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***Public Consultation: Strengthening the Governance and Oversight of the International Audit Related Standard-Setting Boards in the Public Interest***

Dear Mr. Everts,

**Introduction**

CPA Ireland is responding to this consultation from the context of the Irish economy in which 99% of business entities are Small and Medium-Sized Enterprises (SMEs), and those SMEs are, in the main, supported by Small to Medium Practices (SMPs).

Ireland is ranked 17<sup>th</sup> in the World (World Bank IBRD – IDA Survey 2018 of 190 countries) in terms of “ease of doing business” and 7<sup>th</sup> in the world in terms of ease of “starting a business.” Based on available data, of the 140,000 audits completed annually in Ireland, some 138,995 (or 99%) are not in relation to Public Interest Entities (PIEs) i.e. are non-PIE audits. The relevance and proportionality of audit standards are of considerable importance in the Irish economy as the audit process, valuable as it is, consumes entrepreneur resources and therefore impacts on the ease of doing business and economic performance. CPA Ireland constantly advocates legislators and regulators in Ireland to embrace consultation before legislation, to think small first and to complete an impact analysis on any reform proposals.

SMEs, by number, dominate the world business stage with estimates suggesting that over 95% of business enterprises across the world are SMEs, accounting for approximately 60% of private sector employment. The most comprehensive global survey of SMPs (The IFAC SMP Survey) consistently ranks the burden of regulation and economic uncertainty as the two most significant challenges facing SME clients. In many jurisdictions, all SMEs are subject to audit and it is vital therefore that International Standards of Auditing are proportionate, relevant and developed with the capacity and needs of the SME stakeholder in mind. Disproportionate and/or irrelevant audit standards will impact negatively on SMEs and will damage growth and employment.

CPA Ireland is responding to this consultation paper (CP) but believes that the consultation, per se, is flawed in many respects: it is “*leading*” in its language and tone; lacks transparency in relation to specific stakeholders consulted; lacks evidence in relation to problems identified; fails to provide appropriate reference to funding; is devoid of a vision of the future and fails to take account of the vital SME sector and to appropriately address the meaning of ‘*public interest*’.

Nevertheless, CPA Ireland will respond in a fair manner to the proposals and will welcome positive suggestions for reform in the public interest. CPA Ireland believes that the CP would have greater credibility if it acknowledged the strengths and successes of the current system which has led to high quality standards on audit adopted in 120 countries globally.

The CP acknowledges that '*public interest evolves as public expectations change*' (p.4) and seeks to develop a framework to ensure public interest is captured '*throughout the standard-setting process*' (p.4). The proposed Monitoring Group (MG) recommendations focus on promotion of public interest and it is imperative that this is appropriately addressed by the accounting profession as a whole. Key objectives incorporate independence, credibility, cost effectiveness, relevance, transparency and accountability, all of which are critical.

In relation to context, the CP does not explain the impetus for stakeholder engagement at this time or specify with any great clarity the stakeholders who have been consulted prior to the distribution of current recommendations. At a minimum, it would be expected that pertinent stakeholders with reference to PIES, and large, medium and small practices would be consulted prior to dissemination of such recommendations; however, this is not apparent. Similarly, perceived risks/deficiencies in the current system are not highlighted. In addition, it is not clear from the proposal if changes in relation to salient objectives such as independence, transparency and accountability of the standard-setting process have been impacted in recent times. The proposal thereby fails to articulate the rationale for reform to the current standard-setting system. In addition, there is little consideration of potential unintended consequences that may arise in practice from such reform. The appropriateness of such reform is therefore questionable and a number of concerns are highlighted concerning proposed recommendations and potential consequences.

The justification of one standard-setting body for auditing and ethics standards is not clear. The proposal does not reflect that auditing is a specialist technical domain, with requisite knowledge and skills, while ethics encompasses wider foundations, concerns and contexts. The amalgamation of existing structures could only serve to weaken concentration on each of these important areas as it is unlikely that there could be sufficient expertise in a standard-setting board of reduced size. The rationale for smaller board size, with increased standard setting responsibilities for both auditing and ethics, therefore requires further elaboration and consideration.

