

Meeting: IESBA
Meeting Location: New York
Meeting Date: September 26-30, 2016

Agenda Item

5

Long Association

Objectives of Agenda Item

1. To consider:
 - (a) Final changes to the provisions addressing long association of personnel with an audit or assurance client with a view to closing off the provisions under the extant structure and drafting conventions;
 - (b) A revised draft of the IESBA Staff Questions & Answers (Q&A) publication to be issued with the release of the final revised and restructured long association provisions; and
 - (c) A revised draft of the restructured long association provisions based on the extant text presented at this meeting.

Task Force

2. Members:
 - Richard Fleck, Chair, IESBA Deputy Chair
 - Brian Caswell, IESBA Member
 - Gary Hannaford, IESBA Member
 - Chishala Kateka, IESBA Member
 - Andrew Pinkney, IESBA Technical Advisor

Activities since Last Board Discussion

3. The Task Force met twice via teleconference in July and August 2016 to consider, among other matters, the June 2016 Board feedback; a late response from Committee 1 of the International Organization of Securities Commissions (IOSCO), a Monitoring Group member, on the re-Exposure Draft;¹ and the draft restructured text.² In developing the draft restructured text, the Task Force liaised with and received input from:
 - (a) The Structure of the Code Task Force in relation to matters of consistency with the new structure drafting conventions; and

¹ February 2016 re-Exposure Draft, [Limited Re-exposure of Proposed Changes to the Code Addressing the Long Association of Personnel with an Audit Client](#)

² Targeted for approval for exposure at the December 2016 IESBA meeting and for release as part of the Exposure Draft of Phase 2 of the Structure of the Code project

- (b) The Safeguards Task Force in relation to conforming changes resulting from that Task Force's latest proposals on the Safeguards project.
4. The Long Association Task Force subsequently corresponded via email to finalize the agenda material for this meeting, including the revised draft Q&A publication.
5. At the September 2016 IESBA Consultative Advisory Group (CAG) meeting, the Task Force Chair will brief the CAG on the significant comments received on the re-Exposure Draft and the Board's tentative decisions in the light of respondents' feedback on exposure. The Task Force Chair will also present the proposed final changes to the Long Association text scheduled for close-off at the September 2016 IESBA meeting. An oral report-back on the main outcomes of the CAG discussion will be provided at the Board meeting.

Material Presented

Agenda Item 5-A	Issues and Task Force Proposals
Agenda Item 5-B	Revised Long Association Provisions (Mark-up from June 2016 Draft)
Agenda Item 5-C	Revised Long Association Provisions (Mark-up from Re-ED)
Agenda Item 5-D	Revised Long Association Provisions (Clean)
Agenda Item 5-E	IOSCO Committee 1 Comments and Task Force Responses
Agenda Item 5-F	Revised Draft FAQs (Mark-up)
Agenda Item 5-G	Revised Draft FAQs (Clean)
Agenda Item 5-H	Draft Restructured Long Association Provisions (Mark-up)
Agenda Item 5-I	Draft Restructured Long Association Provisions (Clean)
Agenda Item 5-J	Due Process

Drafts to be Discussed at the Meeting

6. The Task Force proposes that the following versions of documents be discussed at the meeting:
- For purposes of closing-off the Long Association text: the version marked from the June 2016 draft (**Agenda Item 5-B**).
 - For purposes of obtaining Board feedback on the revised draft FAQs: the clean version of the FAQs (**Agenda Item 5-G**).
 - For purposes of obtaining Board feedback on the restructuring of the provisions: the marked-up version from the extant revised provisions (**Agenda Item 5-H**).

Action Requested

7. The IESBA is asked to:
 - (a) Approve the final Long Association text (**Agenda Item 5-B**) under the extant structure and drafting conventions, taking into account the matters for consideration presented in Agenda Item 5-A;
 - (b) Provide feedback on the revised draft FAQs presented in **Agenda Item 5-G**; and
 - (c) Provide feedback on the draft restructured provisions in **Agenda Item 5-H**.