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Stellungnahme zum Standardentwurf *Proposed International Standard on Quality Management 1 (Previously IQSC 1)*

Die WPK hat mit Schreiben vom 1. Juli 2019 gegenüber dem International Auditing and Assurance Standards Board (IAASB) zum Standardentwurf *Proposed International Standard on Quality Management 1 (Previously IQSC 1)* wie nachfolgend wiedergegeben Stellung genommen.

We are pleased to take this opportunity to comment the Exposure Draft: Proposed International Standard on Quality Management 1 (Previously IQSC 1).

Please find our comments below.

General Remarks:

- We **appreciate the significant amount** of work that has been undertaken by the IAASB in developing the three projects and support the objective of enhancing quality management (QM). However, we understand that the expected improvements to quality have not been compared to the potential additional implementation costs to be incurred by the firms (**Cost/Benefit Analysis**).
- We **basically support the new QM approach** which focusses on how audit firms manage their risks to quality. However we would ask the IAASB to develop a **mapping of ex-tant requirements to the new requirements in ED-ISQM 1**.

- The proposed ISQM 1, ISQM 2 and ED-220 are very important standards. They will presumably **shape the quality management** (QM) for the **next decades** and the quality systems in audit firms. Therefore it is crucial that the standards are operable for firms of all sizes irrespective the nature of engagements they perform.
- We are concerned as to whether all audit firms distinguish what **specific adjustments** to their existing quality system are necessary to comply with the relevant requirements. It has to be taken into account that the new approach has to build on the existing quality system and that adjustments have to be made during the current business.
- We see that the proposed implementation horizon of **18 months is too short**. During implementing a new QM approach the firms have to cope with the implementation of ISA 315.
- We are in addition concerned that from the **scalability perspective** the identification and assessment of quality risks is very prescriptive and leaves only little room for flexibility in the application. The approach is therefore challenging to apply. Therefore supporting material for implementation (like an update of the ISQC 1 guidance published by the SMPC or an IAASB staff Q&A's) would be beneficial before the standards become effective.

Overall Questions

1) Does ED-ISQM 1 substantively enhance firms' management of engagement quality, and at the same time improve the scalability of the standard? In particular:

(a) Do you support the new quality management approach? If not, what specific attributes of this approach do you not support and why?

In a time of rapidly changing environment the new quality management approach is **basically well sound**. The new approach is focused on proactively identifying and responding to risks to quality. We therefore support the work that has been done by the IAASB to enhance quality management. Already, larger audit firms manage their risks rather than just controlling them.

However the implementation of the new approach seems to be **very complicated and prescriptive**, leaving only **little flexibility**. Already the scope reveals the challenge: the proposed revised standard covers nearly 70 pages plus around 14 pages ISQM 2. Extant ISQC1 comprises only 34 pages and is relatively "short".

Nearly all audit firms have established a quality system during the last years. We assume that most firms tend to develop their existing quality system further, instead of developing a new sys-

tem. In light of this the IAASB should clearly elaborate **what is new and why it is better**, especially from the perspective of the public interest. In this context we would ask the IAASB to develop a **mapping of extant requirements to the new requirements in ED-ISQM 1**.

We have not seen that IAASB compared the expected improvements to quality to the potential additional implementation costs to be incurred by the firms (**Cost/Benefit Analysis**) though it is essential before further steps are taken.

For further details please refer to the questions below.

(b) In your view, will the proposals generate benefits for engagement quality as intended, including supporting the appropriate exercise of professional skepticism at the engagement level? If not, what further actions should the IAASB take to improve the standard?

Whereas professional skepticism is not addressed in extant ISQC 1, the IAASB explains in proposed ISQM 1 that professional skepticism supports the quality of judgments made on the engagement and, through these judgments, the overall effectiveness of the engagement team in performing the engagement (A 96).

However professional skepticism is picked up in several other Standards (ISA 200, 240, 315 ...) as well as in the IESBA Code of Ethics. In our view professional skepticism is a matter of the internal attitude of the auditor; therefore **awareness is more helpful than additional requirements or application material**. Any additional requirements or application material for applying the professional skepticism are not helpful or necessarily improve professional skepticism in our view if it is not addressing the attitude of professionals.

(c) Are the requirements and application material of proposed ED-ISQM 1 scalable such that they can be applied by firms of varying size, complexity and circumstances? If not, what further actions should the IAASB take to improve the scalability of the standard?

