

## **Appropriate Reviewer Objectivity Due Process**

### **Objective of Agenda Item**

1. To advise the IESBA of the status of due process regarding the proposed revisions to the Code relating to Appropriate Reviewer Objectivity.

### **Background**

2. The Senior Technical Director is responsible for advising the IESBA as to whether due process has been followed effectively and with proper regard for the public interest before final changes to the Code are approved for issuance.
3. The following outlines the Senior Technical Director's conclusion and basis thereof with respect to actions up to the September 2020 IESBA meeting for the abovementioned revisions to the Code. Before final approval of the changes, the Senior Technical Director will advise on whether due process has been followed during the course of the September 2020 IESBA meeting.

### **Due Process Up to the Date of the September 2020 IESBA Meeting**

4. The Senior Technical Director confirms to the IESBA that up to its September 2020 IESBA meeting, the changes to the Code arising from this project have been developed in accordance with the IESBA's due process.
5. In summary, for the proposed changes, the IESBA:
  - Approved the relevant project proposal for commencement of work on the proposed revisions to the Code. To inform the development of the project proposal, IESBA representatives engaged with the IAASB ISQM 2 Task Force to solicit input into the objectives and scope of the project, and the range of issues to be addressed.
  - Consulted with the IESBA Consultative Advisory Group (CAG) on:
    - The proposal to start the project; and
    - The significant issues relating to the development of the proposed revisions.Significant comments received through the consultation with the CAG have been brought to the IESBA's attention, and the project Task Force has reported back to the CAG the results of the IESBA's deliberations.
  - Approved and issued an exposure draft of the proposed revisions to the Code for public comment, together with an explanatory memorandum highlighting, among other matters, the IESBA's significant proposals.
  - Considered an analysis of the significant issues raised by respondents on the exposure draft, including outlines of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
  - Having familiarized itself with the issues raised in comment letters on the exposure draft:

Appropriate Reviewer Objectivity – Due Process  
*IESBA Virtual Meeting (September 2020)*

- Deliberated significant matters raised in the comment letters; and
- Amended the proposed changes to the Code accordingly.
- Consulted with the CAG on significant issues raised in comment letters on the exposure draft of the proposed changes and the IESBA's related responses. Significant comments received through the consultation with the CAG have been brought to the IESBA's attention.