

Meeting: IESBA

Agenda Item

2

Meeting Location: Virtual

Meeting Date: November 30-December 9, 2020

Non-Assurance Services Cover Note

Objectives

1. To:
 - (a) Consider any remaining issues¹ and final revisions to the Code's Non-Assurance Services (NAS) provisions and related conforming amendments.
 - (b) Approve the final revisions to the NAS provisions of the Code.

The Task Force welcomes drafting suggestions in advance of the IESBA meeting. Please email dianejules@ethicsboard.org and kamleung@ethicsboard.org.

Activities since Last IESBA Discussion

2. The Task Force members met four times virtually in October and November 2020 to develop and finalize the agenda materials for this meeting.

Targeted Outreach

3. After the [September/ October 2020 IESBA meeting](#), the Task Force briefed the following stakeholder groups² on the significant comments raised on the NAS ED, and the related responses being considered.
 - Forum of Firms (FoF).
 - IESBA National Standard Setters (NSS) Liaison Group.
 - IFAC Small and Medium Practices Advisory Group (SMPAG).
 - Representatives of the International Forum of Independent Audit Regulators (IFIAR) and the International Organization of Securities Commissions (IOSCO).
 - Committee of European Auditing Oversight Bodies (CEAOB).

¹ The IESBA considered a full analysis of the comments raised by respondents on the Exposure Draft, [Proposed Revisions to the Non-Assurance Services Provisions of the Code](#)

² The proposed text incorporates input received from the IESBA's Consultative Advisory Group (CAG), including views provided during the September/ October 2020 CAG meeting. Appendix 1 to this paper provides the project history for the NAS project, including access to previous IESBA CAG agenda materials and related minutes. Refer also to the [NAS project webpage](#) for additional background information about the project.

4. The Task Force Chair will brief the IESBA on the significant matters discussed during those meeting discussions, including how the various stakeholder inputs have informed the refinements to the proposed text in **Agenda Item 2-B** in December 2020.

Consideration of IESBA Input on October 2020 Draft

5. The Task Force circulated a revised draft of the revisions to September 2020 draft text to IESBA members, Technical Advisors and Formal Observers for input in mid-October. **Agenda Item 2-C** is a compilation of the comments received and the Task Force's responses. **Agenda Item 2-A** summarizes the remaining issues for IESBA consideration and the Task Force responses.

Coordination with other Task Forces, including the Fees Task Force

6. The NAS and Fees Task Forces continue to coordinate their work, especially in relation to the provisions relating to firm communication with those charged with governance about the provision of NAS to PIE audit clients and the related NAS fees.

Actions Requested

7. IESBA members are asked to:
 - (a) Consider the refinements to the revised text in **Agenda Item 2-B**.
 - (b) Consider whether there are any matters raised by respondents to the NAS ED, in addition to those summarized by the Task Force, that should be discussed by the Board.³
 - (c) Approve the revisions to the NAS provisions.
 - (d) Determine an effective date for the revised NAS provisions.

Materials Presented

For Discussion

Agenda Item 2-A	Non-Assurance Services Remaining Issues & Task Force Proposals
Agenda Item 2-B	Revisions to Proposed Text (Mark-up from October 2020 draft)

For Reference

Agenda Item 2-C	Compilation of Comments on October 2020 Draft with Task Force Responses
Agenda Item 2-D	Revisions to Proposed Text (Mark-up from NAS ED)
Agenda Item 2-E	Mapping Table, Comparison of Extant Code to Revised NAS Provisions
Agenda Item 2-F	Revisions to Proposed Text in NAS ED (Clean)

³ All comment letters in response to the NAS ED can be accessed on the [IESBA website](#); have been carefully analyzed by the Task Force; and were considered by the IESBA in September 2020 (see Agenda Item 3-A, [Summary of Significant Comments & Task Force Responses](#), Agenda Item 3-C, [Analysis of Overarching Issues & NAS Comments by ED-paragraph Number with Task Force Responses](#), and Agenda Item 3-D, [Compilation of NAS ED Comments with Task Force Responses](#)).

Project History

Project: NAS

Summary

	CAG Meeting	IESBA Meeting
Information gathering/ Discussion	March 2018	March 2018
NAS discussion paper considered at global roundtables in June – July 2018		
Project commencement, including: <ul style="list-style-type: none"> • Consideration of feedback from roundtables • Approval of project proposal 	September 2018	June 2018 September 2018
Development of proposed international pronouncement (up to exposure)	March 2019 September 2019	December 2018 March 2019 June 2019 September 2019 December 2019
ED issued and available on IESBA Website since January 2020; comment deadline June 4, 2020		
Consideration of responses to ED	September 2020 November/ December 2020	July 2020 September 2020