Due attention must be given to the composition of such a board: the expertise of 36 members on the existing two-board structure is unlikely to be replicated by one amalgamated board of reduced size (as low as 12 members). At a minimum, representation would be required of public and private sector, large, medium and small professional practices, international participants, industry participants, academics, regulators, investors etc. Representative members would require strong technical, IT and communication skills, as well as sectoral knowledge and an understanding of public interest matters. In addition, it is not articulated how the nomination process will work and this would need to be carefully considered to ensure that representation of appropriate multi-stakeholders is included. An open, transparent nomination process is required to align with key overall objectives.

In relation to ethics standards, the proposal suggests that there would be more than one set of ethics standards - one for auditors and further for other practitioners bearing the professional designation. Going forward, there is therefore potential with regard to current reform proposals for a suite of ethical standards to reflect the diverse practice areas of accounting practitioners e.g. audit, tax, advisory etc. This is not a desirable outcome as many accounting practitioners, particularly those in the SMP sector, may engage in more than one field of practice, and this could lead to confusion and/or 'cherry-picking' of applicable standards. This could also lead to perceptions of a two-tier (or even a three-tier) profession, which is unlikely to contribute to amelioration in public interest.

The proposal that greater numbers of prescriptive, rules-based (rather than principles-based), standards will be issued could result in lesser need for judgement on the part of practitioners. This may be welcomed in part as practitioners may sometimes struggle with interpretation of guidance. However, the increase in 'compliance-type audits' is not to be welcomed as it will likely lead to 'box-ticking' compliance and lesser emphasis on professional skepticism and professional judgement, both of which are key factors in relation to auditing and ethics. While it is not possible to ascertain from the proposal if large numbers of standards will be issued, the implication is that more detailed and increasing numbers of standards would be disseminated. Practitioners would need to invest increased time and resource on initial engagement and over time and actual practice regarding standards would also need to be monitored on a continuous basis.

There is little clarity in relation to the actual proposed standard-setting process: standards would need to reflect the global environment (current standards are adopted in over 120 countries) as well as national and local particulars, and mindful of the pace of change of accounting, IT and other business environments. It is likely that rules may not always keep pace with events in order that practitioners may be guided in a timely manner. A further area of concern is that the proposal provides for individual stakeholders to veto standards, which allows undue influence of one stakeholder over others.

The costing/funding of any potential changes must be considered carefully. The current proposal does not clearly articulate a considered and viable approach in this regard.

## Q1. Do you agree with the key areas of concern identified with the current standard setting model?

### Stakeholder Confidence

CPA Ireland believes the current standard setting model serves the public interest and validates high quality standards. This is evident by the fact that over 120 jurisdictions have directly or indirectly adopted same. It is therefore challenging to give a clear response of key concerns raised due to lack of transparency within the CP as it does not specify with any great clarity which stakeholders took part in the preliminary engagement, and what other issues if any were identified surrounding stakeholder confidence.

### Public Interest

CPA Ireland believe that “*public interest*” is vital to all standard setting models; however the CP does not define “*public interest*” nor give a clear indication of key risks, apart from undue influence, which conceivably lead to standards not being fully developed in the public interest.

### Relevance and Timeliness of Standards

CPA Ireland agrees that relevance and timeliness of standards is critical in today’s ever-changing fast-paced technological environment; however the CP does not demonstrate how the MG proposes to keep standards relevant and timely.

## Q1 (a). Are there additional concerns that the Monitoring Group should consider?

It is not clear from the CP (1) what risks, if any, were identified within the SME/SMP sector in the preliminary stakeholder engagement;(2) if appropriate consideration has been given to the funding element; and (3) the salient details in relation to clarity, timeliness and effectiveness of the proposed new model. A key concern is the economic impact on the SME sector of disproportionate and/or irrelevant audit standards.

## Q2. Do you agree with the overarching and supporting principles as articulated?

The principles as articulated appear worthy of support. However we re-iterate concerns that the CP itself is not a model of transparency and appears to disregard SME/SMP stakeholders.

## Q2 (a). Are there additional principles which the Monitoring Group should consider and why?

Relevant and proportionate to the SME/SMP sector, and capable of implementation in an effective manner.

## Q3. Do you have other suggestions for inclusion in a framework for assessing whether a standard has been developed to represent the public interest? If so what are they?

CPA Ireland believes standards should be developed to incorporate the SME/SMP sector and should include research and field analysis mechanisms with continuous assessments demonstrating clearly each process stage.

Q4. Do you support establishing a single independent board, to develop and adopt auditing and assurance standards and ethical standards for auditors, or do you support the retention of separate boards for auditing and assurance and ethics? Please explain your reasoning.

