Standard Setting Board Coordination

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Agenda Item 3

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Building an Inventory of Matters of Mutual Interest

• Simple, effective mechanism to inventory and monitor
  – What is underway now, what is coming up and when, where are the gaps?

• Used by Staff and also useful for periodic review by Chairs and Board updates

• How does this help?
  – More effective identification and monitoring of coordination matters, including prioritization
  – Upfront thinking about how the issue could potentially impact other SSBs
  – More timely identification of coordination actions needed, including SSB resources needed to address matters (Staff / TF or WG / involvement of Board members)
  – Better planning of immediate next steps and long-term planning in the context of SSB’s work plans
Future Work

• But the inventory and resulting actions are not the only actions – future work:
  – Opportunity for more relationship building across the SSBs and involvement of CAG
  – Based on experience, better define expectations and roles and responsibilities
  – Explore how to facilitate resolution of differences of opinion, as needed
Preliminary Identification of Issues

• Professional skepticism

• Quality control
  – E.g., quality management (IESBA & IAESB), networks, leadership responsibility related to independence, EQC reviews, governance (IESBA & IAESB), competencies (IESBA & IAESB), safeguards, long association, NOCLAR

• AUP
  – E.g., applicability of independence to AUP

• Data analytics
  – E.g., confidentiality, competence (IAESB)
Preliminary Identification of Issues

• Other (no counterpart on IAASB project)
  – E.g., aspects of safeguards and long association, applicability of Part C, audit fees, preparation and presentation of information and pressure to breach the fundamental principles, inducements, restructure of the IESBA Code
  – Plenary exchanges on matters of strategic or thematic relevance

• Areas where no counterpart on IESBA
  – E.g., networks, competencies, governance, impact of QMA (i.e., terminology and policies and procedures related to ethics and independence), EQCR, data analytics, AUP
Next Steps

• Further develop inventory and refine analysis and observations

• Matters requiring attention by IAASB Staff or Task Forces
  – “Conforming” amendments to IAASB Standards in relation to safeguards (effective June 2019) and long association (effective Dec 2018)
  – Applicability of Part C of the Code (IESBA ED currently on exposure)
  – Matters related to quality control

• Appoint SSB Joint Coordination Chairs for IAASB and IAESB (IESBA already appointed) and review in detail the matters of mutual interest

• Flag matters of mutual interest with Task Forces affected
Next Steps

• Resource and capacity planning and timetable considerations
  – Including how the “unallocated” issues will be monitored, and if necessary, progressed

• Report back to the Steering Committee

• Next update in June, and CAG in September