

June 29, 2023

Geoff Kwan, IESBA Director  
International Ethics Standards Board for Accountants  
Via Email: [geoffkwan@ethicsboard.org](mailto:geoffkwan@ethicsboard.org)

RE: Consultation Paper, Proposed IESBA Strategy and Work Plan, 2024 – 2027

Dear Mr. Kwan:

The Professional Ethics Committee (the committee) of the Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates the opportunity to provide comments to the International Ethics Standards Board for Accountants (IESBA) regarding the proposed IESBA strategy and work plan for 2024 – 2027, *Towards a More Sustainable Future: Advancing the Centrality of Ethics*. The PICPA is an association of more than 18,000 members working to improve the profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States. Membership includes practitioners in public accounting, education, government, and industry. The committee is a cross section of our membership, with practitioners from large, regional, and small public accounting firms, members serving in business and industry, and accounting educators.

### Specific Requests for Comments

#### Strategic Drivers, Themes and Actions

1. Do you agree with the IESBA's Proposed Strategic Drivers (see pp. 9-13)?

Ongoing impact of technological transformation – The committee notes that the prevalent challenge with respect to ethics and technology is not clearly articulated in the strategic themes. While the committee acknowledges that the IESBA has devoted significant resources to this area (making revisions to the Code to incorporate the impact of technology, working on a current project on the use of experts, and several in-depth reports on technology, etc.), many practitioners are beginning to implement new technologies. As a result, the committee supports a clearer strategy for monitoring and addressing emerging ethical issues related to disruptive technologies.

Sustainability information and the expanding roles of professional accountants in business – The committee agrees with the identified trends and supports the IESBA's efforts to encourage the adoption of the IESBA Code of Professional Conduct by professionals beyond those in public accounting and professional accountants in business.

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Trust crisis and other – The committee acknowledges the challenges associated with recent high-profile scandals and collapses of several large public companies due to fraud. The committee agrees that the focus on high-quality audits is important and that there are business environment challenges (e.g., training, firm culture, talent shortages) that are stymying the deployment of technologies that can help with fraud prevention and detection. Contrary to the concerns noted in the consultation paper, the committee believes that audit firms with a multidisciplinary business model are more likely to have greater expertise to deploy on their audits than other audit firms.

Additionally, the committee notes that there is a need for greater accountability for management and those charged with governance. The committee therefore agrees with the effort to broaden the applicability of the Code to other professionals in the financial reporting ecosystem.

2. Do you agree with the IESBA’s Proposed Strategic Themes and Proposed Strategic Actions (see pp. 13-18)?

The committee generally supports the proposed strategic themes and actions outlined in pp. 13-18. However, the committee notes that balance is needed to prevent overreach by the perspective from the broadened range of stakeholders providing input on the regulatory requirements of professional accountants in public practice.

#### Proposed Work Plan for 2024 – 2027

3. Do you support the IESBA considering the topics set out in Table B as potential work streams (see pp. 22-24)? If so, please share your views on any specific issues or questions you believe the IESBA should consider under these topics. If not, please explain your reasons.

The committee supports the potential work streams under consideration outlined in Table B. The committee believes that the proposed projects on custody of data and communication with those charged with governance and business relationships should be prioritized before the projects on audit-firm/audit-client relationship and the definitions and descriptions of terms. The proposed project on the role of CFOs and other senior professional accountants in business could be important, especially as the Code is broadened to encompass other professionals. However, as it is written, it seems overly theoretical and less defined than the other projects.

4. Do you believe the IESBA should accelerate or defer any particular ongoing, potential, or precommitted workstream(s) set out in Tables A, B, and C? Please explain your reasons.

The committee does not have any feedback with respect to the timing of these projects at this time.

5. Are there other topics the IESBA should consider as potential new work streams? If so, please indicate whether these topics are more important than the topics identified in Table B (see pp. 22-24), as well as the needs and interests that would be served by undertaking work on such topic(s).

See comments to question #1.

#### Additional Information

6. The IESBA's proposed Strategy and Work Plan emphasizes the importance of close coordination with its sister board, the International Auditing and Assurance Standards Board (IAASB). Do you have views or suggestions as to how coordination between the IESBA and IAASB could be enhanced to better serve the public interest?

The committee supports coordination between IESBA and the IAASB, but does not have any suggestions for enhancing such coordination.

7. Do you have comments on any other matters addressed in this Consultation Paper or any significant matters not covered that you believe the IESBA should consider in finalizing the Strategy and Work Plan 2024 – 2027?

See response to question #1.

We appreciate the IESBA's consideration of our comments. We are available to discuss our comments with you further. Please reach out to Allison M. Henry at [ahenry@picpa.org](mailto:ahenry@picpa.org).

Sincerely,



Nicole Hinkle  
Chair, PICPA Professional Ethics Committee

cc: Allison Henry, CPA  
PICPA Vice President – Professional & Technical Standards