

IESBA Strategy and Work Plan 2019-2023—Mid-cycle Status Report

#	Topic	Nature of Commitment	Key Performance Indicators	Status
Advancing the Code's Relevance and Impact				
1.	Trends and Developments in Technology [Started: Q4 2018]	Gather an understanding of the transformative effects of trends and developments in technology on the assurance, accounting and finance functions, and explore their ethical implications	<ul style="list-style-type: none"> • Deliver fact finding report and recommendations to IESBA; focused on AI and Big Data/Data Analytics • Recommendations actioned 	<ul style="list-style-type: none"> • Phase 1 report and recommendations delivered Dec 2019 • Spawned two separate work groups pursuing multiple workstreams: <ul style="list-style-type: none"> ○ Technology TF formed Q1 2020 to action 7 recommendations for enhancing the Code; ED targeted Q4 2021 ○ New Technology WG formed Q1 2021 to pursue (1) thought leadership, NAM or other material, either alone or in collaboration with stakeholders (a number of publications issued or in progress); and (2) next phase of fact finding in other technology areas beginning Q2 2021

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2.	Emerging or Newer Models of Service Delivery [Expected start: Q1 2020]	Explore the ethical implications of emerging or newer models of service delivery such as managed services that firms may provide or outsourced services that firms may use, and the related ethical implications for any PAIBs who are involved in decisions about such services	Deliver fact finding report and recommendations to IESBA	Initiative to be started
3.	Emerging issues [Ongoing]	Consider emerging issues brought forward by the EIOC and determine appropriate actions	<ul style="list-style-type: none"> Regular briefings to IESBA on external developments of relevance to IESBA's remit Specific actions identified as a result of EIOC's work 	<ul style="list-style-type: none"> On track with half-yearly briefings to IESBA In progress: potential strategic focus on ESG developments in upcoming SWP 2024-2028
Advancing the Code's Relevance and Impact				
4.	Promoting the Role and Mindset of Expected Professional Accountants [Started: Q3 2018]	Explore how best to respond to calls from the PIOB and certain stakeholders for enhancement to the exercise of the concept of "professional skepticism" among all categories of PAs in the Code	Revised provisions approved to enhance exercise of the concept of "professional skepticism" among all categories of PAs	Achieved – Role & Mindset pronouncement released Oct 2020
5.	NAS [Started: Q3 2018]	Review the independence provisions in the Code applicable to the provision of NAS to audit and assurance clients from a broad permissibility perspective	Strengthened NAS provisions developed and approved	Achieved – NAS pronouncement released April 2021
6.	Fees	Explore fee-related matters raised by the	<ul style="list-style-type: none"> Deliver fact finding report 	<ul style="list-style-type: none"> Achieved

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	[Started: Q3 2018]	regulatory community to determine whether there is a need for further enhancements to the Code or the commissioning of staff guidance	and recommendations to IESBA <ul style="list-style-type: none"> • Recommendations actioned 	<ul style="list-style-type: none"> ○ Final report and recommendations from Fees WG delivered to IESBA June 2018 ○ Project launched Sept 2018; final Fees pronouncement released April 2021
7.	Part 4B Consistency with ISAE 3000 (Revised) [Started: Q3 2018]	Review Part 4B of the restructured Code for any changes needed to make the provisions in that section consistent with the assurance terms and concepts in ISAE 3000 (Revised)	Revised Part 4B aligned with ISAE 3000 (Revised)	Achieved – Revised Part 4B pronouncement released Jan 2020
8.	Definitions of Listed Entity and Public Interest Entity [Expected start: Q2 2021]	Explore whether the definitions of these two terms should be revised and the implications of any changes on how the Code addresses listed entities and PIEs	<ul style="list-style-type: none"> • Basis established as to whether to revise the listed entity and PIE definitions • If so, revised definitions developed and approved 	<ul style="list-style-type: none"> • Project launched Dec 2019 in coordination with IAASB • Revisions expected to be approved Dec 2021
9.	Materiality [Expected start: Q1 2021]	Consider whether greater clarity is needed regarding how the concept of materiality should be applied across the Code	<ul style="list-style-type: none"> • Basis established as to whether further clarification warranted re use of materiality in the Code • If so, enhanced provisions developed and approved 	<ul style="list-style-type: none"> • Virtually all the provisions in the International Independence Standards that refer to materiality in relation to PIEs have been eliminated following the revision of the non-assurance services provisions; accordingly, the priority of this topic has