WPK appreciates that the IAASB acknowledges that the new quality management approach aims to improve the scalability of ED-ISQM 1.

However in our view **scalability is not sufficiently recognizable**. The standard represents considerable additional requirements and therefore burdens not only small but also medium and large audit firms without necessarily generating corresponding added value. As noticed above, the IAASB should clarify what is new and why the new approach is significantly better.

Under the assumption mentioned below (Question 2) an audit firm must cope with nearly 200 responses, which is in our opinion hardly feasible for audit firms of all sizes and certainly does not promote quality.

A multiple-choice poll conducted during the Less Complex Entities (LCE) Working Conference in Paris, France in May 2019 confirmed our concerns: **55 per cent** of the respondents said that the new ISQM 1 is **not scalable** for firms of all sizes and different types of engagements; only 19 per cent said that ISQM 1 is scalable (remaining respondents were indifferent).

2) Are there any aspects of the standard that may create challenges for implementation? If so, are there particular enhancements to the standard or support materials that would assist in addressing these challenges?

Contrary to other standards, which are changed selectively or even far-reaching, here the entire organization of the audit firm potentially needs to be redesigned:

The identification of the **additional and modified requirements** of the new standards (ISQM 1, ISQM 2 and ISA 220) and the implementation of the new QM-approach will have a significant impact on all audit firms and will significantly shape the future of the performance of engagements. Additional Guidance regarding the additional and modified requirements would be very helpful.

The **firm's risk assessment process** must be applied to the components of the system of quality management, i.e., audit firms are required to use this process in establishing quality objectives, identifying and assessing quality risks, and designing and implementing responses for all quality risks.

We expect that most audit firms are challenged by the prescriptive way of managing risks. They have to define quality objectives for each of the components of the proposed system of quality management. In the next step quality risks must be identified and assessed for each quality objective. Finally responses must be designed and implemented for all quality risks.

Under the assumption that 3 quality objectives are defined per component, 3 quality risks were identified for each quality objective and 3 responses are designed and implemented, the audit firm must cope with nearly **200 responses**. For both SMP and large Audit Firms, this is in our opinion hardly feasible, but above all not appropriate.

The **simplest and most effective way to reduce the complexity would be to reduce the number of components** by putting them together. For example: the component "Information

and Communication” contains elements of other components (esp. “Acceptance and Continuance” and “Engagement Performance”) and could be considered there. The component „Monitoring and Remediation“ is in our view not a separate but rather an overarching part of the firm’s quality management process. By doing so the complexity could be reduced easily and significantly without noticeable quality losses.

Due to the fact that audit, review or other assurance engagements are people-business and that the performance of these services depends heavily on the outcome the both elements “Engagement Performance” and “Resources” could be more emphasized.

Due to its **significance** we would suggest to enhance the value of the statement in A54 “...not every quality risk needs to be identified and further assessed...” by relocating the statement in the requirements section.

According to A55 an extremely low threshold would be established in the standard by the introduction of **PCAOB terms** (“There is a reasonable possibility of a quality risk occurring when the likelihood of its occurrence is more than remote”). In our view this would imply a lower threshold than the ISA term “acceptably low level” and therefore potentially confuse practitioners and stakeholders. The threshold must be defined clearly and distinct across all jurisdictions wherever the standards are applied.

Extant A59 of ISQC 1 contains application materials regarding the electronically scanning of original paper documentation for inclusion in engagement files. We are surprised that the IAASB has not given further explanations on the important and forward-looking topic (**paperless audit**). On the contrary: information on scanned documents is not available in the draft though it is firm’s daily business (see Question 9).

The requirements regarding the **documentation** are partly vague.

According to proposed Para 66 the firm shall prepare documentation of its system of quality management that is sufficient to:

- (a) Support a consistent understanding of the system of quality management by personnel, including an understanding of their roles and responsibilities with respect to the firm’s system of quality management;*
- (b) Support the consistent implementation and operation of the responses; and*
- (c) Provide evidence of the design, implementation and operation of the responses, such that the firm is able to evaluate the system of quality management*

These requirements will not necessarily have a positive impact on quality (especially in documenting what has not been done and why). More guidance would be helpful here, especially regarding the minimum requirements for a quality management.

