

AGENDA PAPER

Item Number: 9.6
Date of Meeting: 9 February 2009
Subject: International update

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Purpose:

To provide an update on IESBA and IAASB's work program since the last Board meeting held on 10th November 2008.

IESBA

IESBA has considered the responses received to their exposure drafts at the December 2008 Board meeting held in London, UK.

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 respondents' comments were significant and substantive.

APESB Technical Staff prepared a submission in respect of this exposure draft which was considered by the IESBA (refer highlighted text in IFAC summary on Independence II) at its December 2008 meeting.

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 a submission in respect of this exposure draft which was considered by the IESBA (refer highlighted text in IFAC summary on Drafting Conventions) at its December 2008 meeting.

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. IFAC's Public Interest Oversight Board has approved the standard in December 2008.

IESBA – National Standard Setters meeting

APESB has received an invitation to attend the first IESBA – National Standard setters meeting to be held in Vancouver, Canada on the 22nd of April 2009.

Material presented

- IFAC's summary of Independence II comments
- IFAC's summary of Drafting Conventions comments

Recommendation:

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

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Date: 30th January 2009