

**Draft Minutes of the 4th Joint Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD and
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS
Held on September 21, 2023 in New York, USA**

Present:	Voting Members	Technical Advisors
	<u>IAASB</u>	<u>IAASB</u>
	Tom Seidenstein (Chair)	Helene Agéllii (Mr. Hagen)
	Josephine Jackson (Vice-Chair)	Viviene Bauer (Mr. Monroy)
	Sue Almond	Wolf Böhm (Prof. Marten)
	Chun Wee Chiew	Antoine Boitard (Ms. Tracq-Sengeissen)
	Julie Corden	Antonis Diolas (Mr. Chiew)
	William Edge	Johanna Field (Mr. Turner)
	Kai Morten Hagen	Diane Hardesty (Ms. Larsen)
	Sachiko Kai	Rene Herman (Mr. Edge)
	Edo Kienhuis	Susan Jones (Mr. Morris)
	Diane Larsen	Yvette Lange (Prof. Maroun)
	Prof. Warren Maroun	Thokozani Nkosi (Ms. Jackson)
	Prof. Kai-Uwe Marten	Misha Pieters (Mr. Schollum)
	Neil Morris	Claire Revenig (Ms. Almond)
	Fernando Ruiz Monroy	Tania Sergott (Ms. Corden)
	Greg Schollum	Jamie Shannon (Mr. Kienhuis)
	Wendy Stevens	Brian Wilson (Ms. Stevens)
	Isabelle Tracq-Sengeissen	Kazuko Yoshimura (Ms. Kai)
	Eric Turner	
	<u>IESBA</u>	<u>IESBA</u>
	Gabriela Figueiredo Dias (Chair)	Keith Billing (Mr. Babington)
	Laurie Endsley (Vice Chair)	David Clark (Mr. Huesken)
	Saadiya Adam	Jens Engelhardt (Prof. Poll)
	Mark Babington	Ellen Gorla (Mr. Mintzer)
	Vania Borgerth	Charles Luo (Mr. Muthaura)
	Sanjiv Chaudhary	Ki-Tae Park (Mr. Kim)
	Richard Huesken	Carmen Penderis (Ms. Adam)
	Sung-Nam Kim	Andrew Pinkney (Ms. Endsley)
	Rania Uwaydah Mardini	Kemisha Soni (Mr. Chaudhary)
	Christelle Martin	Bruno Tesnière (Ms. Martin)
	Andrew Mintzer	Chris Twagirimana (Mr. Muvunyi)

Paul Muthaura	Kristen Wydell (Mr. Wijesinghe)
Felicien Muvunyi	Masahiro Yamada (Ms. Borgerth)
Luigi Nisoli	Xiaoye Yuan (Ms. Wu)
Jens Poll	
Channa Wijesinghe	
Yaoshu Wu	

Apology: IESBA
Marta Kramerius (Mr. Nisoli)

Non-Voting Observers

Present: Jim Dalkin (IAASB Consultative Advisory Group (CAG) Chair), Gaylen Hansen (IESBA CAG Chair), Yoshinao Matsumoto and Jumpei Kato (Japanese Financial Services Authority).

Public Interest Oversight Board (PIOB) Observers

Present: Janine van Diggelen (IAASB PIOB Observer) and Tomoyuki Furusawa (IESBA PIOB Observer)

IAASB and IESBA Technical Staff

James Gunn (Managing Director, Professional Standards)

IAASB

Willie Botha (Program and Technical Director), Ida Diu, Angelo Giardina, Claire Grayston, Armand Kotze, Fadi Mansour, Isabelle Raiche, Kalina Shukarova Savovska, Hankenson Jane Talatala, Jasper van den Hout and Dan Montgomery (Senior Advisor – Technical Projects).

IESBA

Ken Siong (Program and Senior Director), Linda Biek (Director), Geoffrey Kwan (Director), Laura Leal, Kam Leung, Jon Reid, Szilvia Sramko, Carla Vijian, Jeanne Viljoen, Astu Tilahun, Diana Vasquez

1. Opening Remarks

Mr. Seidenstein and Ms. Dias welcomed all participants to the joint meeting of the IAASB and IESBA, focused on the topic of strategic coordination between the two Standard Setting Boards (SSBs). They commenced the session by highlighting the critical success factors for the two Boards and shared examples of coordination successes over the last few years.