3) Is the application material in ED-ISQM 1 helpful in supporting a consistent understanding of the requirements? Are there areas where additional examples or explanations would be helpful or where the application material could be reduced?

We would recommend relocating parts of the bulky application material outside the standard (e.g. Frequently Asked Questions-Document). On the one hand, this would reduce the volume of standards and, on the other hand, enable the IAASB to respond promptly and on a daily basis whenever there is a need for clarification. Moreover it should be emphasised that these examples are not authoritative or regarded as a best practice.

Specific Questions

4) Do you support the eight components and the structure of ED-ISQM 1?

WPK at large supports the eight components and structure of ED-ISQM 1. Most of the components were part of ISQC 1.

Nevertheless in our understanding the proposed components remain a mixture of real processes (e.g. Firm's risk assessment process), content-related aspects (e.g. relevant ethical requirements) and preconditions to achieve the quality objectives (e.g. resources). We would suggest overthinking the components in order to make the concept more feasible, stringent and holistic. The concept should consider principle elements (esp. quality culture), core process elements (e.g. ethical issues, resources, risk management etc.) and supporting elements (esp. documentation, information and communication).

However we wonder if the components "**Information and Communication**" and "**Risk assessment process**" are separate components. They are in our view rather overarching parts of the firm's quality management process. By including "Information and Communication" into one or more other components the complexity of the standard could be reduced easily and significantly without noticeable quality losses. The same is valid for the component "**Monitoring and Remediation**".

Due to the fact that audit, review or other assurance engagements are people-business and that the performance of these services depends heavily on the outcome the elements "**Engagement Performance**" and "**Resources**" should be more emphasized.

It should be noted that especially small audit firms may not consider all of the components.

The problem we heard from our members (practitioners) with this approach is that detailed quality objectives might serve as a “catch all risk”, because even when firms comply with all the requirements of ISQM 1 they have to essentially reassess whether compliance with the requirements is given at any time. With the benefit of hindsight it cannot be ruled out that regulators might question the firms’ decisions when the firm assesses their risks in advance.

5) Do you support the objective of the standard, which includes the objective of the system of quality management? Furthermore, do you agree with how the standard explains the firm’s role relating to the public interest and is it clear how achieving the objective of the standard relates to the firm’s public interest role?

We basically support the objective of the standard.

It is noted in Para 7 of ED-ISQM 1 that the **public interest** is served by the consistent performance of quality engagements. Regarding the firm’s role relating to the public interest we would like to stress the aspect that not all audit firms perform statutory audits and that not all statutory audits are audits of public interest entities. The wording of the proposed ISQM 1 assumes that all services provided by professional accountants cover the same level of public interest.

We urge the IAASB to clarify that **at first the standards and laws** are designed to be operated within the public interest. It is the **task of firms to apply** standards and laws and deliver qualitative services as a consequence.

In this context we would like to ask the IAASB to **harmonise** / clarify the different segments of “**public interest entities**” (IESBA) versus “**listed entities** or entities that are of significant public interest” (IAASB). This issue is of particular importance for the entire profession in Europe, as the European legislator also makes a similar distinction between the audit of public interest entities (PIE) and non-PIE respectively auditors of PIE and non-PIE, which is not inevitably consistent with the definition of IESBA / IAASB (e.g. provision regarding long association). Therefore European auditors have to struggle with additional challenges regarding the regulative hierarchy. This factually leads to confusion and prevents a consistent application which is not in the best of public interest. We therefore strongly urge IAASB and IESBA to harmonize their work in order to provide the profession with a consistent regulatory framework.

6) Do you believe that application of a risk assessment process will drive firms to establish appropriate quality objectives, quality risks and responses, such that the objective of the standard is achieved? In particular:

(a) Do you agree that the firm’s risk assessment process should be applied to the other components of the system of quality management?

The interests of audit firms who do not conduct audits of “listed entities or entities that are of significant public interest” in an appreciable extent are not adequately considered in our view.

The firm’s risk assessment process is **over-engineered and too complex** for these audit firms. As a consequence they may struggle in establishing quality objectives, identifying and assessing quality risks, and designing and implementing responses for all quality risks.

Therefore we urge the IAASB to reconsider the amount and extend of the elements in order to make the approach more feasible (see Question 4). Moreover the threshold must be defined clearly and distinct across all jurisdictions wherever the standards are applied and should be adjusted to an “acceptably low Level”.

