

Agenda Item 7-D

Professional Skepticism (PS) – Forward-Looking Timetable

Note: The below timetable is subject to further revision based on the outcome of the IAASB/IESBA/IAESB Q42016 Board Meetings.

| Timing | PSWG | IAASB | IESBA | IAESB |
|------------------|------|--|---|---|
| Sept 2016 | N/A | <ul style="list-style-type: none"> • Joint IAASB, IESBA CAG meeting (Sept 13, NY) to: <ul style="list-style-type: none"> ○ Provide input to the summary of significant issues raised by respondents to the ITC and the IAESB’s CP as well as the IESBA’s stakeholders with respect to PS, and the PSWG’s preliminary recommendations. ○ Provide input on the “Professional Skepticism Strawman”, draft language to describe the linkage between PS and the fundamental principles of ethics for possible inclusion in proposed restructured Code ED-2 • IAASB meeting (Sept 19-23, Hong Kong) to: <ul style="list-style-type: none"> ○ Review and discuss the | <ul style="list-style-type: none"> • Joint IAASB, IESBA CAG meeting (Sept 13, NY) to: <ul style="list-style-type: none"> ○ Provide input to the summary of significant issues raised by respondents to the ITC and the IAESB’s CP as well as the IESBA’s stakeholders with respect to PS, and the PSWG’s preliminary recommendations. ○ Provide input on the “Professional Skepticism Strawman”, draft language to describe the linkage between PS and the fundamental principles of ethics for possible inclusion in proposed restructured Code ED-2 • IESBA meeting (Sept 26-30, NY) to: <ul style="list-style-type: none"> ○ Review and discuss the | <ul style="list-style-type: none"> • IAESB CAG meeting (Sept 29-30 Toronto, CA) to: <ul style="list-style-type: none"> ○ Provide input to the summary of significant issues raised by respondents to the IAESB’s CP and the IAASB’s ITC, as well as feedback from IESBA’s stakeholders with respect to PS, and the PSWG’s preliminary recommendations. ○ Consider preliminary recommendations about possible way forward, in particular with respect to the development of provisions pertaining to the skills and professional competence of professional accountants. Those preliminary recommendations may be either from the PSWG |

Professional Skepticism Forward-Looking Timetable
 IESBA Meeting (September 2016)

| Timing | PSWG | IAASB | IESBA | IAESB |
|--------|------|--|---|------------------------------------|
| | | <p>analysis of the responses to the ITC and the IAESB's CP as well as feedback from IESBA's stakeholders with respect to PS.</p> <ul style="list-style-type: none"> ○ Consider PSWG's preliminary recommendations about possible way forward based on the feedback from the ITC related to a new project addressing Audit Evidence to address stakeholder calls for clarification and enhancement on sufficient appropriate audit evidence. ○ Consider PSWG's preliminary views on potential ways forward to change the concept of PS. ● Provide recommendations to the ISA 540 TF related to specific ways to enhance PS in the standard (see detailed issues above within July 2016 to be addressed | <p>analysis of the responses to the IAASB's ITC and the IAESB's CP as it pertains to IESBA as well as feedback from IESBA's stakeholders with respect to PS.</p> <ul style="list-style-type: none"> ○ Consider PSWG's preliminary recommendations about possible way forward, including specific recommendations to IESBA Consideration of proposed language to describe the linkage between PS and the fundamental principles of ethics for possible inclusion in proposed restructured Code ED-2 | <p>or the IAESB PS Task Force.</p> |

Professional Skepticism Forward-Looking Timetable
 IESBA Meeting (September 2016)

| Timing | PSWG | IAASB | IESBA | IAESB |
|-----------------|---|------------------------------|-------|-------|
| | | by the PSWG IAASB Subgroup). | | |
| Oct 2016 | PSWG Physical Meeting (October 10-11 Washington DC) to: <ul style="list-style-type: none"> • Consider input from IAASB/ IESBA September 2016 CAG meetings • Based on input from the CAGs, the IAASB, IESBA and IAESB’s TF about possible way forward: <ul style="list-style-type: none"> ○ Further prioritize issues with respect to PS; and ○ Discussion of PSWG to consider description of PS as proposed by IESBA Board • Develop initial outline of recommendations to: <ul style="list-style-type: none"> ○ IAASB, IESBA, and IAESB; and ○ Others (e.g., TCWG/ audit committees, regulators, audit oversight authorities, management and academia). | N/A | N/A | N/A |

