

IAASB

IESBA

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

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3rd Joint IAASB and IESBA Meeting

New York

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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 public interest entity [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 significant public interest ’ are used in the ISAs [touchpoint in current projects]
Emerging or newer models of service delivery [planned future workstream]	<i>Application of fundamental / foundational requirements</i> <i>Modernizing standards</i> <i>New relationships</i>	Audit delivery models – firm structures; service delivery centres; ‘Engagement team’ [touchpoint in current projects]
Audit firms business model [PIOB public interest issue]	<i>Threats to behavior/audit quality</i> <i>Complexity (many elements)</i> <i>‘Commercial considerations’</i>	Audit firms business model [PIOB public interest issue]

Examples – Other Strategic Topics

IESBA	Possible commonality	IAASB
<p>Outreach 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>Outreach activities – part of deepening IAASB’s relationships with stakeholders</p>
<p>Research and other fact finding – 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>Information-gathering and research activities – part of IAASB Framework for Activities as a foundation for future workstreams</p>
<p>Issuing of non-authoritative publications – 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 guidance and support materials – 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