(b) Do you support the approach for establishing quality objectives? In particular:

i. Are the required quality objectives appropriate?

As mentioned earlier we wonder if the components “Information and Communication”, “Risk assessment process” and “Monitoring and Remediation“ are compelling separate components. By including them into one or more other components the complexity of the standard could be reduced easily and significantly without notice-able quality losses.

The quality objective mentioned in **Para 34c** (“The firm’s financial and operational priorities do not lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement”) is not a quality objective in our understanding but rather a circumstance that jeopardizes the achievement of a quality objective.

The quality objective mentioned in **Para 36c** (“The engagement documentation is appropriately assembled and retained”) remains general and vague. Does this quality objective establish a separate requirement or does ISA 230 prevail?

ii. Is it clear that the firm is expected to establish additional quality objectives beyond those required by the standard in certain circumstances?

Yes. Nonetheless we suggest clarifying that **additional quality** objectives beyond those required by the standard **are probably not required** in most audit firms, **especially for firms conducting only audits of less complex entities.**

(c) Do you support the process for the identification and assessment of quality risks?

The requirements regarding the process for the identification and assessment of quality risks are very strict and prescriptive, allowing little flexibility in the application. Options to scale down the requirements are not evident: according to Para 21 the firm **shall comply** with each requirement of this ISQM **unless** the requirement is **not relevant** to the firm because of the nature and circumstances of the firm or its engagements.

Para 26 to 29 regarding the firm's risk assessment process are not easily understandable. New terminology specifically from the US PCAOB's standards is introduced ("reasonable possibility" and "more than remote likelihood" – without exploring whether these terms are aligned to the overall objective of an ISA audit (to reduce audit risk to an acceptably low level). As mentioned in our response to ISA 315 Exposure Draft the introduction of PCAOB terminology is inappropriate in an ISA environment and implies a lower threshold than the ISA term "acceptably low level".

Due to its significance we suggest to enhance the value of the statement in **A54** "...not every quality risk needs to be identified and further assessed..." by relocating the statement in the requirements section.

Additional explanations are necessary regarding the **consideration** of the risks: it is explained in A54 that "the firm identifies which quality risks need to be further assessed based on a **preliminary consideration** of the possibility of the quality risks occurring and the effect on the achievement of the quality objectives. Only those quality risks that meet both of the criteria in paragraph 28(a) and (b) need to be identified and further assessed. The further assessment of the quality risks involves a **more detailed consideration** of the degree of the likelihood of the quality risks occurring and the significance of the effect of the quality risks on the achievement of the quality objectives".

Given the importance of the consequences of the identification and assessment of quality risks the difference between "preliminary consideration" and "more detailed consideration" must be made clearer.

(d) Do you support the approach that requires the firm to design and implement responses to address the assessed quality risks? In particular:

i. Do you believe that this approach will result in a firm designing and implementing responses that are tailored to and appropriately address the assessed quality risks?

The approach bases on extensive quality objectives. It remains unclear how the firm responds to objectives where there are no risks.

ii. Is it clear that in all circumstances the firm is expected to design and implement responses in addition to those required by the standard?

Yes, this is clear.

7) Do the revisions to the standard appropriately address firm governance and the responsibilities of firm leadership? If not, what further enhancements are needed?

The proposed standard addresses firm's governance and the responsibilities of firm leadership basically at an appropriate, however rather prescriptive level. It is for example required:

- The firm's strategic decisions and actions, including financial and operational priorities, demonstrate a commitment to quality and to the firm's role in serving the public interest, by consistently performing quality engagements (Para 23 (c)),
- The firm has an organizational structure with appropriate assignment of roles, responsibilities and authority that supports the firm's commitment to quality and the design, implementation and operation of the firm's system of quality management (Para 23 (d)),
- The firm plans for its resource needs, including financial resources, and obtains, allocates or assigns resources in a manner that supports the firm's commitment to quality and enables the design, implementation and operation of the firm's system of quality management (Para 23 (e)).

It remains unclear how and to what extent audit firms with limited personnel resources shall fulfil these requirements. We would like to give the IAASB a short overview on the structure in Germany:

As per December 31, 2017 in 42 per cent of all German audit firms only 1 professional accountant was engaged. 46 per cent of the German audit firms engaged 2 to 4 professional accountants. The vast majority (88 per cent) of the audit firms consists of only 4 or less professional accountants.

