

Meeting: IESBA
Meeting Location: Virtual
Meeting Date: June 8 – 15, 2020

Agenda Item 5 (Updated)

Engagement Quality Reviewer (EQR) Objectivity

Objectives of Agenda Item

1. To consider the significant comments raised by respondents to the January 2020 Exposure Draft (ED), [Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers](#) and related Task Force responses; and
2. To provide input on the Task Force's proposed revisions to the ED text.

The proposed text in **Agenda Item 5-B** is to be read in conjunction with the issues paper in **Agenda Item 5-A**. The Task Force welcomes any advance comments and drafting suggestions on **Agenda Item 5-B** via email at: Carla.vijian@ethicsboard.org.

Task Force Members

3. The Task Force comprises:
 - Sylvie Soulier, Chair, former IESBA Member
 - Michael Ashley, IESBA Member
 - Denise Canavan, IESBA Technical Advisor

Activities since the IESBA's Approval of the Exposure Draft

4. The Task Force Chair presented the project proposal and briefed the CAG on the proposals in the ED at the IESBA CAG teleconference held in December 2019. Ms. Soulier will brief the IESBA on the CAG's feedback during the presentation.¹
5. The Task Force held teleconferences in March, April and May 2020 to review the responses to the ED² and develop the agenda materials for this meeting.
6. Two coordination meetings were held with representatives of the IAASB's ISQM 2 Task Force in April and May 2020 to discuss (a) the comment letters received, in particular the matter of cooling off with respect to an engagement partner being appointed to an EQR role on the same engagement and the location of such guidance, and (b) the IESBA Task Force's proposed changes to the ED text. The feedback from the IAASB representatives has been considered by the Task Force in developing **Agenda Items 5-A and 5-B**.

¹ The minutes of the December CAG teleconference can be accessed [here](#).

² All comment letters on the ED can be accessed [here](#).

Material Presented

For Discussion

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|-----------------|---|
| Agenda Item 5-A | Summary of Significant Comments on the ED and Task Force Proposals |
| Agenda Item 5-B | Draft Changes to Section 300 and Proposed New Section 325 (Marked-up from ED) |

For Reference

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|-----------------|--|
| Agenda Item 5-C | Draft Changes to Section 300 and Proposed New Section 325 (Clean) |
| Agenda Item 5-D | Task Force Detailed Responses to EQR ED Comment Letters |
| Agenda Item 5-E | Extract of Paragraphs with Reference to Appropriate Reviewer in the Code |
| Agenda Item 5-F | Report by ED Question – Q1 (FOR REFERENCE) |
| Agenda Item 5-G | Report by ED Question – Q2 (FOR REFERENCE) |
| Agenda Item 5-H | Report by ED Question – Q3 (FOR REFERENCE) |

Action Requested

7. IESBA members are asked to:
 - (a) Consider the matters raised in **Agenda Item 5-A** and the Task Force's Proposed revisions to the ED text in **Agenda Item 5-B**; and
 - (b) Provide input to the Task Force.

Next Steps

8. Subject to the outcome of the Board's deliberation in June, the Task Force anticipates seeking:
 - CAG input on the Task Force's responses to the significant matters raised on exposure at the September 2020 IESBA CAG meeting; and
 - Board approval of the final pronouncement at the September 2020 IESBA meeting.