

Meeting: IESBA
Meeting Location: Virtual
Meeting Date: September 14-21, 29 & October 1, 2020

Agenda Item

2

Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers

(UPDATED)

Objectives of Agenda Item

1. To consider and approve an updated project proposal to include consideration of recognizing the applicability of the guidance addressing threats to the objectivity of an individual being appointed as an engagement quality reviewer (EQR) to appropriate reviewers more generally.
2. To consider, with a view to final approval, revised provisions addressing the objectivity of an EQR and other appropriate reviewers.

Task Force Members

3. The Task Force comprises:
 - Sylvie Soulier, Chair, former IESBA Member
 - Michael Ashley, IESBA Member
 - Denise Canavan, IESBA Technical Advisor

Activities since June 2020 Board Meeting

4. To develop the agenda materials for this meeting, the Task Force met via videoconference over the period of July and August 2020 to:
 - (a) Consider the input from IESBA members on the summary of significant comments raised on the Exposure Draft, [Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers](#) (ED) and Task Force responses at the June 2020 Board meeting (Agenda Items [5-A](#) and [5-B](#) of the June 2020 meeting); and
 - (b) Discuss the comments raised by the Public Interest Oversight Board (PIOB) pertaining to this project in its July 2020 list of public interest issues on IESBA projects (see Agenda Item **1-B**).
5. The Task Force also sought input from the IAASB's ISQM 2 Task Force as part of the ongoing coordination efforts with the IAASB. The feedback from the ISQM 2¹ representatives has been considered by the Task Force in developing Agenda Items **2-A** and **2-B**.²

¹ Proposed International Standard on Quality Management (ISQM) 2, [Engagement Quality Reviews](#)

² Subsequent to the September 1, 2020 IESBA CAG meeting, **Agenda Item 2-B** has been revised as **Agenda Item 2-G**.

6. The Task Force Chair will present significant matters raised on the ED, matters raised by the PIOB and the Task Force's final proposals at the September 1, 2020 IESBA CAG meeting. Ms. Soulier will brief the IESBA on the CAG's feedback during the Board session.

Material Presented

For Discussion

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|-----------------|---|
| Agenda Item 2-A | Issues and Task Force Proposals |
| Agenda Item 2-G | Revised Draft of Changes to Sections 300 and 325 (Marked Up against June 2020) (Post-Sept 2020 CAG Meeting) |

For Reference

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|-----------------|--|
| Agenda Item 2-B | Revised Draft of Changes to Sections 300 and 325 (Marked-up from June 2020 Meeting) |
| Agenda Item 2-C | Revised Draft of Changes to Sections 300 Section 325 (Clean) |
| Agenda Item 2-D | Revised Draft of Changes to Sections 300 and 325 (Marked-up from Extant Code & ED) |
| Agenda Item 2-E | Objectivity of Engagement Quality Reviewers & Other Appropriate Reviewers – Project Proposal (Amended) |
| Agenda Item 2-F | Due Process |
| Agenda Item 2-H | Draft Minutes of the September 2020 IESBA CAG – EQR |
| Agenda Item 2-I | Draft Changes to Sections 300 and 325 (Marked-up Extant Code & ED) (Post-Sept 2020 CAG) |

Action Requested

7. IESBA members are asked to:
- Consider the matters raised in **Agenda Item 2-A** and the revised text in **Agenda Item 2-G**;
 - Consider and approve the revisions to the project proposal in **Agenda Item 2-E**;
 - Consider whether there are any other matters raised by respondents³ to the ED that should be discussed by IESBA; and
 - Approve the revised provisions in **Agenda Item 2-G** as a final pronouncement.

³ Respondents' comment letters can be accessed [here](#).