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				significantly lessened
10.	Tax Planning and Related Services [Fact finding commenced Q2 2019]	Obtain an understanding of developments in tax planning by companies and related professional services, and explore the associated ethical questions to which they give rise to determine the nature and extent of any response	<ul style="list-style-type: none"> • Deliver fact finding report and recommendations to IESBA • Recommendations actioned 	Project launched Q3 2021
11.	Documentation [Expected project proposal Q2 2023]	Review the nature, extent and location of material relating to documentation in the Code to determine how they can be streamlined and, where appropriate, strengthened	<ul style="list-style-type: none"> • Analysis of documentation provisions in the Code and assessment of whether revisions needed • If so, enhanced provisions developed and approved 	Initiative to be started
12.	General Maintenance of the Code [Ongoing]	Address the need for limited scope changes to the Code of a general maintenance nature	Revisions developed and approved where need for maintenance changes identified	No specific commitment on Code maintenance yet
Deepening and Expanding the Code's Influence				
13.	eCode [Phase 2 commencing Q3 2019]	Leverage the new structure of the Code and developments in technology to develop a web-based tool with “app-like” features and functionalities to increase the accessibility, visibility and ease of use of the Code	<ul style="list-style-type: none"> • eCode Phase 2 released 	<ul style="list-style-type: none"> • Enhanced eCode delivered with version control • Transitioned to eCode 2.0 on IFAC eIS platform Nov 2021
14.	NOCLAR	Review how effectively the implementation of	<ul style="list-style-type: none"> • Deliver report and 	Initiative to be started

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	Implementation Review [Fact finding commencing Q2 2023]	the NOCLAR provisions around the world is meeting the objectives of the project	<ul style="list-style-type: none"> recommendations to IESBA Recommendations actioned 	
15.	Long association Implementation Review [Phase 1: Fact finding commencing Q3 2020 Phase 2: Fact finding commencing Q2 2023]	<ul style="list-style-type: none"> Phase 1: Review the implementation status of the five-year cooling off requirement for engagement partners on audits of PIEs, and any issues arising from the implementation of such requirement before the expiry of the transition period for the jurisdictional provision Phase 2: Review how effectively the other revised long association provisions in the Code are being implemented in practice (taking into account legislative or regulatory developments relating to other regimes around the world intended to address long association, such as mandatory firm rotation and mandatory retendering) 	<ul style="list-style-type: none"> Deliver Phase 1 report and recommendation to IESBA Deliver Phase 2 report and recommendations to IESBA Recommendations actioned 	<ul style="list-style-type: none"> Phase 1 report and recommendation expected to be delivered to IESBA Dec 2021 Phase 2 to be initiated
16.	Implementation Review of the Restructured Code [Fact finding commencing Q2 2023]	Undertake an implementation review of the restructured Code with a view to assessing whether its implementation around the world is effectively meeting the objectives of the restructuring project	<ul style="list-style-type: none"> Deliver report and recommendations to IESBA Recommendations actioned 	Initiative to be started
17.	Promoting Global Adoption of the	Undertake outreach efforts to raise awareness of the significant improvements in the	Rollout strategy for restructured	<ul style="list-style-type: none"> Global communication strategy and action plan

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	Restructured Code [Commenced Q2 2018]	restructured Code and promote its global adoption.	Code developed and executed	<p>presented to IESBA Q2 2018 and executed during 2018-2019</p> <ul style="list-style-type: none"> Restructured Code webpage developed providing a home for implementation support resources
18.	Ongoing Activity	Monitoring and Documenting the Extent of Adoption of the Code	Regular updates to IESBA and stakeholders on status of adoption of the restructured Code, in collaboration with the IFAC Quality & Development Dept	<ul style="list-style-type: none"> IESBA and stakeholders regularly updated on status of adoption of the restructured Code; currently standing at 80+ jurisdictions that have adopted or committed to adopt it Among the G20, the most recent adopters include Russia, China and Saudi Arabia IFAC has developed a Global Impact Map documenting the status of adoption of the Code across its 180 PAO members Next update to IESBA planned for Q1 2022 in context of development of

