

No.	Questions(upper)/Responses(lower)
Q1	<p data-bbox="408 371 1350 501">Do you agree with the key areas of concern identified with the current standard setting model? Are there additional concerns that the Monitoring Group should consider?</p> <p data-bbox="408 517 1350 972">I agree with the key areas of concern mentioned above as a whole. And I deeply understood the deep-rooted distrust to the accountant industry that might be committed to commercialism.</p> <p data-bbox="408 663 1350 931">Therefore, I believe that if the Monitoring Group will seek to strengthen the governance and oversight of the international audit-related standard-setting boards in the public interest, it is indispensable not only to change the standard setting model but also to change the mindset of each certified public accountant including auditors, non-auditing professional accountants and the entire industry.</p> <p data-bbox="408 947 1078 972">I propose several strategies in the following responses.</p>
Q2	<p data-bbox="408 994 1350 1124">Do you agree with the overarching and supporting principles as articulated? Are there additional principles which the Monitoring Group should consider and why?</p> <p data-bbox="408 1140 759 1164">I agree with both principles.</p>
Q3	<p data-bbox="408 1196 1350 1326">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?</p> <p data-bbox="408 1341 1318 1366">I suggest “diversity of values”, but it might be included in “independent”.</p>
Q4	<p data-bbox="408 1397 1350 1572">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.</p> <p data-bbox="408 1588 1350 1863">I believe that separate boards for auditing and assurance and ethics for auditors would be better in effectiveness and that IFAC should take a main role for professional accountants in business. In addition to this, it should be clarified that the expected ethical role and the burden of responsibility for auditors in the public interest are stricter than those for professional accountants in business.</p> <p data-bbox="408 1879 1350 2009">On the other hand, if the main purpose of these options is to separate auditors from professional accountants, <u>the best way would be branding control</u>. Specifically, all activities in audit firms and their networks except auditing</p>

	<p>and assurance should be forbidden to use a unified audit brand logo.</p> <p>Audit firms normally tie with their networks by using a unified audit brand logo, which is the source of value. Therefore, to change the mindset of each accountant (as I mentioned at Q1), it is important to make it visible the difference between auditors and the other. As a result, auditing and assurance would be naturally cut out from commercial activities and the number of audit firms might be decreasing.</p> <p>Then, I believe that there is no need for an accountant to remain an auditor throughout his / her career. Rather, accountants with various experiences and outstanding abilities would be more attractive as auditors.</p>
Q5	<p>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?</p> <p>I agree with the proposal to the above-mentioned IFAC responsibility remains because accountants should be independent and self-governed in education as professionals.</p>
Q6	<p>Should IFAC retain responsibility for the development and adoption of ethical standards for professional accountants in business? Please explain your reasoning.</p> <p>Regardless of the board model, I believe that IFAC should retain responsibility for the development and adoption of ethical standards for professional accountants in business because the ethical behavior of accountants is crucial and should have been thoroughly trained at the introductory stage of accounting.</p>
Q7	<p>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 your response along with your rationale.</p> <p>I have no comments on this question.</p>
Q8	<p>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?</p> <p>I agree with the opinion above “more strategic” and believe that at least the full-time members of the boards should retire from their organizations and get a remuneration directly from the board.</p>
Q9	<p>Do you agree that the board should adopt standards on the basis of a majority?</p> <p>I agree with the majority vote method if it would be fully discussed and took</p>

	the minutes.
Q10	Do you agree with changing the composition of the board to no fewer than twelve (or a larger number of) members; allowing both full time (one quarter?) and part-time (three quarters?) 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?
	I have no comments on this question because I don't know well the atmosphere of the board.
Q11	What skills or attributes should the Monitoring Group require of board members?
	Altruism
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, how?
	I have no comments on this question because I am not familiar with a CAG.
Q13	Do you agree that task forces used to undertake detailed development work should adhere to the public interest framework?
	I have no comments on this question because I'm not familiar with task forces.
Q14	Do you agree with the changes proposed to the nomination process?
	I agree with the proposal in terms of the transparency of the procedure.
Q15	Do you agree with the role and responsibilities of the PIOB as set out in this consultation? 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? Are there further responsibilities that should be assigned to the PIOB to ensure that standards are set in the public interest?
	I agree with the role and responsibilities of the PIOB as mentioned above. However, I hope the PIOB to veto or challenge the technical judgements made by the board, only if there is a logical reason. There is a risk that the function of the board will become empty.
Q16	Do you agree with the option to remove IFAC representation from the PIOB?
	I deeply understand the distrust to IFAC. However, it would be better to maintain an opportunity to dialogue between IFAC and PIOB, hoping that the members nominated by IFAC could also change.

Q17	Do you have 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 the PIOB be required to have?
	I wonder if auditors/accountants should be fully governed and oversighted by non-practitioner stakeholders, if accountants can do self-reform. I believe that members of the PIOB should have an ability to see things from a broad view point.
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?
	I believe that an open call for nominations from within MG member organizations would be better because reforms will not succeed unless the parties have a positive will.
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?
	I believe that it would be better for PIOB to give priority to more important things first, that is, to focus only on the independent standard setting board for auditing and assurance standards and ethical standards for auditors.
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?
	I agree with the above.
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?
	I have no comments on this question because I have not seen the situation of the actual board administration.
Q22	Do you agree that permanent staff should be directly employed by the board?
	I agree with the above.

Q23	<p>Are there other areas in which the board could make process improvements – if so what are they?</p> <p>I have no comments on this question.</p>
Q24	<p>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)?</p> <p>I agree with the aim to clearly separate between funding contributions and the ability to influence the work of the board. So, it is rational for multi-stakeholders that the PIOB would take responsibilities to collect and allocate the funds including the approval of the budgets of the board, from the point of view of the independence of the board.</p>
Q25	<p>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 opt for in the paper, and if so what are they?</p> <p>I propose the application of a contractual levy embedded in each audit contract in order to recognize that both the auditing side and the audited side will support the auditing system as a social infrastructure. Besides, it would be better to burden widely and thinly in order to maintain the system without much feeling of burden. (eg about 0.5% of the total amount of each audit contract)</p> <p>At the same time, I should point out the constructional concerns of current audit contract. Audit fee is estimated based on the accumulation of the amount by multiplying the man hour by the hourly charge rate for each duty of the auditor. That means it may fluctuate without good reason, especially in the price competition to other auditors.</p> <p>Therefore, with regard to audit fee, <u>I would like to introduce a fixed amount system for each stratification including revisions every few years through third-party organizations instead of relying on the auditor's ethics, taking account of the past audit results, the unique complexity of the industry and audited entities, the qualities of management and others.</u></p> <p>I believe that it must be controversial but would be useful to solve the contradiction in the audit industry.</p>

Q26	In your view, are there any matters that the Monitoring Group should consider in implementation of the reforms? Please describe.
	I would like you to pay attention so that the auditors, who are not necessarily partners, working on the audit work really seriously will not lose motivation.
Q27	Do you have any further comments or suggestions to make that the Monitoring Group should consider?
	If we regard the audit as social infrastructure, it is worth considering the possibility of positioning the auditor as a national civil servant.