

Quality Management-related Conforming Amendments Due Process

Objective of Agenda Item

1. To advise the IESBA of the status of due process regarding the proposed conforming amendments to the Code arising from the finalization of the International Auditing and Assurance Standards Board (IAASB's) quality management standards.¹

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 November-December 2021 IESBA meeting for the abovementioned conforming amendments 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 November-December 2021 IESBA meeting.

Due Process Up to the Date of the November-December 2021 IESBA Meeting

4. The Senior Technical Director confirms to the IESBA that up to its November-December 2021 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 changes to the Code.
 - Informed the IESBA Consultative Advisory Group (CAG) about the development of the proposed changes to the Code but did not find need to consult with the CAG given the conforming nature of the proposed changes.
 - Approved and issued an exposure draft of the proposed changes 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:
 - Deliberated significant matters raised in the comment letters; and

¹ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagement*; ISQM 2, *Engagement Quality Reviews*; and International Standard on Auditing (ISA) 220, *Quality Management for an Audit of Financial Statements*

QM-related Conforming Amendments – Due Process

IESBA Meeting (November-December 2021)

- Amended the proposed changes to the Code accordingly.
- Coordinated closely with IAASB representatives throughout the project.