

Raising the Ethical Bar

Richard Fleck, IESBA Deputy Chair

IFAC Council Meeting

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Context

- Ethics a *central* issue in post-crisis world
- Expectations of ethical behavior heightened
- Ambitious work program last 5-6 years in response...
 - NOCLAR
 - Restructuring IESBA Code
 - Safeguards
 - Long association, professional skepticism, fees
 - Pressure and other ethical issues PAIBs face



What the Restructuring Delivers

- Strengthened emphasis on compliance with fundamental principles
- Requirements more clearly distinguished
- Increased clarity of responsibility for compliance
 - Firms, network firms, individuals within firms
- Simpler, clearer drafting to avoid ambiguity
- Independence sections recharacterized as *International Independence Standards*
 - To emphasize enforceability



Way Forward

- Final approval anticipated Dec 2017
- Restructured Code will contain substantive improvements in important areas
 - NOCLAR, safeguards, long association, pressure to breach fundamental principles, inducements
- IESBA to consider post-implementation review towards end of next strategy period 2019-2023



Future IESBA Strategy and Work Plan

- Major forces impacting the profession
 - Transformative effects of disruptive digital technologies
 - Increased regulation and governance
 - Changing expectations of business and PAs
 - Globalization of business and the profession
- Vision for IESBA Code 2025?
 - Leveraging platform of restructured and upgraded Code
 - Imperative of an International Code that is *credible, relevant* and *fit for purpose*



Major Axes of Strategy and Work Plan 2019-2023



Trends and developments in technology and innovation



Emerging or newer models of service delivery



Tax planning and related services

Ambitious 2018 Work Program



Professional Skepticism



Non-assurance services



E-Code



The Ethics Board

www.ethicsboard.org
