



**Agenda Item
7A**

IAASB-IESBA Coordination Update

Sylvie Soulier, IESBA Coordination Liaison Member

Stavros Thomadakis, IESBA Chair

Ken Siong, IESBA Senior Technical Director

IESBA Board Meeting

June 2019

Nashville

Agenda

Topic	Presenter
Coordination Activities since December 2018	Sylvie
A More Systematic and Structured Process	Sylvie
<ul style="list-style-type: none"> • Master Workbook • Inventoried Projects 	
Joint SSB - NSS Interaction	Ken
Joint SSB Chairs – IFAC Board Interaction	Stavros



Coordination Activities since December 2018

- Appointment of IAASB liaison member to replace Megan Zietsman
- IAASB IESBA Liaison Teleconference
 - May 16 : In person (Paris) and teleconference
 - Agenda discussed:
 - General coordination approach, including the 'IAASB IESBA Coordination Activities' master workbook;
 - Update regarding certain specific projects;
 - Feedback to be provided at the June Board meeting; and
 - Planning for the September joint IAASB-IESBA session
- Coordination activities at project level discussed in the following slides

A More Systematic and Structured Process

- Mechanism to inventory, capture and manage coordination needs (the workbook)
 - Process
 - Assigned Responsibilities
 - Matters for discussion
 - Quarterly updates
- Prioritizing coordination topics
 - E.g., QM, AUPs, Fees, Technology, Role & Mindset, ISA 600, etc.
- Periodic review by Board liaisons, Steering / Planning Committees

Tab reference	IAASB	IESBA	Common	Stage	No. of Issues	Status of Coord'	Next Board discussion (Timing and Nature of Discussion)	Key Deliverables	Link to Board Papers
AA.1	ISQM 1	-	-	Post Exposure	10	In progress	September 2019 - IAASB consideration of ED responses Coordination matters to be considered subject to feedback on the ED	Update on coordination matters at IAASB & IESBA June 2019 Board meeting	
AA.2	ISQM 2	-	-	Post Exposure	3	In progress	September 2019 - IAASB consideration of ED responses Coordination matters to be considered subject to feedback on the ED	Update on coordination matters at IAASB & IESBA June 2019 Board meeting	
AA.3	ISA 220	-	-	Post Exposure	3	In progress	September 2019 - IAASB consideration of ED responses Coordination matters to be considered subject to feedback on the ED	Update on coordination matters at IAASB & IESBA June 2019 Board meeting	
AA.5	ISRS 4400 Agreed Upon Procedures	-	-	Post Exposure	3	In progress	The AUP TF to further deliberate proposals going forward at their June Task Force meeting prior to the June 2019 IAASB meeting	Update on coordination matters at IAASB & IESBA June 2019 Board meeting	
AA.6	ISA 600	-	-	Approval of ED	1	Not yet started	The plan is to have preliminary discussions with IESBA staff around June/ July to ascertain the requirements for coordination before involving the ISA 600 Task Force and Coordination liaison members.	Update on coordination matters at IAASB & IESBA June 2019 Board meeting	
AA.7	Audit of LCEs	-	-	Project proposal	0	Not yet started	Coordination matters to be determined	Update on coordination matters at IAASB & IESBA June 2019 Board meeting	

Matter(s) requiring SSB coordination		Coordination Plan (refer to paragraphs 26 & 27 of Coordination Framework - Who, How and When)	Notes on coordination progress
#	Issues	Brief description	
5.1	AUP Independence requirement	Should independence be a precondition for an AUP engagement? The Exposure Draft does not require a precondition for independence - consistent with IESBA Code.	The 3 matters identified represent specific issues that were identified (that may be relevant from a coordination perspective) during a AUP Task Force call that was attended by Carla on April 16th 2019. At the June 2019 IAASB meeting, the Task Force will present an analysis of respondents' comments (in relation to the AUP Exposure Draft) to the Board. Based on the recommendations by the Board, and the direction going forward, each matter identified will be reconsidered to determine whether, and if so, the extent of, coordination that is required. During the interim, the comments of IESBA staff (on these 3 matters) will be considered by the AUP Task Force going forward, and in the context of the direction given by the Board in June 2019.
5.2	Assesment of Independence	Should the practitioner be required to assess independence in all cases (i.e., even if the practitioner is not required to be independent)? Neither the IESBA Code nor the AUP Exposure Draft require a 'blanket' requirement to assess independence.	
5.3	Disclosure of independence	Assuming that ISRS 4400 (Revised) would neither require the practitioner to be independent nor to assess independence (as proposed in the ED), what should the independence disclosures look like in the circumstance when the practitioner is: oNot required to be independent; and oNot independent?	

