



Meeting: Stakeholder Advisory Council (SAC)
Meeting Location: New York, United States of America
Meeting Date: April 29 – 30, 2024

Agenda Item F

Firm Culture and Governance (IESBA)

Objective of Agenda Item

1. To consider a presentation on a new IESBA work stream on the topic of firm culture and governance.
2. To share views on strategic and other high-level matters relating to this work stream during the break-out group session and report back.

Project Status

3. At its December 2023 meeting, the IESBA approved its [Strategy and Work Plan 2024 – 2027](#) (SWP). Under this new SWP, the IESBA agreed to commence a new work stream in Q1 2024 as a strategic priority on firm culture and governance.¹
4. The IESBA approved the Working Group's [Terms of Reference](#) (ToR) at its March 2024 meeting. The Working Group (WG) will conduct outreaches (both face-to-face and virtual) and continue with its desktop research in Q2 and Q3, 2024.

SAC Discussion

5. During the meeting, SAC members will receive a brief presentation on the topic of firm culture and governance, which will include background information, the work stream's objectives, and observations made at the March 2024 IESBA meeting.
6. Following the presentation, SAC members will be organized into breakout groups to share views on the questions listed below. Please refer to Appendix Two for the allocation of the breakout groups.
7. Each breakout group will be asked to report back on the key comments raised during their discussions.

Matters for SAC Consideration

Breakout Group One

1. What are your views on the themes/areas of inquiry highlighted in the presentation? Which of those themes/areas do you believe the WG should prioritize in its fact-finding and why? Are there additional themes/areas of inquiry you believe the WG should investigate?

¹ Refer to pp. 35-36 of the SWP (Agenda 2-H.1 of the IESBA December 2023 meeting)

2. Should the WG look broadly at organizational culture and corporate governance to determine what might be particularly relevant for firm culture and governance?
3. What do you believe would be key success factors for this work stream and what might be risks or challenges to achieving them?
4. What are the key attributes of a governance framework within a firm that would contribute to the development of a strong ethical culture?

Breakout Group Two

1. What are your views on the themes/areas of inquiry highlighted in the presentation? Which of those themes/areas do you believe the WG should prioritize in its fact-finding and why? Are there additional themes/areas of inquiry you believe the WG should investigate?
2. Do you think there is an expectation gap about the effectiveness of an accounting firm's governance framework in addressing unethical behavior or weaknesses/shortcomings in ethical culture in a timely manner? If so, what might be contributing to this gap?
3. Do you believe the IESBA's work risks creating confusion about the roles of various market participants on this topic (e.g., legislators, regulators, and firms)? If so, what advice would you give the IESBA on the appropriate guardrails in this regard as it charts a path forward on this strategic initiative?

Breakout Group Three

1. What are your views on the themes/areas of inquiry highlighted in the presentation? Which of those themes/areas do you believe the WG should prioritize in its fact-finding and why? Are there additional themes/areas of inquiry you believe the WG should investigate?
2. What are your views on the tension between an accounting firm's responsibility to act in the public interest and its profit-making goal as a private business? How do you think firms can best address that tension?
3. What are the key attributes of culture that may contribute to ethical behavior within an accounting firm?
4. Do you believe the culture and governance issues observed in accounting firms are more or less prevalent in advisory or consulting firms outside the accountancy profession? What attributes of accounting firms, if any, make issues of unethical behavior more likely to appear in the headlines than compared with other professional services firms?

Way Forward

8. At the June 2024 IESBA meeting, the WG will provide an update on the progress of the work stream, including feedback received from SAC members during this session.

Material Presented

For Discussion

Agenda Item F.1 Presentation: Firm Culture and Governance

For Reference

[Firm Culture and Governance Terms of Reference \(Approved\)](#)

APPENDIX ONE

Project Details and History

Project: IESBA – Firm Culture and Governance

Link to IESBA Project Page: [IESBA – Firm Culture and Governance](#)

Working Group Members

- [Channa Wijesinghe](#), IESBA Member and Chair of Working Group
- [Rich Huesken](#), IESBA Member
- [Héctor J. Lehuedé](#), IESBA Member
- [Rania Uwaydah Mardini](#), IESBA Member

IESBA Staff

- [Geoffrey Kwan](#)
- [Carla Vijian](#)

Consultant

- [Richard Fleck](#)

Summary

	SAC Meeting	IESBA Meeting
Information Gathering		March 2023

APPENDIX TWO

List of Break-Out Groups

#	SAC Representative	Organization
Break-Out Group One		
1.	Alan Johnson	SAC Chair
2.	Chikako Matsumoto	Sumitomo Mitsui Trust Bank
3.	Hilde Blomme	Accountancy Europe
4.	Ivanyra Correia	Board Member and Finance Executive (Brazil)
5.	Dr Bello Danbatta Lawal	Islamic Financial Services Board (Malaysia)
6.	Nikolaos Papadimos	Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)
7.	Toshimitsu Suzuki	Daiwa Institute of Research Ltd.
8.	Dr Jianhua Tang	Chinese Institute of CPAs (CICPA)
9.	George Kabwe (Observer)	International Monetary Fund
Break-Out Group Two		
1.	Ashley Rangel	US Office of the Comptroller of the Currency (USA)
2.	Claes Norberg	Confederation of Swedish Enterprise
3.	Monica Foerster	Confidor (Brazil)
4.	Iheanyi Anyahara	Financial Reporting Council of Nigeria
5.	Koichiro Kuramochi	Financial Services Agency (Japan)
6.	Natasha Landell-Mills	Sarasin & Partners
7.	Susan Coffey	Association of International Certified Professional Accountants (USA)
8.	James Ferris (Observer)	Financial Reporting Council (United Kingdom)
Break-Out Group Three		
1.	David Correia	Office of the Superintendent of Financial Institutions (Canada)
2.	Duane Desparte	Public Company Accounting Oversight Board (USA)

Firm Culture and Governance
SAC Public Session (April 2024)

#	SAC Representative	Organization
3.	Hina Usmani	Usmani & Co. (Pakistan)
4.	Isabelle Grauer-Gaynor	European Securities and Markets Authority (France)
5.	Jose Esposito	Banco de Credito del Peru / Credicorp Ltd
6.	Nicole Ratzinger-Sakel	University of Hamburg
7.	Vicki Myburgh	PwC (South Africa)
8.	Robert Buchanan (Observer)	PIOB Observer