

IESBA Meeting Highlights and Decisions

June 2018

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This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) was prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

A podcast recording that provides a short audio summary of the main outcomes of the [June 2018](#) IESBA meeting is also available on the IESBA website.

Non-Assurance Services

The IESBA received a preliminary report-back on the Washington DC and Paris [roundtables](#) held on June 11 and June 15, respectively, on the topic. The IESBA also was briefed on discussions on the topic with the IESBA-National Standard Setters (NSS) liaison group and the Forum of Firms.

The topic will be further discussed at two additional roundtables in Tokyo, Japan on July 12, and Melbourne, Australia on July 16, the latter hosted jointly by the Australian Accounting Professional & Ethical Standards Board (APESB) and the New Zealand External Reporting Board (XRB). The IESBA will consider a full analysis of the roundtable input at its September 2018 meeting.

Fees

The Fees Working Group presented its [final report](#) on its fact finding activities and its recommended way forward in the various areas within the scope of its remit. The fact finding activities included a review of relevant provisions within G-20 jurisdictions, a review of relevant academic and other literature, and a stakeholder survey questionnaire. The IESBA broadly supported the Working Group's analysis and recommended way forward, including further consideration of fee-related issues pertaining to non-assurance services (NAS) by the NAS Working Group.

The IESBA also was briefed on input received from its NSS liaison group on a draft of the report.

The IESBA asked the Working Group to develop a project proposal for its consideration at the September 2018 IESBA meeting, and to coordinate the development of such project proposal with the NAS Working Group in regards to overlapping issues.

Professional Skepticism

The IESBA received a preliminary report-back on the Washington DC and Paris [roundtables](#) held on June 11 and June 15, respectively, also on the topic. The Professional

Skepticism Working Group also briefed the IESBA on activities relating to the work stream since the March 2018 meeting, including release of the consultation paper [Professional Skepticism – Meeting Public Expectations](#) in mid-May with an August 15, 2018 comment deadline, and discussions with the IESBA-NSS liaison group and the Forum of Firms.

The topic will be further discussed at the two additional roundtables in Tokyo, Japan on July 12, and Melbourne, Australia on July 16. The IESBA will consider a full analysis of the roundtable input at its September 2018 meeting.

Implementation of EU Audit Legislation

In the context of its NAS work stream, the IESBA received a presentation from Ms. Noémi Robert, Senior Manager, Accountancy Europe regarding the status of implementation of the audit directive and regulation in the EU. Among other matters, the IESBA was briefed on, and exchanged views about, the progress and challenges in applying, at the member state level, the provisions relating to mandatory audit firm rotation, non-audit services, and the role of audit committees.

IAASB-IESBA Coordination

The IESBA received an update on coordination activities with the IAASB during the quarter, including a webcast from IAASB representatives highlighting developments on IAASB projects of relevance to the coordination efforts, and interactions at the working group and staff levels on specific work streams.

The second joint meeting with the IAASB has been scheduled for September 2018 and will include discussion of opportunities for coordination between the two Boards' future strategies and work plans.

Alignment of Part 4B with ISAE 3000 (Revised)

The IESBA received the first update on the activities of the ISAE 3000 Alignment Working Group, which was established at the end of 2017 to explore the scope of, and approach to, the alignment of Part 4B of the revised and restructured Code with ISAE 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. Among other matters, the Working Group held a presentation on the revised assurance terms and concepts in ISAE 3000 (Revised) and the potential impact of these changes on Part 4B. The Working Group also outlined its preliminary consideration of the issues identified.

The Working Group will present a further analysis of the issues at the September 2018 IESBA meeting, leveraging practical examples of direct engagements, as well as a potential project proposal.

Technology

The IESBA received an update from its Technology Working Group regarding the Working Group's initial planning discussion and next steps. The Working Group was established at the end of 2017 in anticipation of future actions on the topic by the IESBA within its [2019-2023 Strategy and Work Plan](#) (SWP).

As part of laying the ground work for future work on the topic, the IESBA also received a presentation from Ms. Maggie McGhee, Director of Professional Insights, and Mr. Narayanan Vaidyanathan, Head of Business Insights, Association of Chartered Certified Accountants (ACCA). Among other matters, the IESBA was briefed on, and exchanged views about, the changing finance functions and roles for both professional accountants in business and professional accountants in public practice in a digital age, and the potential implications of artificial intelligence and robotic process automation from the Code's perspective.

The IESBA will consider the Working Group's preliminary thoughts regarding a possible approach to the Technology initiative at the December 2018 IESBA meeting.

e-Code

The eCode Working Group reported on its progress to date on developing an e-Code, an improved version of the current web-based Code that will be based on the revised and restructured Code and which will be more user friendly, including greater ease of navigation and more functionality. Phase 1 is expected to be completed around the time the new Code becomes effective. Additional phases will be considered based on the experience gained from the first phase, and subject to the availability of resources.

The IESBA will receive a further progress report at its September 2018 meeting.

Restructured Code Rollout

The IESBA received an update on the status of the "rollout" initiatives aimed at promoting awareness and adoption and implementation of the revised and restructured Code. Among other matters, the IESBA was briefed on feedback received from its NSS liaison group regarding the rollout effort, and on plans for further outreach on the new Code in different parts of the world in Q3 and Q4 2018.

The IESBA will receive a further update from its Working Group at the September 2018 IESBA meeting.

Emerging Issues and Outreach

The Emerging Issues and Outreach Committee (EIOC) made a report regarding its plans to further pursue its mandate since the recent completion of country presentations as part of the IESBA's initiative to understand key differences between the Code and national ethical requirements in G-20 countries and major financial centers, and following completion of work on the revised and restructured Code. Among other matters, the EIOC plans to work closely with IESBA members and Technical Advisors to increase IESBA outreach, particularly to promote the new Code.

The IESBA will consider emerging issues or developments identified by the EIOC at the December 2018 IESBA meeting.

Next Meetings

The next meeting of the IESBA will be held in New York, USA on September 17-20, 2018. A joint meeting with the IAASB will also be held on September 19, 2018 in New York.