

PIOB Monitoring of Comment Letters submitted by MG/IFIAR/EAIG Members to the ED "Application Material relating to Professional Skepticism and Professional Judgment" (published in May 2017) As of October, 2017					
#	Respondent	Group	Issue	MAIN Issues/Recommendations Description	SSB's Disposition of Comment
1	UK FRC	IFIAR Member	Limitations of application material; Need of enhancement of PS and coordination with SSBs and other stakeholders	The proposed application material on PS is relatively limited in its aim, although we acknowledge that the IESBA is only addressing the recommendation of the tripartite PSWG. We encourage IESBA to continue working with the IAASB, IAESB and other stakeholders to consider how the exercise of PS can be further enhanced. However, in doing this it is important that IESBA focus on ethical considerations rather than procedural requirements that are arguably better addressed in audit and other assurance standards.	The work of the tripartite PSWG has come to an end with the joint publication "Toward Enhanced Professional Skepticism" (August 2017). The IESBA committed to a long-term initiative to develop a concept of "critical mindset" (or something similar) which should be applied to all Professional Accountants.
2	UK FRC	IFIAR Member	Alignment of Professional Judgment description with ISAs	We suggest that the description of what professional judgment involves could be expanded to be more closely aligned with that in the ISAs - "the application of relevant training, knowledge and experience, taking into account the nature and scope of the professional activity being undertaken, in making informed decisions about the courses of action that are appropriate in the circumstances".	TBD
3	IRBA	IFIAR Member	Limitations of application material	The proposed application material is limited and may not have an impact on the behaviour of auditors as envisioned by the Board, i.e. contribute to improving audit quality. We hoped that this project would have stronger proposals, especially given the high public interest in the project.	The IESBA committed to a long-term initiative to develop a concept of "critical mindset" (or something similar) which should be applied to all Professional Accountants.
4	IRBA	IFIAR Member	Need of enhancement of PS	PS is an important and a complex area, thus we encourage the IESBA as well as the tripartite PSWG to continue working on strengthen the application of PS. Additionally, we encourage that the scope of the longer term project not be limited to applicability of PS by professional accountants, but rather consider the original reason for including professional skepticism in the IAASB ITC.	The work of the tripartite PSWG has come to an end with the joint publication "Toward Enhanced Professional Skepticism" (August 2017). The IESBA committed to a long-term initiative to develop a concept of "critical mindset" (or something similar) which should be applied to all Professional Accountants.
5	IRBA	IFIAR Member	Independence developments across the world and priority of other issues (Fees, NAS)	The IRBA looks forward to the IESBA undertaking projects that are: a) more closely aligned to the central public interest issues; b) in touch with rapidly changing auditor independence developments across the world... To this end the focus given to these limited amendments to application material, is not fully understood, versus the other pressing priority issues such as Fee related matters, non-assurance services, etc.	The IESBA committed to review NAS, as a priority, in the next Strategy cycle (2019-2023). It has to decide whether the Fees initiative will end into a project.
6	IRBA	IFIAR Member	Alignment of Professional Judgment description with other SSBs	We note that the definition proposed for professional judgment is slightly different from that used by the IAASB. In an effort to coordinate common terms used between the three SSBs, the IESBA may want to consider whether the IAESB has a similar definition of professional judgment before finalisation.	TBD