Inventoried Projects

Projects	Status	Next Steps
AA.1 ISQM 1	In progress	<ul style="list-style-type: none"> IAASB consideration of ED responses at the Sept 2019 board meeting Coordination matters to be considered subject to feedback on the ED
AA.2 ISQM 2	In progress	<ul style="list-style-type: none"> IAASB consideration of ED responses at the Sept 2019 board meeting Coordination matters to be considered subject to feedback on the ED
AA.3 ISA 220 (Revised)	In progress	<ul style="list-style-type: none"> IAASB consideration of ED responses at the Sept 2019 board meeting Coordination matters to be considered subject to feedback on the ED
AA.5 ISRS 4400 (Revised)	In progress	<ul style="list-style-type: none"> IAASB consideration of first read of post ED at the Sept or Dec 2019 board meeting Preliminary discussions held at staff level in May 2019 Further discussions pending Board discussions and direction in June 2019
AA.6 ISA 600	In progress	<ul style="list-style-type: none"> IAASB consideration of first draft of ED at the Dec 2019 board meeting Preliminary discussion held at the staff level on June 3rd to determine matters to raise with liaison members

Inventoried Projects

Projects	Status	Next Steps
AA.7 Audits of Less Complex Entities	Coordination matters to be determined	<ul style="list-style-type: none"> Coordination matters to be determined
AA.8 Conforming Amendments to the IAASB's International Standards	Pending	<ul style="list-style-type: none"> Conforming amendments in response to the revision of the IESBA Code is being finalized Updated timetable to be agreed at the June 2019 Steering Committee meeting
E.1 Alignment of Part 4B ISAE 3000 (Revised)	In progress	<ul style="list-style-type: none"> ED comment period closes on June 26, 2019 The IESBA Task Force will identify the nature and extent of further coordination that would be needed before September 2019 board meeting

Inventoried Projects

Projects	Status	Next Steps
E.2 Fees	In progress	<ul style="list-style-type: none"> A joint Working Group is set up with the participation of Ian McPhee, Imran Vanker and Dan Montgomery, supported by both IAASB and IESBA staff Preliminary discussion held on June 3rd to determine matters for coordination
E.3 Role and Mindset	In progress	<ul style="list-style-type: none"> Quarterly joint TF/WG Chair calls to discuss key issues
E.4 Non Assurance Services	In progress	<ul style="list-style-type: none"> Coordination matters to be determined
E.5 Definition of PIE	Not yet started	<ul style="list-style-type: none"> Not yet started
C.1 Technology	In progress	<ul style="list-style-type: none"> Coordination matters to be determined

Joint SSB - NSS Interaction

- May 2019 joint IAASB-IESBA-NSS session Paris
 - What can SSBs do more jointly with NSS as strategic partners in pursuit of more synergistic coordination?
- “SSB coordination has come long way since 3 years ago”
 - Necessity and value; organic process
 - Filters down to NSS
- Embrace challenge of “quadrilogue” where makes sense
 - E.g. ISQM 1, Technology, outreach, implementation reviews re Auditor Reporting, NOCLAR
- The earlier, the better!
- An evolutionary process
 - Embrace flexibility – consider more regional, more topical engagement

Joint SSB Chairs – IFAC Board Interaction

- **Coordination mindset** when setting work plans (strategy periods aligned)
- **Systematic and structured approach** to operationalize 'Coordination Framework'
- Being alert to **areas of 'interaction' from inception** of projects
- **NEW:** Drawing out **relevant areas of 'common interest'** from proposals being developed (e.g., fees, non-assurance services, quality management, auditor reporting)
 - As necessary, **establish a joint sub-group** (members from each Board/Staff) and **coordination plan**
 - While fully respecting the standard-setting remit of each Board, **explore issues / solutions** and keep each Board updated, to **ensure appropriate alignment**

Joint SSB Chairs – IFAC Board Interaction

- **Annual joint meetings** of Boards
 - First joint NSS meeting held in May 2019
- Encouraging others to emphasize the necessary integrated mindset that is required when it comes to the implementation and application of both IAASB and IESBA standards
- Post-issuance messaging – highlighting how standards are complementary and how they can be applied together in practice



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