

Listed Entity and Public Interest Entity (PIE)

Sue Almond

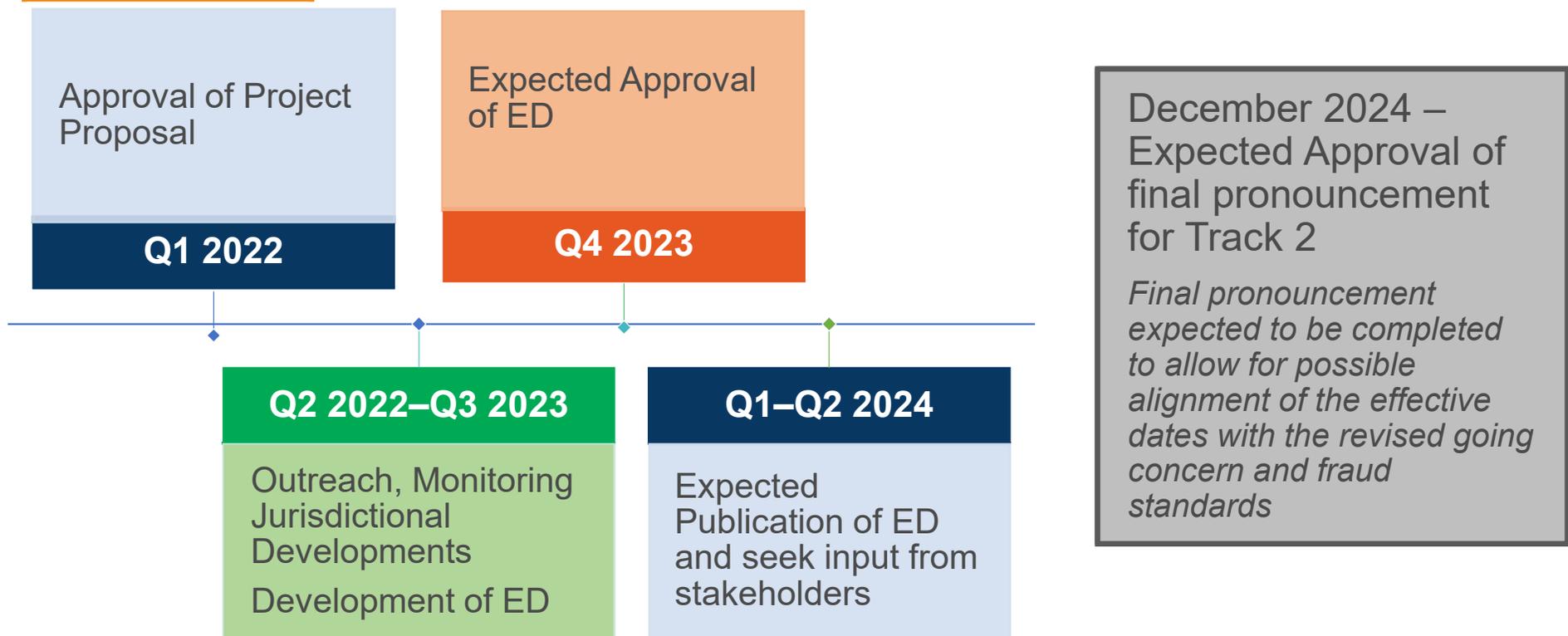
Listed Entity and PIE Task Force (PIE TF) Chair

IAASB CAG Meeting

December 7, 2023

Agenda Item B.1

Timeline and Key Milestones for Track 2



Recap of Project Objectives for Track 2 that Support the Public Interest

A. Achieve to the greatest extent possible convergence between the definitions and key concepts underlying the definitions used in the revisions to the IESBA Code and the ISQMs and ISAs to maintain their interoperability

B. Establish an objective and guidelines to support the IAASB's judgments regarding specific matters for which differential requirements for certain entities are appropriate

C. Determine whether, and the extent to which, to amend the applicability of the existing differential requirements for listed entities in the ISQMs and ISAs to meet heightened expectations of stakeholders regarding the performance of audit engagements for certain entities, thereby enhancing confidence in audit engagements performed for those entities

Overview: Key Proposals in the ED for Track 2

**Objective for Establishing
Differential Requirements
for PIEs**

**Definitions of PIE and
“Publicly Traded Entity”**

**Differential Requirements
in the ISQMs and ISAs**

ISRE 2400 (Revised)

Objective for Establishing Differential Requirements for PIEs

**Paragraphs in the ED:
A29A–A29B of ISQM 1
A81A–A81B of ISA 200**

- A common objective across the IAASB standards and the IESBA Code as an overarching principle for establishing differential requirements for PIEs
- A tailored purpose for the differential requirements in the ISQMs and ISAs – to meet the heightened expectations of stakeholders regarding the “*audit engagement*”

Definitions of PIE and “Publicly Traded Entity”

**Paragraphs in the ED:
16(p)A–16(p)B, 18A–
18B, A29D–A29F of
ISQM 1
13(I)A–13(I)B A23A–
23B, A81D–A81F of
ISA 200**

Adopting

- The definition of PIE and “Publicly Traded Entity” in ISQM 1, ISA 200 and the IAASB Glossary of Terms
- The entire approach from the IESBA Code to scoping in PIEs
- Replacing the definition of “listed entity” with “Publicly Traded Entity”

Differential Requirements in the ISQMs and ISAs

**Paragraphs in the ED:
34(e) and 34(f) of ISQM 1
17 of ISA 260 (Revised)
30, 31, 40(b), 40(c), 46,
50(l) of ISA 700 (Revised)
5 of ISA 701
21-22(b) of ISA 720
(Revised)**

- Extending the differential requirements to apply to PIE for
 - Engagement quality reviews
 - Communication with TCWG about the firm's system of quality management
 - Communicating auditor independence
 - Communicating KAM
 - Name of the engagement partner
- Deferring a discussion to extend the differential requirements in ISA 720 (Revised) until the standard is comprehensively revised

ISRE 2400 (Revised)

Paragraphs in the ED: 86(j)A, A137A of ISRE 2400 (Revised)

- Amending ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, in order to maintain the coherence and interoperability with the IESBA Code
- Consistent approach for the revisions to the practitioner's review report as with amendments to the auditor's report approved under Track 1 of the project

Matters for IAASB CAG Consideration



Question 1

Representatives are asked for views on the ED presented in **Agenda Item B.2** that will be presented to the IAASB for approval at the December 2023 meeting

Question 2

Representatives are asked whether there are any other matters the PIE Task Force should consider in finalizing the ED for Track 2



**International Auditing
and Assurance
Standards Board®**



[@IAASB News](https://twitter.com/IAASB_News)



[@International Auditing and Assurance Standards Board](https://www.linkedin.com/company/iaasb)



[@International Auditing & Assurance Standards Board](https://www.youtube.com/channel/UC...)

www.iaasb.org

IAPN.

ISA.

ISAE.

ISQC.

ISRE.

ISRS.

For copyright, trademark, and permissions information, please go to [permissions](#) or contact permissions@ifac.org.