




Public Interest Oversight Board

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PIOB 2017-2019 Strategy: Feedback from Respondents

A total of 32 comment letters were received, grouped as follows:

- Audit Networks -5 letters
- Investor Associations -3 letters
- Regulators (and National Standard Setters) – 6 letters
- Standard Setting Boards and CAGs – 4 letters
- Professional Accountancy Organizations - 12 letters
- Individual submissions -1 letter
- Others – 1 letter


The PIOB plans to publish a Feedback Statement & Strategy document by the end of March 2017.


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Identification of Threats to the Public Interest


- Respondents suggest to try to **identify P.I. issues early** in the development of the standard, and to convey these to the SSBs. The PIOB will continue to try to do this, but final judgement is only possible when due process is completed and all comments dealt with.
- Another suggestion is to draw up a **framework of analysis of Public Interest**, which would help SSBs understand the criteria used by the PIOB to assess the P.I. responsiveness of a project and help the Boards develop their standards accordingly.


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Identification of Threats to the Public Interest (Cont.)


- Broad support to review the current **composition of SSBs** so that the accounting profession's interests are not perceived to be dominant (audit firms, regulators and investors' associations). Audit networks acknowledge that there is a perception among some stakeholders that the accounting profession has undue influence in the standard setting process.
- The current model of **voluntary contribution** constrains the effective involvement of non-practitioners in the SSBs.
- The importance of maintaining **technical expertise** through the presence of audit practitioners in the SSBs is generally recognized.


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Identification of Threats to the Public Interest (Cont.)


- Broad support for a **more independent nominating process**, including a public member Chair of the Nominating Committee for the selection of SSB members and Chairs.
- The **remuneration of Public members** was well received by the majority of respondents.
- The PIOB agrees that it should await the results of the Monitoring Group's work before implementing any changes to its structure, role or operations.


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Strengthen PIOB Oversight


- Respondents addressed the issue whether **due process oversight** guarantees outcomes in the Public Interest. The PIOB does not think so.
- Respect for due process is a tool to achieve the objective of ensuring the public interest responsiveness of international standards.
- The PIOB mandate does not preclude using other tools to achieve this objective, such as substantive review of outcomes from a public interest perspective.
- Some respondents identified cases of failure in due process. Some regulators recommended clarifying the PIOB's oversight role.

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Strengthen PIOB Oversight (Cont.)

- Stakeholders offer a wealth of input to the SSBs, and often conflicting views. This raises the question whether **SSBs are sufficiently equipped** to deal with the magnitude and variety of input.
- Standard setting takes a very long time. Regulators and investor associations share this concern. Consideration of this issue needs to respect appropriate consultation with stakeholders. Audit networks supported efficiencies such as using modern telecommunications.
- The majority of respondents did not support PIOB oversight of task forces.
- The PIOB intends to oversee the constitution of task forces.

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Supporting Accounting Education

- Respondents offered suggestions regarding what the curricula of accountants should include (audit firms highlighted innovations in technology, sophisticated data analytics, enhanced auditor reporting, better insight into the overall financial health of a company, among others) and how the PIOB could better support the IAESB.
- Adequate resources should be provided to the IAESB to implement its new IAESB 2017-2021 Strategy, approved by the PIOB in February 2017.

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Adoption and Implementation

- Adoption of standards is contingent on the confidence in the SSBs. The PIOB can play a key role in supporting changes that will enhance confidence in the SSBs and hold the Boards accountable for developing high-quality standards.
- Jurisdictions adopting standards issued by the SSBs should demonstrate that their standards do not fall below the requirements contained in standards issued by the SSBs. The CAP has a role to play here.

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Transparency and Communication

- Very broad support for PIOB transparency. The usefulness of PIOB updates was widely acknowledged.
- Respondents overwhelmingly support taking additional actions to provide greater transparency into the activities of the PIOB, such as providing a summary of observations and of minutes of PIOB meetings.
- The PIOB should develop further its capacity to convene stakeholders and help channel their views effectively into the process of standard setting.

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