

**DRAFT Minutes of the 59<sup>th</sup> Meeting of the  
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS**

**Held via Teleconference on May 4, 2018**

**Voting Members**

Present: Stavros Thomadakis (Chairman)  
Richard Fleck (Deputy Chair)  
Brian Caswell  
Brian Friedrich  
Hironori Fukukawa  
Liesbet Haustermans  
Winifred Kiryabwire  
Caroline Lee  
Alden Leung  
Myriam Madden  
Ian McPhee  
Reyaz Mihular  
Patricia Mulvaney  
Jens Poll  
Sylvie Soulier

**Technical Advisors**

Saadiya Adam (Mr. Mihular)  
James Barbour (Mr. Ashley)  
Denise Canavan (Ms. Haustermans)  
Gregory Driscoll (Ms. Lee)  
Selene Ho (Mr. Leung)  
Gina Maldonado (Kim Gibson)  
Andrew Pinkney (Ms. Mulvaney)  
Sundeep Takwani (Ms. Kiryabwire)  
Toshihiro Yasada (Mr. Fukukawa)

Apologies: Michael Ashley  
Kim Gibson  
Robert Juenemann

David Clark (Ms. Soulier)  
Jens Engelhardt (Mr. Poll)  
Ellen Gorla (Mr. Caswell and Ms. Madden)  
Josephine Haste (Mr. McPhee)

**Non-voting Observers**

Apologies: Kristian Koktvedgaard, IESBA Consultative Advisory Group (CAG) Chair, and Takuya Emoto, Japanese Financial Services Agency (FSA)

**Public Interest Oversight Board (PIOB) Observer**

Present: Jules Muis

**IESBA Technical Staff**

Present: James Gunn (Managing Director, Professional Standards), Ken Siong (Technical Director), Diane Jules (Deputy Director), John Morrow, Geoffrey Kwan and Szilvia Sramko

## 1. Opening Remarks

Dr. Thomadakis welcomed all participants and public observers to the meeting. He noted that the objective of the teleconference was to consider a revised draft of the proposed consultation paper (CP), *Professional Skepticism – Meeting Public Expectations* with a view to approving it for release in May 2018.

## 2. Professional Skepticism (PS)

Mr. Fleck introduced the topic, noting that the CP will be used to seek comments from stakeholders on the IESBA's consideration of the longer-term PS issues, and that it will form the basis of discussions on this topic during the upcoming [global roundtables](#) to be held in Washington DC, USA; Paris, France; and Tokyo, Japan.

Mr. Fleck noted that the CP had undergone extensive review following the March 2018 IESBA meeting based on Board member feedback and comments from representatives of the International Auditing and Assurance Standards Board (IAASB). He focused the Board's attention on several key points in the paper, explaining the main changes as follows:

- Paragraphs 10-11 were revised to articulate the behavior expected of professional accountants in general. The Working Group believes that this behavior is consistent with the definition of PS in the International Standards on Auditing.
- Paragraph 14 was revised to recognize the scalability of PS depending on the experience of the individual and the nature of the work undertaken.
- Table 1 was eliminated as it could cause more confusion than provide clarity.
- Paragraphs 18-22 were revised for three passages inserted to recognize the views of the IAASB PS Working Group. Mr. Fleck noted that the chairs of the working groups from the IESBA, IAASB and International Accounting Education Standards Board (IAESB) had liaised on a regular basis to review and address concerns each Board might have with the matters raised in the CP. While the IAESB Working Group was fully supportive of the CP, the IAASB Working Group had requested some passages to be inserted as well as adding a new Question 9 to the CP, which, after due consideration and further discussion, the IESBA Working Group had accepted.

Mr. Fleck opened the call to questions from IESBA members on any of the points made above. An IESBA member questioned the tone of paragraph 19 which seemed out-of-sync with the neutral tone of the document. Mr. Fleck explained that the IESBA Working Group had originally preferred this wording to be in a footnote, but that the IAASB sub-group felt strongly about moving the text to the main body of the CP. After due consideration, the IESBA Working Group had accepted the request.

No additional questions to discussion points were raised.

### APPROVAL

The Board approved the CP for release with 15 affirmative votes out of the 15 Board members present. The Board set the comment period for a minimum of 90 days from the date of issuance of the CP.

## 3. PIOB Observer's Remarks

Mr. Muis congratulated the IESBA on approving the CP, noting the fruitful discussions it had with representatives of the IAASB and IAESB. He also noted that the PIOB had agreed this was not the forum

to explore the broader issues relating to firms' business model in light of the number of professional skepticism issues that are already being addressed. Mr. Muis thanked the IESBA for the opportunity to participate in the discussion.

**4. Next Meeting**

The next Board meeting is scheduled for June 18-20, 2018 in Athens, Greece.

**5. Closing Remarks**

Dr. Thomadakis thanked Mr. Fleck, the Working Group and staff for their efforts and the Board participants for their contributions to the meeting. He then closed the meeting.