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From: Roy Glass <Roy.Glass@oag.govt.nz>
Sent: Monday, 29 May 2017 4:09 p.m.
To: submissions
Subject: Auditor-General's Response to the Survey on IESBA's Strategy and Work Plan Beyond 2018

Hi XRB

FYI. This is what we communicated to the IESBA in response to its survey – in response to B.13

“The IESBA’s role is to serve the public interest by setting high-quality ethics standards for professional accountants. Professional accountants who carry out assurance engagements and who report the results of their work to the public (auditors) occupy a special position where public trust is an essential pre-requisite to enable them to function effectively.

We are not convinced that auditors currently enjoy the trust of the public. Furthermore, we are not convinced that the Code of Ethics for Professional Accountants (the Code) establishes the high standards that entitle auditors to be regarded as trustworthy in the eyes of the public. The reasons for our opinion have been communicated to the IESBA over many years. For example, we refer you to our submission on “Proposed Revisions Pertaining to Safeguards in the Code – Phase 1” dated 21 March 2016.

In our view, the IESBA’s priority must be to satisfy itself that the settings in the Code serve the public interest, and will continue to do so for the foreseeable future. In carrying out this exercise, the IESBA must engage with those who rely on the work of professional accountants and, especially, the work of auditors. It is only when the IESBA is completely satisfied that the settings in the Code will instil public trust in the work of professional accountants that the IESBA can turn its attention to the implementation of the Code.”

**With best regards
Roy Glass
Director – Auditing Policy
Office of the Auditor-General**

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