

IAASB & IESBA Coordination

**3rd Joint IAASB and IESBA Meeting
September 2019**

Agenda Item J2

IAASB

IESBA[®]

Acting on Coordination – Activities Year to Date

- Board chairs joint letters on matters of mutual interest
- 8 teleconferences at TG/WG level
- 3 IAASB – IESBA Planning Teleconferences for Joint Sept 2019 Plenary
- May 2019 joint IAASB – IESBA meeting with NSS
- Joint SSB Chairs' sessions at June 2019 IFAC Board meeting
- Joint Sept 2019 IAASB – IESBA Plenary Meeting
- Numerous interactions at SSB Chairs and staff levels

IAASB IESBA Coordination Activities' Master Workbook

Objectives of coordination initiatives

- 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.

Inventoried Projects

Projects	Status	Recent Activities and Next Steps
AA.1 ISQM 1	In progress	<ul style="list-style-type: none"> IAASB consideration of ED responses at Sept 2019 Board meeting Three specific coordination topics to be discussed in Q4 (PIE/SPI, network considerations, responsibility for compliance with independence requirements) Q4 coordination teleconference to be scheduled
AA.2 ISQM 2	In progress	<ul style="list-style-type: none"> IAASB consideration of ED responses at Sept 2019 Board meeting Coordination issues under consideration: Objectivity of EQR and need for cooling off for EP moving into EQR role Q4 coordination teleconference to be scheduled
AA.3 ISA 220 (Revised)	In progress	<ul style="list-style-type: none"> IAASB consideration of ED responses at Sept 2019 Board meeting Coordination issues under consideration: Definition of '<i>Engagement Team</i>' Preliminary discussions at staff level August 6 and 21
AA.5 ISRS 4400 (Revised)	In progress	<ul style="list-style-type: none"> Targeted final approval Dec 2019 IAASB meeting Preliminary discussions at staff level June 2019, emphasis on independence Subject to IAASB teleconference Aug 27, further discussions with IESBA to include aspects of independence and objectivity (Q4)

Inventoried Projects (continued)

Projects	Status	Next Steps
AA.6 ISA 600	In progress	<ul style="list-style-type: none"> • Discussion of key ED proposals September 2019 IAASB meeting; first draft of standard Dec 2019 IAASB meeting • Coordination issues include definition of '<i>Engagement Team</i>' and component auditors' compliance with ethical requirements relevant to group auditors. • Preliminary discussions held at staff level Aug 6 and 21
AA.7 Audits of Less Complex Entities	Not yet started	<ul style="list-style-type: none"> • Coordination matters to be determined • First feedback re LCE consultation paper at Dec 2019 meeting
AA.8 Conforming Amendments to the IAASB's International Standards	Not yet started	<ul style="list-style-type: none"> • Conforming amendments to align with revised and restructured IESBA Code in process • IAASB electronic review. • Only IESBA staff review will be required.
AA.9 Professional Skepticism	In progress	<ul style="list-style-type: none"> • No coordination topics identified by IAASB at present • Comment period on IESBA Role and Mindset ED due Oct 31, 2019

Inventoried Projects (continued)

Projects	Status	Next Steps
E.1 Alignment of Part 4B ISAE 3000 (Revised)	In progress	<ul style="list-style-type: none"> • Consideration of ED responses at Sept 2019 IESBA meeting • Issues being brought for IESBA deliberations include: <ul style="list-style-type: none"> - The term 'assurance client' and its application - Balance of explanatory material as between ISAE 3000 (Revised) and Part 4B - Consistency of terms and concepts between the IAASB and IESBA • Coordination with IAASB reps via teleconference (Aug 13) and email exchanges (Aug); ongoing
E.2 Fees	In progress	<ul style="list-style-type: none"> • IESBA consideration of "second read" draft at September 2019 meeting • IAASB consideration of Fees Task Force proposals regarding overlapping issues at Sept 2019 meeting • Report back on IAASB's feedback Sept 2019 IESBA meeting

Inventoried Projects (continued)

Projects	Status	Next Steps
E.3 Role and Mindset	In progress	<ul style="list-style-type: none"> ED released July 2019, comment period ending Oct 31, 2019 High level review of ED comments at Dec 2019 IESBA meeting Coordination with IAASB and IAESB representatives on joint Professional Skepticism WG ongoing i.e. quarterly teleconferences
E.4 Non Assurance Services	In progress	<ul style="list-style-type: none"> IESBA consideration of draft ED for approval Sept 2019 Coordination in relation to communication with TCWG regarding NAS (together with fees coordination)
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"> IAASB: Sept 2019 - Update on the development and implementation of IAASB Technology Workstream Plan IESBA: Sept 2019 - Working Group to present Phase 1 preliminary report Correspondent members appointed on the Working Group

IAASB IESBA Coordination – Lessons we are learning

Purpose
Oriented, Agility
and
Prioritization

Timeliness,
Momentum and
Continuity

Transparency
and
Accountability

Mutual respect
and
Communication