for Professional Accountants</i> (the "Code"). Throughout its history the AICPA has been deeply committed to promoting and strengthening independence and ethics standards. Through the PEEC, the AICPA devotes significant resources to independence and ethics activities, including evaluating existing standards, proposing new standards, and interpreting and enforcing those standards.
8.	17 – ICAS	We welcome this proposed change of definition as we are supportive, wherever possible, for common definitions and terminology to be used by each of the respective IFAC boards.
9.	23 – APESB	APESB is generally supportive of the changes proposed in the Exposure Draft which aims to align the Code's definition of "those charged with governance" with the definition in International Auditing Standard ISA 260 <i>Communication with Those Charged with Governance</i> (ISA 260). APESB believes that the proposed changes will enhance clarity for auditors, financial report users, regulators and other stakeholders who refer to the Code and International Auditing Standards (or national equivalents).
10.	27 – GTI	Grant Thornton International is supportive of the proposed revision to the definition of those charged with governance as it will enhance the clarity and consistency of the definition, and more closely align it with the definition in ISA 260.
11.	29 – KPMG	<p>We are pleased to have the opportunity to comment on the above Exposure Draft issued by the International Ethics Standards Board for Accountants. We have consulted within the KPMG network in respect of this letter, which represents the views of the KPMG network.</p> <p>We have considered the explanation set out in the Exposure Draft for the proposed change in the definition of "those</p>

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		charged with governance” which is to align the definition in the Code with the equivalent definition contained in ISA 260. This recognises that the communications required under the Code should be to the same group of people as the communications under the ISA.
12.	1 – RSM	Yes, we agree with the proposed change to more closely align the definition.
13.	2 – Anonymous	With respect to amending the definition of ‘those charged with governance’ to align it with the def’n in ISA 260 – Yes. Agreed.
14.	3 – PwC	We agree with the change to the definition and alignment with the definition used in ISA 260. We have some editorial comments in response to question 2 below.
15.	4 – ICAEW	Yes. Whether or not it is appropriate to consult a subgroup of those charged with governance will depend on the individual circumstances, including factors such as the structure of the organisation’s governance and the nature of the matter under consideration. The proposed additional wording in 290.28 considers this and we would not think it necessary, therefore, to insert “or a subgroup thereof” each time there is a reference to “those charged with governance”.
16.	5 – IDW	We agree that the definition of the term “those charged with governance” in the IESBA Code of Ethics should be aligned with that in the ISA 260 and the IAASB’s Glossary of Terms.
17.	6 – HKICPA	The HKICPA is supportive of the changes proposed by the International Ethics Standards Board for Accountants (IESBA) to more closely align the definition of “those charged with governance” in the IESBA <i>Code of Ethics for Professional Accountants</i> (the Code) with that in International Standard on Auditing (ISA) 260, <i>Communication with Those Charged with Governance</i> . We agree with the IESBA’s analysis that the communications required under the Code should be to the same group of people as the communications to “those charged with governance” under ISA 260. We consider the proposed changes will enhance understanding of the defined term in the Code and its consistency with the definition in ISA 260.

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		We also agree with the IESBA's proposed changes to incorporate within the Code the requirements as set out in paragraphs 11 and 12 of ISA 260 on the determination by an auditor with whom within the entity's governance structure the auditor should communicate. We consider that these proposed changes are appropriate considering a subgroup, such as an audit committee, may assist the governing body in meeting its responsibilities.
18.	8 – DTT	We fully support the proposed change in the definition of those charged with governance. In our view, consistency amongst the definitions used in the standards promulgated by the IAASB and the IESBA is important and should lead to greater compliance.
19.	9 – CGA Canada	CGA-C is in agreement that the IESBA amend the definition in order to avoid any perception that the Code is in conflict with a particular ISA. The definition as proposed will eliminate any confusion to the reader as to the groups of people intended to be included, and will provide appropriate consistency between IESBA and IAASB materials. We are also in agreement that the change will reflect common practice by distinguishing that communications with a sub-group of those charged with governance comprises a communication with those charged with governance, making the recommended change suitable.
20.	10 – NZAuASB	The NZAuASB supports the proposed changes to the definition of those charged with governance and supports the IESBA's efforts to align the Code of Ethics with the pronouncements of the International Auditing and Assurance Standards Board. We believe that this will enhance the clarity and consistency of the application of the standards.
21.	12 – ICPAS	We agree with the proposed change to align closely the definition of "those charged with governance" in the Code to that in ISA 260. We agree that this would enhance clarity, which otherwise could result in different interpretations to the definition and scope of "those charged with governance".
22.	13 – ICPAU	We wholly agree with this proposal that aims at aligning the definition of <i>Those Charged with Governance</i> in the Code of Ethics for Professional Accountants with that of ISA 260, <i>Communication with Those Charged with Governance</i> .
23.	14 – ICAA	The Institute agrees with the wording changes proposed to the definition of "those charged with governance" in the Code, as

