



PROPOSED REVISION TO THE CODE ADDRESSING THE OBJECTIVITY OF ENGAGEMENT QUALITY CONTROL REVIEWERS

Issued 11 March 2020

ICAEW welcomes the opportunity to comment on the Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Control Reviewers published by IESBA in January 2020, a copy of which is available from this [link](#).

In view of the limited consultation period, the responses given represent limited internal consultation and are accordingly less thorough than might be the case with a more conventional three month consultation period.

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ANSWERS TO SPECIFIC QUESTIONS

Question 1 - Do you support the proposed guidance addressing the topic of the objectivity of an EQR?

1. We note that the IAASB has in effect requested that the IESBA issue guidance in this area. We do not see that the additional guidance proposed adds anything new that could not be derived readily from the Code as it stands. However, given the request to be more specific, we believe that, with the minor exception of the matter addressed below, the guidance is appropriate.
2. The guidance in paragraph 120.4 A4 refers to having an ‘appropriate reviewer’ review areas of significant judgement. Given that the EQR should be an appropriate reviewer, it may be helpful to specify that what is envisaged here is an additional appropriate reviewer.

Question 2 - If so, do you support the location of the proposed guidance in Section 120 of the Code?

3. The guidance does not easily sit in any one section. The focus on a particular assurance role lends itself to inclusion in Part 4 of the Code. However, as the guidance pertains to objectivity in general rather than the more specific issue of independence, we believe that Section 120 is an acceptable location for inclusion.

Question 3 - Do you agree with the IESBA that it would be more appropriate for the IAASB to determine whether a cooling-off requirement should be introduced in proposed ISQM 2 as discussed in Section III.C above, and that the Code should not be prescriptive in this regard?

4. We agree with the Board’s rationale for the proposed approach, as described in the Explanatory Memorandum. Indeed, given that this guidance addresses the fundamental principle of objectivity directly, rather than forming part of the more specific set of independence requirements, we do not believe that it would be appropriate for the Code to specify an arbitrary cooling-off period.