

**Meeting:** IESBA  
**Meeting Location:** New York, NY  
**Meeting Date:** March 12-14, 2018

## Agenda Item 2

### Professional Skepticism

#### Objectives of Agenda Item

1. To consider a “first-read” draft of a consultation paper (CP) developed by the IESBA Professional Skepticism Working Group.

#### Working Group

2. The Working Group (WG) comprises:
  - Richard Fleck, Chair and IESBA Deputy Chair
  - Trish Mulvaney, IESBA Member
  - Hiro Fukukawa, IESBA Member
  - James Barbour, IESBA Technical Advisor

#### Background

3. In August 2017 the tripartite Joint Professional Skepticism Working Group issued its paper titled [\*Toward Enhanced Professional Skepticism\*](#), where the IESBA committed to “clarify the behavior that is expected of all public accountants in the public interest.” The publication went on to note that there is a need for further study about whether and, if so, how aspects of the concepts underlying professional skepticism apply more broadly to all professional accountants – not just auditors.
4. Following successful completion of the project to add application material to the Code clarifying how professional skepticism and professional judgment relate to the fundamental principles for auditors, the WG began this longer-term project to learn what the profession and its stakeholders expect from professional accountants (PAs) generally relating to professional skepticism.
5. The WG seeks discussion and input from the IESBA on a draft CP that it anticipates releasing by April/May 2018 which explores:
  - (a) The behavioral characteristics inherent in professional skepticism,
  - (b) Whether those behavioral characteristics should be exercised by all PAs, and
  - (c) Whether the Code should be further developed as a result.

#### Activities since Last IESBA Discussion

6. The WG held a two-day meeting in February 2018 and subsequently liaised via email to develop the agenda material for this Board meeting.

7. At its March 2018 IESBA Consultative Advisory Group (CAG) meeting, the WG will obtain the CAG's input on the draft CP. The WG Chair will update the Board on the main outcomes of the CAG discussions during its March 2018 meeting.

## Material Presented

Agenda Item B-1      Draft Consultation Paper: *Professional Skepticism – Meeting Public Expectations*

## Action Requested

8. IESBA members are asked to consider the draft CP in **Agenda Item 2-A**, and provide input to the WG.

## Timing

9. Subject to the IESBA's support, the WG plans to finalize the CP in April/ May 2018. It is anticipated that the CP will be released by May 2018 with a 90 day comment period. At the same time, the WG is planning three roundtable sessions in June/July 2018, one in each of North America, Europe, and Asia.