Regarding the audit firms which are registered as a statutory auditor and therefore are entitled to perform statutory audits the ratio is even more extreme: 95 per cent of these audit firms consist of only 10 or less professional accountants. For further details please refer to our Analysis of the market which is available under

https://www.wpk.de/fileadmin/documents/Oeffentlichkeit/Wirtschaftspruefer/WPK_Markstrukturnalyse_2017.pdf.

Against that background it remains **debatable if the proposed requirements are sound to the majority of the professional audit firms**. Several requirements can be achieved by informal measures and by the daily doing. Responses e.g. to factual failures by an individual of the organisation or the engagement team can be regularly sanctioned on an immediate basis. A formal response system might be over-engineered in these structures. In addition, we would like to point out that the flexibility would be limited, which is often crucial to the competitiveness of the mentioned practices.

By a purely **formal approach**, the requirements could be met; however this **does not contribute to an enhancement of the quality**. On the contrary: it would lead to a pure tick-box approach which is not in the public interest.

8) With respect to matters regarding relevant ethical requirements:

(a) Should ED-ISQM 1 require firms to assign responsibility for relevant ethical requirements to an individual in the firm? If so, should the firm also be required to assign responsibility for compliance with independence requirements to an individual?

Yes, we agree.

(b) Does the standard appropriately address the responsibilities of the firm regarding the independence of other firms or persons within the network?

Yes, we agree.

9) Has ED-ISQM 1 been appropriately modernized to address the use of technology by firms in the system of quality management?

We think that technological developments are **not appropriately** addressed in this standard.

The proposed standards International Standard on Quality Management 1 (ISQM 1), International Standard on Quality Management 2 (ISQM 2) and International Standard on Auditing 220 (Revised) will have a significant impact on all audit firms and will shape the future of the performance of engagements significantly. Therefore we would have expected more detailed information of fundamental technological trends and developments (e.g. data protection).

As mentioned under Question 2 extant A59 of ISQC 1 provides the professional with application materials regarding the electronically scanning of original paper documentation for inclusion in engagement files. We are surprised that the IAASB has not given further explanations on the important and forward-looking topic (**paperless audit**). Short application materials (e.g. A138 "...digital records may replace or supplement physical records") are less substantive.

10) Do the requirements for communication with external parties promote the exchange of valuable and insightful information about the firm's system of quality management with the firm's stakeholders? In particular, will the proposals encourage firms to communicate, via a transparency report or otherwise, when it is appropriate to do so?

We are convinced that **extant provisions** regarding the communication with external parties **are sufficient** and did not perceive any complaints in this regard.

According to Article 13 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC a statutory auditor or an audit firm that carries out **statutory audits of public-interest entities** shall make public an **annual transparency report**.

In addition to that ISA 260 (Revised) resp. IDW Auditing Standard 470 applies in Germany.

The proposed requirements are in our view **too far reaching**, because the requirements are not limited to those firms that carry out statutory audits of public-interest entities.

Moreover we would ask the IAASB to clarify who the external parties are.

11) Do you agree with the proposals addressing the scope of engagements that should be subject to an engagement quality review? In your view, will the requirements result in the proper identification of engagements to be subject to an engagement quality review?

According to Para 37 (e) policies or procedures addressing engagement quality reviews in accordance with ISQM 2 must be established and are required inter alia for audits of financial statements of entities that the firm determines are of **significant public interest**.

The introduction of the term "significant public interest" needs further clarification and examples in order to apply this provision consistent and to avoid confusion within the firm or discussion with the regulator or oversight body. As mentioned above there is a lack of consistency in terminology of IAASB and IESBA.

12) In your view, will the proposals for monitoring and remediation improve the robustness of firms' monitoring and remediation? In particular:

(a) Will the proposals improve firms' monitoring of the system of quality management as a whole and promote more proactive and effective monitoring activities, including encouraging the development of innovative monitoring techniques?

We basically think that the proposals **can** improve firms' monitoring of the system of quality management. However it remains debatable if the proposed requirements are necessary especially for sole practitioners. It is not evident where the requirements are scalable in order to create a workable approach.