Professional Skepticism Forward-Looking Timetable
 IESBA Meeting (September 2016)

| Timing | PSWG | IAASB | IESBA | IAESB |
|----------|--|-------|--|--|
| Nov 2016 | <p>PSWG to close-off discussions by mid-Oct for purposes of developing agenda materials for the IAESB Nov 2016 meeting.</p> | N/A | <ul style="list-style-type: none"> • Subject to September IESBA discussion, potential IESBA CAG teleconference to consider a draft project proposal to include new provision(s) in the restructured Code to describe the linkage between PS and the fundamental principles of ethics. | <ul style="list-style-type: none"> • IAESB meeting (Nov 2-4, NY) to: <ul style="list-style-type: none"> ○ Review and discuss the analysis of the responses to the IAESB’s CP and IAASB’s ITC, as well as feedback from IESBA’s stakeholders with respect to PS. ○ Consider preliminary recommendations about way forward with respect to PS (e.g., regarding the development of skills and professional competence for professional accountants. Recommendations may be either from the PSWG or the IESBA representatives of the PSWG. |

Professional Skepticism Forward-Looking Timetable
 IESBA Meeting (September 2016)

| Timing | PSWG | IAASB | IESBA | IAESB |
|----------|---|---|---|-------|
| Dec 2016 | <p>PSWG to close-off discussions by Nov 11, 2016 for purposes of developing agenda materials for the IAASB and IESBA December 2016 meeting.</p> | <ul style="list-style-type: none"> • IAASB meeting (Dec 5-9, NY) to: <ul style="list-style-type: none"> ○ Provide input to the thought piece/feedback statement with significant issues from ITC, IESBA, IAESB, preliminary recommendations (outline format) for each SSB and for others. ○ Determine what aspects, if any, of the PSWG paper should be included in the draft IAASB ITC Feedback Statement. | <ul style="list-style-type: none"> • IESBA meeting (Dec 12-15 NY) to: <ul style="list-style-type: none"> ○ Consider, and if agreed, to add proposed language to describe the linkage between PS and the fundamental principles of ethics in conjunction with its proposed restructured Code (potentially a separate ED): approve (a) a project proposal to that effect; and (b) the proposed new provision(s). ○ Provide input to the thought piece/feedback statements with significant issues from ITC, IESBA, IAESB, preliminary recommendations (outline format) for each SSB and for others. | N/A |
| Mar 2017 | <ul style="list-style-type: none"> • Based on input from IAASB, IESBA and IAESB, further refine draft thought piece/feedback statement with significant issues from ITC, IESBA, IAESB, and | <ul style="list-style-type: none"> • Joint IAASB, IESBA CAG meeting (Mar 7, NY) to: <ul style="list-style-type: none"> ○ Advance discussion on relevant PS issues. ○ Further discussion of relevant issues with | <ul style="list-style-type: none"> • Joint IAASB, IESBA CAG meeting (Mar 7, NY) to: <ul style="list-style-type: none"> ○ Advance discussion on relevant PS issues. ○ Further discussion of relevant issues with | N/A |

Professional Skepticism Forward-Looking Timetable
 IESBA Meeting (September 2016)

| Timing | PSWG | IAASB | IESBA | IAESB |
|-----------------|---|---|--------|---|
| | further develop the recommendations for each SSB and for others. | IAASB | IESBA. | |
| Apr 2017 | PSWG to close-off discussions by mid-March for purposes of developing agenda materials for the IAESB April 2017 meeting. | N/A | N/A | <ul style="list-style-type: none"> • IAESB meeting (April TBD, 2017) to: <ul style="list-style-type: none"> ○ Provide input to the draft thought piece/feedback statement with significant issues from ITC, IESBA, IAESB, preliminary recommendations (outline format) for each SSB and for other. ○ Determine what aspects, if any, of the PSWG paper should be included in the draft IAASB ITC Feedback Statement. |
| May 2017 | PSWG Physical Meeting (date and location TBD) to further consider the issues identified and consider a potential way forward. | N/A | N/A | N/A |
| Jun 2017 | TBD | <ul style="list-style-type: none"> • Discussion with joint IAASB and IESBA NSS liaison group. • Joint IAASB/ IESBA/ IAESB meeting (Jun 19, 20, or 21, NY) to: <ul style="list-style-type: none"> ○ Consider significant comments on IESBA PS ED, if issued ○ Consider the issues identified. ○ Consider potential way forward based on feedback received from each SSB and CAG. | | |