

IAASB

IESBA

**IAASB & IESBA Future  
Strategies and Work Plans –  
*Joined-up Thinking***

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3<sup>rd</sup> Joint IAASB and IESBA Meeting

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# Agreed Set of Principles for Coordination

- IESBA Strategy and Work Plan for 2019-2023
  - Issued April 2019
  - Strong need for coordination with the IAASB emphasized
- IAASB Proposed Strategy for 2020-2023 and Work Plan for 2020-2021
  - Targeted to be approved in December 2019
  - Deepening connections with stakeholders, including coordination with IESBA
- IAASB and IESBA strategy periods will be aligned after 2023
- Set of Principles agreed and issued in 2018
  - Coordination is an important enabler for each SSB to achieve its Strategy
  - Have been ‘acting on coordination’ (staff; Tasks Forces/Working groups; Chairs; Boards)

# Joined-up Thinking in the Context of Coordination

## *Purpose of coordination*

“To enable the SSBs to deliver standards and other outputs to their broad constituencies that are consistent with each other and interoperable, or that are not otherwise incompatible with each other.”

## *Shaping joined-up thinking*

- Public interest issues common to both SSBs  
(pertaining to a strategic objective / theme or a project or a topic)
- Act at a strategic level to emphasize the merits of coordination and to address perceptions around its occurrence and effectiveness
- Focus on commonality of interests at a technical or activities level  
For example, identifying the core issue and how it is contextualized and finding application in the standards of each SSB, and seeking an optimum resolution

# IAASB Goal / IESBA Vision

**IAASB's Goal:** Sustained trust in financial and other reporting, enhanced by high-quality audits, assurance and related services engagements, through delivery of robust global standards that are in the public interest and capable of consistent and proper implementation.

**IESBA's vision:** Is for the Code to be a foundation of strong ethical principles, values and standards to underpin trust in the global accountancy profession in a dynamic and uncertain world, and to enable the profession to act in the public interest

## **Commonality of interests**

Public Interest | Trust | Foundation / Enabler

# Strategic Objectives / Strategic Themes

## IAASB:

- Develop and maintain International Standards and Supporting Materials
- Innovate our ways of working; broadening capabilities and capacity
- Deepen our relationships with our stakeholders

## IESBA:

- Advancing the Code's relevance and impact
- Deepening and expanding the Code's influence
- Expanding the IESBA's perspectives and inputs

### **Commonality of interests**

Continued global relevance | Responsive | Collaboration  
(cooperation and input) | Pre-existing commitments |  
Raising the bar (incl. our processes and how we engage)

# Examples – Relating to Standard Setting

From IESBA SWP	Possible commonality	From IAASB proposed SWP
Definition of listed entity and <b>public interest entity</b> [touchpoint in current projects; planned future workstream]	<i>Differential requirements</i> <i>The basis of and purpose for differentiating between certain entities</i>	‘Listed entity’ and ‘entities that may be of <b>significant public interest</b> ’ are used in the ISAs [touchpoint in current projects]
Emerging or newer <b>models of service delivery</b> [planned future workstream]	<i>Application of fundamental / foundational requirements</i> <i>Modernizing standards</i> <i>New relationships</i>	<b>Audit delivery models</b> – firm structures; service delivery centres; ‘Engagement team’ [touchpoint in current projects]
Audit firms <b>business model</b> [PIOB public interest issue]	<i>Threats to behavior/audit quality</i> <i>Complexity (many elements)</i> <i>‘Commercial considerations’</i>	Audit firms <b>business model</b> [PIOB public interest issue]

# Examples – Other Strategic Topics

IESBA	Possible commonality	IAASB
<p><b>Outreach</b> activities – part of expanding the IESBA’s perspectives and inputs</p>	<p><i>Overlap of stakeholders</i>  <i>Adoption and implementation</i>  <i>Issues affecting SSBs standards</i>  <i>Opportunities to collaborate</i></p>	<p><b>Outreach</b> activities – part of deepening IAASB’s relationships with stakeholders</p>
<p><b>Research</b> and other <b>fact finding</b> – part of evidence or analysis in expanding the IESBA’s perspectives and inputs</p>	<p><i>Evidence-based standard setting</i>  <i>Better informed work plans and more structured processes</i></p>	<p><b>Information-gathering</b> and <b>research</b> activities – part of IAASB Framework for Activities as a foundation for future workstreams</p>
<p>Issuing of <b>non-authoritative publications</b> – part of actions to advance the Code’s relevance and impact</p>	<p><i>Adoption and implementation</i>  <i>Role of SSBs – clear criteria and boundaries</i></p>	<p>Developing <b>guidance and support materials</b> – Complements core activities in ensuring standards that are relevant, robust and operable</p>

# Discussion Group Sessions

## **Discussion Groups 1 and 2**

Exploring a Pathway to Convergence on the Concepts of Public Interest Entity (PIE) and Entity of Significant Public Interest (SPI)

## **Discussion Groups 3 and 4**

Other SWP Focus Areas Requiring Joined-up Thinking