Extant ISQC 1 Para 48 (c) requires that those performing the engagement or the engagement quality control review are not involved in inspecting the engagements. In the case of **small firms**, monitoring procedures may need to be performed by individuals who are responsible for design and implementation of the firm's quality control policies and procedures, or who may be involved in performing the engagement quality control review. A firm with a limited number of persons **may choose** to use a suitably qualified **external person** or another firm to carry out engagement inspections and other monitoring procedures. Alternatively, the firm may establish arrangements to share resources with other appropriate organizations to facilitate monitoring activities (A68).

We have not found corresponding provisions in proposed ISQM 1. Therefore we would ask the IAASB to clarify how the engagement review should be performed in small firms.

(b) Do you agree with the IAASB's conclusion to retain the requirement for the inspection of completed engagements for each engagement partner on a cyclical basis, with enhancements to improve the flexibility of the requirement and the focus on other types of reviews?

We believe that the conclusion to retain the requirement for the inspection of completed engagements for each engagement partner on a cyclical basis is basically sound. It should be admitted that remedial action can be taken before the engagement work is completed or a report is issued if uncompleted engagements are subject to an inspection.

However especially large audit firms tend to expand their monitoring activities to "in-process engagements" (in addition or as an alternative to ex-post monitoring activities of completed engagements). These firms have experienced the benefits of such means, especially that any iden-

tified weaknesses can be remedied immediately and before the engagement is completed or a report is released.

Against this background, we recommend to evaluate whether this approach could be an alternative way, if the other organizational requirements (e.g. competence and objectivity of the responsible person, time, etc.) are met, especially that the person performing the monitoring procedures will not be part of the engagement team (or substitutes the engagement quality control reviewer) and that the conclusions from these monitoring activities may be exploited in the context of the monitoring.

(c) Is the framework for evaluating findings and identifying deficiencies clear and do you support the definition of deficiencies?

The framework for evaluating findings and identifying deficiencies seems clear; we support the definition of deficiencies.

(d) Do you agree with the new requirement for the firm to investigate the root cause of deficiencies? In particular:

i. Is the nature, timing and extent of the procedures to investigate the root cause sufficiently flexible?

We basically think that the nature, timing and extent of the procedures to investigate the root cause is sufficiently flexible based on the proposed standard.

Para A184 **implies** that the firm **always** needs to take remedial action if a deficiency is sufficiently severe. In reality, careless or clerical mistakes by individuals cannot be avoided. These mistakes may be severe but cannot always be addressed by remedial action. This leads to questions on how a firm should act in such cases.

The term “root cause” should be defined in Para 19.

ii. Is the manner in which ED-ISQM 1 addresses positive findings, including addressing the root cause of positive findings, appropriate?

Yes, we agree.

(e) Are there any challenges that may arise in fulfilling the requirement for the individual assigned ultimate responsibility and accountability for the system of quality management

to evaluate at least annually whether the system of quality management provides reasonable assurance that the objectives of the system have been achieved?

The evaluation of the system of quality management at least annually is already prescribed in Germany. Para 55b Abs. 3 Public Accountant Act requires the Professional Accountants in Public Practice who conduct statutory audits to assess the internal quality control system at least once a year concerning the policies and procedures for audits, for continuing professional development, instruction and supervision of the employees as well for the files kept. In the case of deficits in the internal quality control system, necessary measures to remove the deficits must be taken. The members of the profession shall document annually in a report the results of the evaluation, measures which were taken or suggested, violations of professional duties or of the Regulation (EU) No. 537/2014, in as far as these are not minor, as well as the consequences of the violations described under No. 3 and the measures taken to remove the violations.

Another Challenge for SMPs is the documentation of their informal processes in order to reach such reasonable conclusion without being challenged. A staff publication could be helpful in this respect as well.

13) Do you support the proposals addressing networks? Will the proposals appropriately address the issue of firms placing undue reliance on network requirements or network services?

We support the proposal to address networks however it will be burdensome for all firms within a network to comply with the requirements.

14) Do you support the proposals addressing service providers?

We support the proposals addressing service providers.

15) With respect to national standard setters and regulators, will the change in title to "ISQM" create significant difficulties in adopting the standard at a jurisdictional level?

The German Professional Charter for Professional Accountants in Public Practice (BS WP/vBP) refers in several provisions to extant ISCQ 1. The needs for changes cannot be assessed before a carefully analyses have been executed, which could be seen as an administrative burden.