

Meeting: IESBA Meeting
Meeting Location: Athens, Greece
Meeting Date: June 18–20, 2018

Agenda Item

6

IAASB-IESBA Coordination

Objective

1. To receive an update on the status of IAASB-IESBA coordination activities.

Highlights of Coordination Activities since March 2018 Discussion

2. IAASB representatives presented an overview of various IAASB projects, including Quality Control, and Agreed-Upon Procedures, via webcast on May 18, 2018. This webinar will be accessible on the IESBA website by June 30, 2018.
3. The coordination efforts relating to the Professional Skepticism and Alignment of Part 4B¹ with ISAE 3000 (Revised) initiatives are being progressed at the Working Group level. Accordingly, the Chairs of those Working Groups will brief the IESBA as appropriate.

ISQC 1²

4. In May, Ms. Soulier, IESBA liaison to IAASB, and IESBA Staff met via teleconference with the Chair of the IAASB's Quality Control Task Force, Ms. Karin French, and IAASB Staff (including the acting Technical Director Dan Montgomery) to discuss initial reactions to the March 2018 draft of proposed ISQC 1 (Revised) from an IESBA perspective. Subsequent to this meeting, senior staff of IAASB and IESBA held further discussions to exchange views about how best to approach coordination between the two Boards on this project.
5. At the June 2018 IESBA meeting, Ms. Soulier will provide an update on significant comments raised by IESBA representatives on the March 2018 draft of ISQC 1 and how those comments were considered by the Task Force. Those issues can be categorized as follows:
 - Matters that arise as a result of the revisions or restructuring of the extant Code.
 - Consistency matters – i.e., situations in which certain terms or concepts that are defined or described in the Code are referred to in proposed ISQC 1 in a different way, or in a manner that might create confusion or inconsistent application.
 - Tone/ presentation matters – Suggestions to enhance the tone or presentation of the requirements or guidance in ISQC 1 from an ethics/independence perspective.

¹ International Independence Standards, Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements

² Proposed International Standard on Quality Control (ISQC) 1 (Revised), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

6. For noting, IESBA members are provided an extract of the revised draft of ISQC 1 that will be considered by the IAASB at its June 2018 meeting. Those revisions are intended to be responsive to the feedback from IAASB's outreach with its stakeholders and the input received from IESBA representatives.
7. During the meeting, Ms. Soulier will provide an overview of the planned coordination activities and future discussions related to ISQC 1 and the Quality Control project more broadly. Ms. Soulier will also solicit input on the proposed revisions to ISQC 1, in particular the paragraphs that refer to ethics and independence responsibilities (e.g., paragraphs 2A-6).

Material Presented

Agenda Item 6-A Extract from the IAASB's Draft Exposure Draft of ISQC 1 (Clean)

Agenda Item 6-B Extract from the IAASB's Draft Exposure Draft of ISQC 1 (Mark-up from March 2018)

Material Presented for Reference (Links Only)

[June 2018 IAASB Agenda Item 5](#) – Quality Management Issues Paper

[March 2018 IAASB Agenda Item 7-A](#) – Draft Exposure Draft of ISQC 1 (Clean)

[March 2018 IAASB Agenda Item 7-C](#) – Comparison of Extant ISQC 1 to Proposed ISQC 1 (Revised)

Action Requested

8. IESBA members are asked to consider the presentation and share any reactions.