




Public Interest Oversight Board

PUBLIC INTEREST OVERSIGHT BOARD

Jane Diplock

IAASB CAG Meeting New York – September 8-9, 2014

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Public Interest Oversight Board

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THE PIOB

- Created in 2005 after 2003 financial scandals.
- IFAC 2003 Reforms: International Public Interest organizations sought measures to address concerns about audit. Establishment of the PIOB as an independent oversight body.
- PIOB Objectives:
 - To ensure the public interest responsiveness of the standards;
 - To improve the due process by which they were formulated;
 - To increase the quality of standards for audit, education and ethics.
- PIOB MANDATE: “to increase the confidence of investors and others that the public interest activities of IFAC (including the setting of standards by IFAC boards and committees) are properly responsive to the public interest.”


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PIOB Board members




Mr. Eddy Wymeersch



Mr. Chandrashekhar Bhawe




Ms. Jane Diplock



Mr. Nicolaas van der Ende


New Board members




Mrs. Maria Helena Pettersson



Mr. Karel van Hulle




Mr. Michael Holm



Mr. Charles Horstmann

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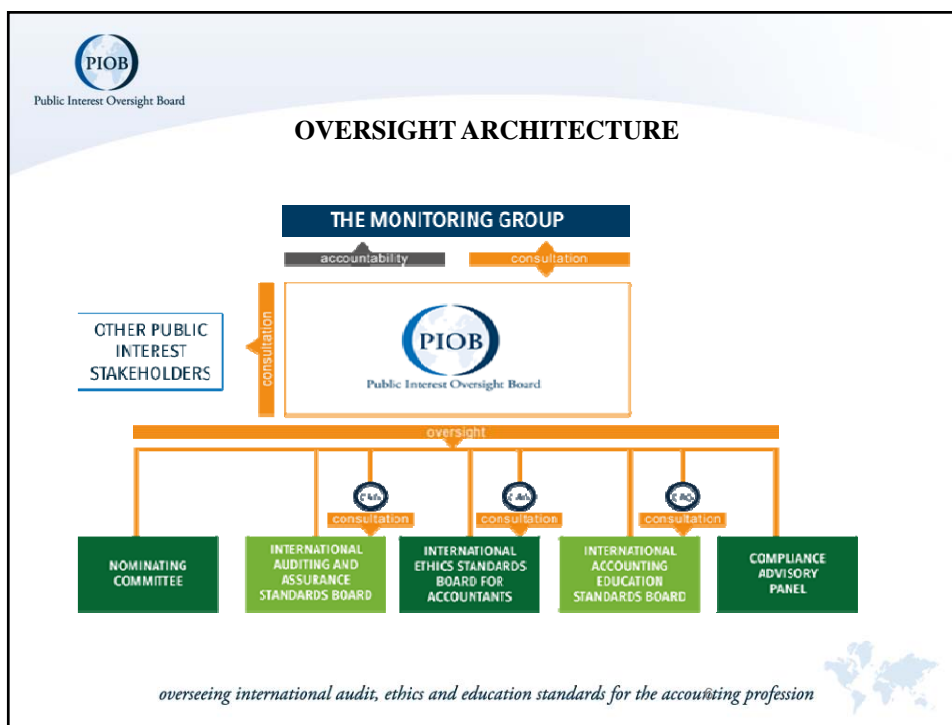


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PIOB Staff

- Gonzalo Ramos – Secretary General
- Susana Novoa – Director of Oversight
- Claudia Deodati – Oversight Advisor
- Rocío Goudie – Communications Advisor
- Renzo Lari – Financial Controller
- Heather Erickson – Executive Assistant

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SCOPE AND NATURE OF PIOB OVERSIGHT

SCOPE:

- Oversight of the standard-setting process:
 - IAASB
 - IESBA
 - IAESB
 - And their respective CAGs
- Oversight of the Compliance Advisory Panel (CAP)
- Oversight of strategies and work programs of the SSBs and CAP
- Oversight of the nominations process (nominations to SSBs, CAGs, CAP, Nom Com and IFAC Board)
- Oversight of new CAG member organizations and first representatives

NATURE:

Due process oversight and Public Interest responsiveness of standards.
SSBs are responsible to determine the technical content of the standards.

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OVERSIGHT ASSURANCE MODELS ADOPTED IN 2014

OAM	Intensity	When	Features	Assurance	SSBs, CAGs, CAP, NOM COM
1	Very high	Lower confidence	100% observations	High and high cost	
2	High	Insufficient experience	100% observations	High	IESBA, IESBA CAG
3	Medium	Experience building	Less than 100% observations	Moderate	IAASB, IAESB, CAP, IAASB CAG, IAESB CAG, NOM COM
4	Lower	Higher confidence	Minimal observations	Lower	


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Responding to stakeholders' expectations (1/2)


- Sharpening **oversight on public interest responsiveness** through:
 - Oversight of SSB's and CAP's strategies: due process + completeness + possibility to request the addition of projects
 - Closer oversight on technical issues in the standards (public interest implications, i.e. Auditor Reporting)
 - Participation in debates and roundtables (i.e. IESBA NOCLAR)
 - Review of inspection reports to feed the SSB's strategies (Audit Quality)
 - Monitoring MG members' and EAIG's comments to EDs
- Increasing **PIOB's independence** and funding diversification
- **Enhancing international cooperation**
 - Liaising with MG, EAIG, IFIAR and other national regulators

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Responding to stakeholders' expectations (2/2)

- Enhancing **PIOB's communication and transparency**:
 - **9th Public Report** (<http://www.ipiob.org/index.php/public-reports>), published in June 2014, includes:
 - PIOB's response to regulatory concerns;
 - emphasis on Audit Quality;
 - issues raised and recommendations made by the PIOB to the SSBs, the CAGs, CAP and Nom Com;
 - statistics with PIOB oversight activities;
 - external relations and communications activities.
 - **PIOB webpage**
 - **Quarterly Updates** (discussions and decisions made by the PIOB at quarterly meetings) <http://www.ipiob.org/index.php/piob-updates>
 - Regular **PIOB's Board Self-Assessment** exercise

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PIOB Public Interest Workshop (September 11, 2014)

- Objective: to debate the challenges faced by the profession and the role of the CAGs in the standard setting model. It will **not** focus on the definition of public interest.
- Participants
 - CAG Members, SSBs' and CAGs' Chairs, Technical Directors, MG Members, IFAC Leadership, PIOB Board members and staff, Other guests.
- Workshop set-up
 - Participants will be grouped in roundtables (6 to 10) to debate issues
 - Conclusions will be presented
 - Follow-up process: the PIOB will issue a Paper with conclusions from the workshop and will determine impact/actions on the current system

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Most recent discussions at PIOB on CAGs

- Maximum term for CAG members of 9 years (up to 12 years if the member becomes the Chair and is re-elected)
- Completion of full three-year terms for CAGs' Chairs
- Process to invite new members to CAGs to be led by CAG Chairs
- PIOB's expectation to regularly meet simultaneously with the three CAG Chairs (as done in 2012) to debate common issues.

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