

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

## Agenda Item

# 7

### Alignment of Part 4B with ISAE 3000 (Revised)

#### Objective of Agenda Item

1. To provide preliminary input to the Working Group (WG) charged with developing the proposal for the project to address the consistency of Part 4B<sup>1</sup> of the restructured Code with ISAE 3000 (Revised)<sup>2</sup> (“the Project”).

#### Working Group

2. The WG comprises:
  - Liesbet Haustermans, Chair, IESBA Member
  - Saadiya Adam, IESBA Technical Advisor
  - Caroline Lee, IESBA Member
  - Andrew Pinkney, IESBA Technical Advisor
  - Peter Hughes, former IESBA Member (providing technical support)

Szilvia Sramko on IESBA staff provides other support to the WG, including with respect to facilitating coordination with the IAASB.

#### Background

3. In its [Proposed Strategy and Work Plan, 2019 – 2023](#), the IESBA announced that it had made a commitment to review Part 4B of the restructured Code for any changes needed to make the provisions in that section consistent with the revised assurance terms and concepts in ISAE 3000 (Revised). The need for this review had been identified during the restructuring of the Code but was outside the remit of the Structure of the Code project. To avoid delaying completion of the Structure project, the IESBA agreed to defer the review until after completion of the restructuring of the Code.

#### Activities to date

4. On 29 January 2018, an informal conference call of WG members took place to allow an initial discussion of the Project, including its potential scope. During this call, the contents of the [Basis for Conclusions](#) issued by IAASB in December 2013 to accompany the publication of ISAE 3000 (Revised) were noted. This makes reference to certain independence issues that arose at the time

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<sup>1</sup> Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements

<sup>2</sup> International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

of preparing ISAE 3000 (Revised), in particular in addressing comment letters received on the Exposure Draft.

5. Following coordination between the staff of IESBA and IAASB, the WG held a conference call with IAASB representatives Wolf Boehm (IAASB Technical Advisor and former member of the ISAE 3000 (Revised) Task Force) and Brett James (IAASB Deputy Director and former staff support for the IAASB's ISAE 3000 project) on 26 March 2018 to obtain more background on the rationale for revised ISAE 3000 and on the independence issues that had arisen in the ED consultation process.
6. It was subsequently agreed that the WG should develop a discussion paper to enable IESBA to provide input on certain key issues which are relevant to the development of the Project Proposal. **For the avoidance of doubt, it is not the intention of the WG to open up any discussion of or to challenge the technical validity of the concepts of ISAE 3000 (Revised) or to revise fundamental decisions previously taken by IESBA in this respect.**
7. Two further conference calls of the WG were held in May to discuss and finalize the agenda material for the Board meeting.

#### **Material Presented**

Agenda Item 7-A      Alignment of Part 4B with ISAE 3000 (Revised) – Issues Concerning Potential Project Scope

#### **Action Requested**

8. IESBA members are asked to consider the discussion paper in **Agenda Item 7-A**, and provide directional input to the WG.

#### **Timing**

9. The WG is grateful for the IESBA's input at the June Board meeting. All such input will be considered in the course of developing the Project Proposal which the WG intends to submit to IESBA for discussion and approval at the September 2018 meeting.