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		achieving the appropriate alignment with the definition in ISA 260.
24.	15 – KICPA	We believe that definition of “those charged with governance” under the Code should be required to be consistent with the definition in ISA. Therefore, we believe that it is appropriate to align the Code’s definition of “those charged with governance” with the definition contained in the ISA that convey meaning more clearly.
25.	16 – AICPA	We agree with the IESBA that the Code’s definition of “those charged with governance” should be more closely aligned with the definition in ISA 260, <i>Communication with Those Charged with Governance</i> . Specifically, it would appear appropriate for a common definition to be used for purposes of international auditing and ethics standards. We also note that the proposed definition is consistent with that contained in U.S. auditing standards as promulgated by the AICPA’s Auditing Standards Board.
26.	17 – ICAS	We are supportive of this proposed change.
27.	18 – WPK	The existence of different definitions risks creating confusion and might cause different understandings. Therefore, from a conceptional point of view, we do agree with the proposed change to align the definition of “those charged with governance” to the definition contained in ISA 260 in the light of clarity and user-friendliness.
28.	19 – CICA	We thank you for the opportunity to provide our comments on the ED. We agree with the proposal to amend the definition of “those charged with governance” in the IESBA Code of Ethics (the Code) to more closely align it with the definition that is included in International Standard on Auditing (ISA) 260. We believe that clarifying that the Code definition is intended to be the same as the ISA 260 definition will assist those who are familiar with ISA 260 by eliminating confusion as to whether there are intentional differences in how the term is defined.
29.	20 – ICAP	Answer: Agreed
30.	23 – APESB	APESB agrees with the proposed change to the definition in the Code to align with ISA 260. Consistent with the IESBA view, APESB agrees that the proposed change to the definition and the inclusion of additional text to the Code in paragraph

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		290.28 will promote clarity and enhance consistency with ISA 260 and strengthens the Code. This results in a single definition of the term and avoids misinterpretation in practice where users have to concurrently refer to the Code and the Auditing Standards.
31.	24 – CPA Australia	CPA Australia agrees with the proposed closer alignment of the definition of “those charged with governance” between the Code and ISA 260.
32.	25 – CARB	In response to question 1, CARB welcomes the closer alignment of the definition of those charged with governance in the Code to that contained in International Auditing Standards 260.
33.	26 – FEE	Subject to our observations under general comments and our response to Question 2 below, we agree with the proposed change to more closely align the definition of “those charged with governance” to the definition in ISA 260.
34.	29 – KPMG	We agree that the communications should be to the same group of people in each case and support the proposed change to align the definitions used in the two documents more closely.
35.	31 – Denise Silva Ferreira Juvenal	I agree with the proposed change to more closely align the definition of “those charged with governance”.
36.	32 – SAICA	yes, we do agree with the proposed change.
37.	33 – EYG	We support the IESBA's proposal to revise the definition of “those charged with governance” to align with the ISA 260 definition as illustrated in the Exposure Draft. We believe use of consistent definitions between the Code and relevant ISAs provides greater clarity for practitioners. We agree that this proposal will not require any significant change in systems or practice and we do not foresee any unfavourable consequences associated with this proposal.
38.	34 – IBRACON	Yes

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39.	1 – RSM	Yes, we agree that the proposed cases are appropriate.
40.	8 – DTT	We do agree that it is appropriate to include the reference to “a subgroup” as shown in the exposure draft. Although we do not believe it is necessary in Section 290 because of the language in the proposed change to paragraph 290.28, we also understand that it might be confusing to the reader if the reference were included in some sections of the Code but not others. For this reason, we support the Board’s position.
41.	9 – CGA Canada	CGA-C has reviewed the Exposure Draft materials in detail, and concurs with the changes in each of the proposed instances.
42.	10 – NZAuASB	We agree that in each case as noted in the Exposure Draft, communication to those charged with governance or a subgroup thereof would be appropriate.
43.	13 – ICPAU	We agree with the need to recognise the subgroups of the board/governing body to whom the accountant/auditor may be required to communicate with.
44.	15 – KICPA	We believe that communication to “those charged with governance or a subgroup thereof” is appropriate in each case.
45.	16 – AICPA	We agree that it is appropriate for the Code to make reference to “those charged with governance or a subgroup thereof” since this is a reasonable and common practice for many entities.
46.	17 – ICAS	We agree that in each case as noted in the Exposure Draft, communication to “those charged with governance or a subgroup thereof” would be appropriate.
47.	19 – CICA	We also agree with the addition of the proposed language in paragraph 290.28 which acknowledges that a subgroup, such as an audit committee, frequently assists those charged with governance in fulfilling governance responsibilities. Accordingly, we support the use of the proposed language “those charged with a governance or a subgroup thereof” to

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		acknowledge that communication with such a subgroup constitutes communication with those charged with governance.
48.	20 - ICAP	Answer: Agreed
49.	34 – IBRACON	Yes