CPA Ireland does not support the establishment of a single independent board to develop and adopt auditing and assurance standards and ethical standards for auditors in place of the current standard-setting arrangements. CPA Ireland believes that the status quo, with two separate boards for developing auditing and assurance and ethics standards, should be retained and that this is in the public interest. The level of global adoption of the current model for both auditing/assurance and ethics standards in both the private and public sectors, including adoption through legislation and by public authorities, is testimony to the confidence in the quality of the standards that result. A concern here is that the considerable progress that has been made in terms of the wide-scale adoption of the Boards' ethics and auditing standards may be adversely impacted if the MG proposal to reform the standard-setting Board(s) proceeds.

According to the MG, the current standard setting model in relation to audit and assurance, ethics and education is not sufficiently robust and the CP proposes nominations to Boards in a more transparent and robust fashion. It further states that the current model contains an inherent risk of influence by the profession itself and that is not in the public interest. This substantiation is weak and the extent to which this risk is present is not clearly articulated in the CP. The CP refers to an extensive stakeholder survey, but the identity of these stakeholders and subsequent findings are not reported. We would therefore emphasise to the MG the importance of a robust and appropriate analysis of current facts and processes, so that there is clarity in relation to actual deficiencies and, from there, which options would make a real difference

In addition, establishing a single board would effectively merge the current activities of the International Auditing and Assurance Standards Board (IAASB), International Ethics Standards Board for Accountants (IESBA). Combining these two boards could potentially dilute the focus on each of the important topic areas and significantly reduce the current level of expertise and resources.

Another concern is that in the consideration in the proposed standard setting options, SMEs, and SMPs are not addressed in the CP. Although the interests of the MG and its members might mostly focus on listed, regulated or public interest entities, the output of the IFAC independent Boards is designed to be used globally for all entities subject to audit or assurance and by all accountancy professionals.

Furthermore, the MG indicates there is a *“legitimate concern among many stakeholders that the influence of the profession is at least perceived to be too strong and that addressing this issue could further strengthen public confidence.”* As a result, the CP implies significantly reduced audit practitioner involvement in standard setting. However, this may result in standards that cannot be effectively, efficiently or practically implemented globally as the removal of the profession in the standard setting process may have a negative impact on the standards and therefore also on the audit quality rather than enhancing it.

Currently, there are a total of 36 Board members serving on the auditing and ethics boards. Each standard-setting board currently has 18 members, (most of whom are supported by a technical advisor) comprising practitioners (who currently work in practice, or work for an accountancy professional body) and non-practitioners (who either do not work in practice, or who have not done so for a cooling-off period long enough to address any independence risk). The IAASB and IESBA staff have geographic diversity and are from North America, Asia, Australia, Europe, and Africa. Their composite background experience comprises international and national standard setting, practice experience, regulation and inspection experience, policy setting, and legal expertise. The IAASB and IESBA have been fully independent in decision-making on scope, content and timing of their standards and they have also always given consideration of the public interest throughout the standard setting process. This has included ensuring plenary contributions from all members and consideration of the public interest inputs from the Consultative Advisory Groups (CAGs).

The CP identifies that the *'risk with this option [proposed board structure and size reduction] is that it might create too wide a remit for a single Board to deliver successfully, especially if the Board is reduced in size'*. While 36 Board members may be perceived to be too many, we believe any reduction in size of the Boards will not necessarily accommodate appropriate geographic diversity and expertise.

**Q5. Do you agree that responsibility for the development and adoption of educational standards and the IFAC compliance program should remain a responsibility of IFAC? If not why not?**

CPA Ireland believes that IFAC is best equipped to maintain responsibility of educational standards; however we also believe that no decision can or should be reached in respect of educational standards until IFAC has had time to reassess their role of that Board following the outcome of this CP process.

We also believe that IFAC's current model is working effectively.

**Q6. Should IFAC retain responsibility for the development and adoption of ethical standards for professional accountants in business? Please explain your reasoning.**

CPA Ireland supports the retention of the current arrangements within IFAC's Code of Ethics for Professional Accountants, in that, it is in the public interest to retain ethics for the entire accountancy profession under one code. Unified Ethical standards should always apply to all accountants and auditors, and the fundamental principles of the IFAC's Code of Ethics of Professional Accountants applies to all professional accountants, regardless of their role. This results in all professional accountants and auditors accepting their responsibilities to act in the public interest.