2. IAASB-IESBA Strategic Coordination

STRATEGY AND WORK PLAN (SWP) 2024-2027

Messrs. Botha, Siong and Kwan provided a status update on the development of the two Boards' SWPs, including a high-level overview of the key comments from respondents to their respective SWP consultation papers, highlights of selected ongoing and potential work streams that may be included in the final SWPs and the timeline for finalizing the SWPs.

Among other matters, SSB members and other participants made the following comments or suggestions:

- Continued coordination on the topic of technology and increased synergies between both Boards should remain a priority.
- There may be opportunities to jointly inform and educate management, chief financial officers and those charged with governance on the implications of the auditing and ethics standards regarding common topics such as fraud and their changing ethical responsibilities and obligations in respect of those topics.
- Consideration should be given to allocating or raising additional resources to developing joint implementation support material to further embed coordination between the SSBs.
- It may be helpful to consider including correspondent members in task forces and working groups in light of the proven success of doing so with both Boards' PIE projects.
- The SSBs should elevate their efforts from coordination to integration such as through the use of joint task forces. This would not only address silos between the two Boards but also could help resolve issues relating to resource constraints. The new staff-driven model may also impact how SSB staff work together.
- The Stakeholder Advisory Council (SAC), due to commence in 2024, has been established as a strategic advisor to both Boards and will naturally also provide a level of oversight over the coordination between the SSBs. The SSBs should also encourage the national standards setters to coordinate their efforts at the local level.

SUSTAINABILITY

Mr. Seidenstein provided an outline of the sustainability standards infrastructure, highlighting the interconnectedness among the reporting, assurance, and ethics (including independence) standards. Messrs. Botha and Siong provided a high-level overview of the draft standards being developed under the two Boards' Sustainability projects.

Among other matters, SSB members made the following comments or suggestions:

- The concept of value chain is one of the most challenging issues that needs to be addressed by both Boards. There should be a high degree of information sharing and an integrated approach on the topic

as the value chain is a new concept and it needs to be addressed from reporting, assurance and ethics standpoints.

- Whilst some stakeholders might query what “at least as demanding as ISQM 1¹ and the IESBA Code” means, there is acknowledgement that these are the appropriate premises for the IAASB’s new sustainability assurance standard.
- Early consultation on fundamental issues that affect both Boards’ sustainability-related standards, as demonstrated via past coordination efforts, is important.
- The two Boards should consider commissioning joint frequently asked questions (FAQs) and other guidance material upon completion of their Sustainability projects.
- Given the challenge of reaching new stakeholder groups who may have little knowledge of the two Boards and their work, the SSBs should take advantage of opportunities to reach out to these groups jointly. Further, the two Boards must not only coordinate in fact but also in appearance.
- The different approaches taken by the two Boards on group sustainability assurance engagements may lead some stakeholders to query their level of coordination.

As the respective IAASB and IESBA CAG Chairs, Messrs. Dalkin and Hansen shared their observations on the significant progress of coordination between the two Boards and commended the ongoing coordination efforts of the two Boards and their Staff.

3. PIOB Observers’ Remarks

Ms. van Diggelen, PIOB observer to the IAASB, commended the two Boards on the joint session to align their efforts on different work streams, particularly on the topic of Sustainability, in order to improve their effectiveness in addressing public interest issues through their standard-setting work.

Mr. Furusawa, PIOB observer to the IESBA, was encouraged by the coordination efforts of both Boards, highlighting two key areas of coordination with respect to the definition of "sustainability information" and the concept of value chain.

4. Closing

Mr. Seidenstein and Ms. Dias thanked all participants for their contributions and the lively discussions illustrating diverse perspectives, noting that participants’ comments would be further considered by the joint staff. They thanked the staff of the two Boards for their efforts in organizing the meeting.

¹ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*