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				next SWP
19.	Ongoing Activity	Developing and executing a robust communication strategy	Communication strategy developed and executed	<ul style="list-style-type: none"> • Communications plan 2020-2021 presented to IESBA executive session Q3 2020 • Execution on track
20.	Ongoing Activity	Pursuing a proactive stakeholder outreach agenda	<ul style="list-style-type: none"> • Extensive outreach agenda pursued across spectrum of stakeholder community, including regulators and audit oversight bodies, NSS, firms, PAOs, PAIBs and others • Targeted project-specific outreach undertaken 	<ul style="list-style-type: none"> • On track • Additional outreach to investors and corporate governance community to be pursued at PIOB's recommendation
21.	Ongoing Activity	Commissioning the development of appropriate staff publications in support of adoption and implementation (in addition to initiatives to roll out the restructured Code)	<ul style="list-style-type: none"> • Staff publications published to respond to identified issues • Nature and extent of key differences between the Code and national ethical requirements in key G-20 jurisdictions documented (including where possible the reasons for the differences) 	<ul style="list-style-type: none"> • On track <ul style="list-style-type: none"> ○ Project-specific, e.g., Role & Mindset, NAS, Fees ○ To respond to market developments, e.g., IESBA-NSS COVID publications • Benchmarking Phase 1 initiative targeted for completion Q1 2022 <ul style="list-style-type: none"> ○ Next phase of

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				benchmarking initiative to be considered
Expanding the IESBA's Perspectives and Inputs				
22.	Coordination with Other Standard-setting Boards [Ongoing]	Engage in close coordination with the IAASB and IAESB on topics or areas that overlap the remits of the two boards	<ul style="list-style-type: none"> • Coordination workstreams identified and pursued with IAASB • Selected opportunities with IFAC International Panel on Accountancy Education (IPAE) pursued 	<ul style="list-style-type: none"> • On track <ul style="list-style-type: none"> ○ Several coordination workstreams with IAASB completed or in progress, e.g., Role & Mindset, Fees, PIE, EQR Objectivity, Engagement Team – Group Audits Independence ○ Collaboration with IFAC IPAE on outreach events
23.	Ongoing Activity	Seek to extend and deepen engagement and cooperation with stakeholders, including NSS, regulators and audit oversight bodies, and firms	<ul style="list-style-type: none"> • Closer working relationships established with key stakeholders • Specific collaboration opportunities pursued 	<ul style="list-style-type: none"> • On track <ul style="list-style-type: none"> ○ Increased frequency of engagement with NSS, regulators and audit oversight bodies, and firms ○ Specific initiatives pursued with NSS, including on COVID-

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				related developments and IESBA Technology Advisory Group
24.	Ongoing Activity	Speak out on ethics-related developments that have the potential to lead to greater divergence in standards, and seek to influence debates towards greater international convergence	<ul style="list-style-type: none"> • Board or staff responses to selected consultation papers of other organizations • Active participation in global fora on ethics-related matters 	<ul style="list-style-type: none"> • On track <ul style="list-style-type: none"> ○ Responses to national developments such as the Australian parliamentary inquiry into the regulation of auditing, and the Brydon Review in the UK ○ Participation in various global and regional fora and conferences on topics such as NOCLAR, Technology, Tax Planning, ESG
25.	Ongoing Activity	Engage proactively with the Forum of Firms, the IFAC SMP Committee, the IFAC PAIB Committee and other relevant committees of IFAC in seeking their inputs and perspectives on relevant projects, work streams or initiatives	Sustained outreach to Forum of Firms and IFAC SMP and PAIB Advisory Groups	On track
26.	Ongoing Activity	Proactively engage with the academic community	<ul style="list-style-type: none"> • Connections maintained with major academic groups such as AAA, EAA and IAAER 	<ul style="list-style-type: none"> • On track <ul style="list-style-type: none"> ○ Academic literature review commissioned

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			<ul style="list-style-type: none"> • Input from academic community, including research on specific topics and feedback on IESBA EDs and consultation papers 	<p>on topic of fees</p> <ul style="list-style-type: none"> ○ Ongoing IESBA representation at Board and staff levels at academic conferences, including AAA meetings ○ Project-specific engagement with academic community, e.g. on technology ○ Further actions to be considered