



15. Juni 2010

Stellungnahme zu dem Exposure Draft March 2010 „Strategy and Work Plan 2010-2012“ des IESBA

Die Wirtschaftsprüferkammer hat mit Schreiben vom **14. Juni 2010** gegenüber dem International Ethics Standards Board for Accountants (IESBA) der International Federation of Accountants (IFAC) zu dem Exposure Draft March 2010 „Strategy and Work Plan 2010-2012“ wie nachfolgend wiedergegeben Stellung genommen:

First we would like to give some general comments regarding the Exposure Draft. Subsequently we will refer to individual issues and give our proposals on them. Our answers regarding the questions posed in the Explanatory Memorandum are summarized in a third section.

1. General Comments

WPK appreciates and supports the IESBA Strategy and Work Plan, 2010-2012, as exposed in March 2010. We especially welcome the statement on page 10 of the Exposure Draft that the IESBA plans to provide a period of stability during which no new independence requirements will be developed and take effect. We agree that a period of at least two years after the effective date of the revised Code should be provided, during which no new independence requirements will become effective. In our view, this pause in independence standard setting should be twofold: in revising independence standards and in inserting new sections within the independence standard.

We note that the recent changes to the Code relating to independence and section 290 led to a development of independence standards which are not completely in line with the overall conceptual framework of the Code as being principles based. We therefore strongly recommend refraining from further projects that might further promote the development of the Code into rules based standards.

2. Individual comments

2.1 Adoption and Implementation Guidance

We highly appreciate that the new Strategy and Work Plan recognises the importance to provide Adoption and Implementation Guidance to smaller IFAC Member Bodies and Practitioners. We are of the opinion that, given the current - highly sophisticated - state of the revised Code of Ethics, Adoption and Implementation Guidance as well as Convergence are of much higher significance than any re-revision of certain parts of the Code.

2.2 Convergence

We agree with the Board that Convergence of the Code, and especially of the independence standards, is of very high priority.

The requirements of Section 290 of the Code of Ethics provide (minimal) independence requirements, which ensure with reasonable assurance that audit opinions and review assurances are adequately reliable. Therefore we support the Board's idea that in a group audit situation, where the national independence standards in the jurisdiction of the parent auditor contain requirements that are more stringent than those contained in the Code, the parent auditor could accept foreign auditors of foreign subsidiaries complying with the independence requirements in the Code. Therefore we recommend further pursuing this idea.

2.3 Collective investment vehicles

As stated above, we absolutely agree with the Board that a period of stability should be provided, during which no new independence requirements will be developed and take effect. In this context we cannot understand why the Board intends to revisit the definition of Related entities, which in our opinion is already adequately worded. We are convinced that a user of the Code could already solve all thinkable relationships between entities, including Collective investment vehicles, without further specification in the Code, only based on the principles provided in the Code.

In addition to that we are very much concerned that a specification of the definition of Related entities and a possible revision of other parts of the Code only regarding Collective investment vehicles, would drive the Code further into a rules based standard. The Code will never be able to regulate all thinkable cases of independence conflicts and it does not have to – as it is thought to be principles based with principles that guide the user to solve his or her conflicts of independence without regulating every single case.

We therefore ask the Board to reconsider, whether the intended project “Independence - Application of the related entity concept in audits of collective investment vehicles” is really necessary and helpful.

3. Request for Specific Comments

1. *Are the IESBA's priorities for the years 2010-2012 appropriate? If not, why not and how should the priorities be amended?*

We agree with the IESBA's priorities, except the intention of the Board to start a new project “Independence – Application of the Related Entity Concept in Audits of Collective Investment Vehicles” (please see 2.3 above for details).

2. *Are the standard setting projects that will be undertaken for the years 2010-2012 appropriate? If not, why not and which projects should be added or deleted and why.*

We support the Board's projects “Conflicts of Interest”, “The Auditor's Responsibilities relating to Fraud in an Audit of Financial Statements”, and “Responding to Fraud and Illegal Acts”, the latter to supplement ISA 240, but we object to the intended project “Independence – Application of the related entity concept in audits of collective vehicles” (please refer to 2.3 above for details).

3. *Are there any specific initiatives the IESBA should undertake to promote or assist in adoption and implementation of the Code? If so, please be as specific as possible.*

and

4. *Are there any specific initiatives that the IESBA should undertake in relation to the needs of professional accountants in SMP and SME environments and those in developing nations? If so, please be as specific as possible.*

We support the Board's Adoption and Implementation policy but we do not have any specific initiatives to propose.