A proposal to apply different ethical standards for professional accountants in business and auditors will assume that ethical standards for professional accountants working outside of audit are not the same as for auditors. Separating ethical standards for auditors from ethical standards for the rest of the profession will also create perceptions of a two-tier profession and would undermine the current unified model's strength.

Q7. Do you believe the Monitoring Group should consider any further options for reform in relation to the organization of the standard setting boards? If so please set these out in our response along with your rationale.

The CP refers to “*questions being raised*” in relation to the independence of the standard setting process and a “*legitimate concern*” among many stakeholders concerning the influence of the profession. However, respondents are asked to comment on a radical proposal without insight into the evidence supporting the “*questions*” and “*concern*” referred to. This lack of transparency undermines the consultation process. No evidence is presented by the MG which suggests that other options have been considered within this current review. It appears that the MG presents a single solution without a risk assessment, impact analysis and a clear model for funding.

Globally, over 90% of audits are conducted on SMEs and is crucial that audit standards are fit for purpose for this engine of economic growth. The regulator-led model proposed has all the hallmarks of prescriptive standards suitable for PIEs which will only add to the regulatory burden on the SME sector.

CPA Ireland notes very little emphasis in the CP on what is working well within the current standard setting process. CPA Ireland suggests that the MG reconsider its approach with a view to retaining those elements that work well, enhancing those elements that require enhancement and then looking at alternative solutions to address perceptions around timeliness and independence. Proportionate, applicable standards for the SME sector are unlikely to emerge from the current proposals with a consequential regulatory burden on entrepreneurs and SMPs right around the globe.

Q8. Do you agree that the focus of the board should be more strategic in nature? And do you agree that the members of the board should be remunerated?

CPA Ireland believes that the CP does not clearly define the meaning of “*strategic*”.

We have no objection, in principle to board members being remunerated if the process of appointment is transparent and if the MG can demonstrate why remunerated board members might better resource the necessary work of the board as opposed to non-remunerated board members.

The proposal of some members being employed full time and others part time has the possibility of creating a dysfunctional board. The CP indicates on p.16 “*It is anticipated that the full-time members in addition to the Chair should provide leadership for an aspect of the Board’s work e.g. outreach, technical matters, audit or ethics*”. The CP does not outline the respective roles of the proposed part-time members and how these remunerated members aim to work collectively.

**Q9. Do you agree that the board should adopt standards on the basis of a majority?**

CPA Ireland does not approve a basis of a majority. We approve a consensus approach as it is more transparent. We re-iterate that the SME/SMP sector requires adequate representation; and note that the consensus approach is more advantageous, serving to ensure this sector is not overlooked. We also observe that the current success of standard adoption is principally due to the consensus approach.

**Q10. Do you agree with changing the composition of the board to no fewer than 12 members; allowing both full time and part-time members? Or do you propose an alternative model? Are there other stakeholder groups that should also be included in the board membership, and are there any other factors that the Monitoring Group should take account of to ensure that the board has appropriate diversity and is representative of stakeholders?**

Whilst changing the composition of the board to no fewer than 12 members allowing both full time and part time members may seem like a good idea, in reality there are many stakeholders that require representation and the proposal that no more than one third of the board may be auditors raises a serious concern that there may not be sufficient expertise in the area of auditing. Whilst all of the other proposed stakeholders merit inclusion, the practical expertise and experience of highly qualified auditors will be required to develop standards. With such a reduced group of board members, we have significant concerns that the voice and requirements of the SME sector may not be properly represented. From the IAASA profile of the profession in Ireland for 2016, only 10 of the 1381 statutory auditors in Ireland have PIE clients, therefore it is imperative that the non-PIE sector is adequately represented.

**Q11. What skills or attributes should the Monitoring Group require of board members?**

The MG will require board members to be highly qualified in their field and have significant practical experience. A broad range of expertise will be necessary but we highlight two of the most critical here:

1. Auditors with significant experience in the audits across a range of PIEs, large, medium and small entities and
2. Board members with significant expertise in the latest technological advances, particularly with regard to data analytics.

**Q12. Do you agree to retain the concept of a CAG with the current role and focus, or should its remit and membership be changed, and if so, why?**

We agree with the concept of the CAG and with the current role and focus. In fact we believe that the role of the CAG will be even more critical if the new proposed structure is agreed, to ensure that important stakeholders worldwide have a voice in the process.



