

AGENDA PAPER

Item Number: 10

Date of Meeting: 10 November 2008

Subject: International update



Action Required



For Information Only

Purpose:

To provide an update on IESBA and IAASB's work program since the last Board meeting held on 12th August 2008.

IESBA

IESBA issued 2 exposure drafts for public comment as noted below.

Exposure Draft 1: Section 290 – Independence – Audit and Review Engagements

The IESBA concluded that **re-exposure** of the proposals relating to internal audit services and the frequency of the application of safeguards when the relative size of fees from a public interest audit client exceeds 15%, is necessary because the changes made to the July 2007 exposure draft, as a result of responding to the comments received on exposure, are significant and substantive.

APESB Technical Staff prepared and lodged a submission in respect of this exposure draft which is included as attachment 20.

Exposure Draft 2: Code of Ethics for Professional Accountants

In 2007, the IESBA began a project to improve the drafting conventions used in the Code with the objective of enhancing the clarity and understandability of the provisions in the Code. As part of its drafting conventions project, the IESBA considered the results of the International Auditing and Assurance Standards Board's (IAASB) clarity project. The IESBA determined that certain changes being made to the international standards on auditing (ISA) as a result of the IAASB's project would benefit the Code. Accordingly, the IESBA has incorporated clarity changes similar to IAASB into the Code and requested comments from constituents. The IESBA requested comments only on the proposed changes to the Code that are the result of its drafting conventions project.

APESB Technical Staff prepared and lodged a submission in respect of this exposure draft which is included as attachment 21.

IAASB

IAASB has considered respondent's comments on ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* (APES 320 equivalent) and has approved the standard at its September 2008 Board meeting. However, the standard will not be issued in its final form until December 2008 as it has to get approval from IFAC's Public Interest Oversight Board.

Recommendation:

1. That the report on the work program of the IESBA/IAASB be noted;

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Date: 30th October 2008

Attachment 20: APESB's Submission on Section 290/291 of the Code.

Attachment 21: APESB's Submission on the Code of Ethics for Professional Accountants