**Q13. Do you agree that task forces used to undertake detailed development work should adhere to the public interest framework?**

CPA Ireland supports the development of standards that have the public interest at their core. From a SME/SMP perspective, this is critical to ensure that standards published serve all aspects of the economy and society. We note the proposal that a public interest framework in the context of this consultation is to be developed and we await such detail. We welcome ongoing engagement and research on the ever-evolving concept of “*public interest*” and acknowledge that it is critical that standards align with this development. We believe that task forces engaged to develop standards should adhere to a public interest framework.

To conclude we believe the Monitoring Group needs to clarify their definition of “*public interest*” and how this is resounded within the public interest framework.

**Q14. Do you agree with the changes proposed to the nomination process?**

CPA Ireland supports an open, transparent nomination process that selects suitably qualified candidates from an appropriate base. In particular, CPA Ireland wishes to emphasize the importance that any changes to the nominating process continue to include and strengthen the voice for both SME/SMPs.

We believe that the granting of sole administration of the nomination process to the Public Interest Oversight Board (PIOB) to be contrary to principles of good governance, whereby one body solely has ultimate voice and decision-making authority on nominations and composition of the standard-setting boards. We believe that any future changes to the role of the PIOB must be accompanied by a robust communications campaign to provide clarity to all stakeholders regarding the role and responsibilities of PIOB.

**Q15. Do you agree with the role and responsibilities of the PIOB as set out in this consultation?**

**Q15 (a) Should the PIOB be able to veto the adoption of a standard, or challenge the technical judgements made by the board in developing or revising standards?**

CPA Ireland expresses concern that the CP proposes to provide for the ultimate veto of a standard to the PIOB. In the absence of clarity on the “*Public Interest Framework*”, the granting of an ultimate veto to any one stakeholder does not enhance the current standard setting process, given that it allows for undue influence of one stakeholder. The proposal does not detail how current concerns regarding standard setting would be addressed by such a change.

**Q15 (b) Are there further responsibilities that should be assigned to the PIOB to ensure that standards are set in the public interest?**

CPA Ireland supports a multi stakeholder PIOB. We again stress the importance of ensuring that SME/SMP stakeholders are taken into consideration in any future reform.

**Q16. Do you agree with the option to remove IFAC representation from the PIOB?**

The fact that the PIOB Board Members act as individuals, and not as representatives of their nominating organisations, and that they require appropriate skills, expertise and understanding of audit matters could lead to a conclusion that IFAC is an ideal nominating organisation.

The CP appears to be addressing an almost immaterial issue in relation to the PIOB's independence in terms of a multi-stakeholder board of eminently qualified individuals. In the context within which the question is framed, CPA Ireland does not agree with the option to remove IFAC representation from the PIOB.

In 2016, the PIOB received contributions that amounted to €1,563,565 of which €914,758 was contributed by IFAC. By any independent assessment, it is arguably reasonable to assume that stakeholders would place a greater weighting on the perceived independence of the PIOB from the audit and accountancy profession were it not funded 58% by that same profession.

**Q17. Do you have any suggestions regarding the composition of the PIOB to ensure that it is representative of non-practitioner stakeholders, and what skills and attributes should members of PIOB be required to have?**

As the PIOB is tasked with acting in the public interest, due consideration should be given to the importance of SMEs as an engine of global economic growth. The proportionality, complexity and applicability of global audit standards can place unintended regulatory burdens on SMEs and thereby impede economic growth. In the main, SMEs rely on SMPs as their professional advisors. We suggest therefore that composition of the PIOB includes members who can view audit standards from the SME/SMP perspective. Other representation should include investors, preparers, regulators, academics and the accountancy profession. It will also be critical for all representatives have an appropriate understanding of audit issues (and to not be reliant on advice from any one stakeholder or group of stakeholders).

**Q18. Do you believe that PIOB members should continue to be appointed through individual MG members or should PIOB members be identified through an open call for nominations from within MG member organizations, or do you have other suggestions regarding the nomination/appointment process?**

As the PIOB Board is formed of “*distinguished individuals*”, it could be argued that an open and transparent call for all such “*distinguished individuals*” would best serve the PIOB of the future. Limiting the call to within MG Member Organisations could, arguably, make it more difficult to serve the public interest, particularly in relation to having an input from individuals with a SME/SMP perspective.

Q19. Should PIOB oversight focus only on the independent standard setting board for auditing and assurance standards and ethical standards for auditors, or should it continue to oversee the work of other standard-setting boards (eg issuing educational standards and ethical standards for professional accountants in business) where they set standards in the public interest?

CPA Ireland can see no logical reason to have two separate Boards setting Ethical Standards for the accountancy profession even in the circumstances that some within that profession act as auditors. In addition, CPA Ireland believes that no decision can or should be reached in respect of Education Standards until IFAC has had time to reassess the role of that Board into the future.

Q20. Do you agree that the Monitoring Group should retain its current oversight role for the whole standard-setting and oversight process including monitoring the implementation and effectiveness of reforms, appointing PIOB members and monitoring its work, promoting high-quality standards and supporting public accountability?

While recognizing the importance of independent and transparent oversight in ensuring credibility and confidence in the standard setting process, it is not considered appropriate to respond at this stage to this question. This is as a result of a lack of clarity of the matters outlined below in the “*options for reform*” in Section 5 to the CP.

The CP outlines that no changes to the role and remit of the MG will be required in the medium term, but fails to provide further detail as to what it considers the medium term to be.

Furthermore, the MG acknowledges that as a result of the outcome of the consultation, consequential changes may be needed in due course to the MG, and notes if that is the case, these will be developed once the changes considered in the current consultation have been addressed. The CP provides no further detail as to what these consequential changes may be.

Greater clarity should be provided in the CP as to the future roles and responsibilities of both the MG and PIOB.

Q21. Do you agree with the option to support the work of the standard setting board with an expanded professional technical staff? Are there specific skills that a new standard setting board should look to acquire?

Clearly, technical staff play a critical role in the development of international standards and it is important that the work of the board is adequately resourced in terms of both numbers and expertise and that the composition of the staff represents a broad geographical base.

We consider the following skills as being relevant to a new standard setting board(s);

- a) Strong technical skills supported by appropriate relevant experience
- b) Strong information technology skills
- c) The ability to work as part of a team

- d) Project management skills
- e) Excellent communication skills including written, verbal, listening and presentation
- f) Excellent interpersonal skills
- g) Strong interest in the public interest and auditing and assurance issues
- h) Ability to liaise with senior members of the accountancy profession and regulatory community

SMEs represent a large proportion of the global business community. We therefore consider it important that composition of any standard setting board(s), including relevant professional technical staff, should include persons with experience and knowledge of issues relevant to that sector.

Q22. Do you agree that permanent staff should be directly employed by the Board?

The perceived role of permanent staff must be further clarified in order to arrive at a conclusion in this area.

Q23. Are there other areas in which the board could make process improvements – if so what are they?

CPA Ireland argues that rather than wholesale changes being implemented, a review of the areas in which process improvements could be made should be performed. A key consideration would be the timeliness and efficiencies in respect of the standard setting process.

Q24. Do you agree with the Monitoring Group that appropriate checks and balances can be put in place to mitigate any risk to the independence of the board as a result of it being funded in part by audit firms or the accountancy profession (eg independent approval of the budget by the PIOB, providing the funds to a separate foundation or the PIOB which would distribute the funds)?

CPA Ireland believes that further clarity is necessary to explain why the checks and balances within the current model are deemed not sufficient.

Q25. Do you support the application of a “contractual” levy on the profession to fund the board and the PIOB? Over what period should that levy be set? Should the Monitoring Group consider any additional funding mechanisms, beyond those set out in the paper, and if so what are they?

CPA Ireland does not agree with the application of an unspecified contractual levy as the implications for SMPs and for developing nations could be punitive. We believe the MG should consider all funding mechanisms, including the MG itself funding the PIOB and the Board.

Q26. In your view, are there any matters that the Monitoring Group should consider in implementation of the reforms? Please describe.

CPA Ireland believes that in the absence of further detail on some key elements of the potential reforms, as outlined below, it is not considered appropriate to comment on matters that the MG should consider in implementing the reforms;

- a) The future roles and responsibilities of both the MG and PIOB
- b) The funding model
- c) The development of a public interest framework referred to in the CP
- d) Lack of a risk or impact assessment in the CP

Q27. Do you have any further comments or suggestions to make that the Monitoring Group should consider?

We have no further comments or suggestions to make.

Yours faithfully,

*Eamonn Siggins.*

Chief Executive

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