



Compliance Advisory Panel Oversight Assurance Plan 2018

The following Oversight Plan has been developed on the basis that the CAP will continue functioning as it does and under PIOB oversight during all of 2018. Should this assumption change due to the ongoing MG consultation on proposals, this Plan will be accordingly revised and updated.

1. 2017 experience

During 2017, the PIOB directly observed 2 out of 3 CAP meetings, plus one meeting held via teleconference. This conformed to the Oversight Plan for that year. PIOB observers continued providing input at the meetings.

In 2016, the PIOB made a recommendation to the CAP regarding the category “adopted”, used by the CAP to define the status of adoption of the IESBA Code. Specifically, this category included member bodies/jurisdictions that have ethical requirements more stringent than those in the IESBA Code, and possibly others with less stringent requirements. In response to this, the CAP discussed and agreed with a staff proposal to carry forward consultations with a sample of 4 jurisdictions that have adopted ethical requirements beyond those in the IESBA Code of Ethics and 2 that have not adopted the Code, to better understand the nature of the differences and reasons behind no adoptions. In October, the CAP discussed the conclusions from consultations, and agreed with CAP staff’s proposal of not creating an additional category beyond “adopted”. This brought the recommendation to closure, from the CAP’s side.

The PIOB believe that greater transparency would ensue if jurisdictions with more stringent ethical requirements than the IESBA Code of Ethics are included in a separate category. This could be an opportunity for gaining a better insight on the real status of adoption of the IESBA Code at the jurisdiction level, which could be helpful both for member bodies and for the IESBA.

During the year, the CAP also discussed changes to the methodology and the reporting cycles for the submission of Action Plans by member bodies, and agreed on a Work Program for 2018 and on the extension for 1 year of its current 2016-2018 Strategy, to align it with IFAC’s. The 2018 Work Program and the 1-year extension of the Strategy were approved by the PIOB in December, via written procedure.

The CAP discussed an updated version of the Status Report on Adoption of international standards during its October meeting. This was a partial report covering about 60% of IFAC membership. The PIOB looks forward that the methodology used for the preparation of these reports is further enhanced in the



short term, and that all jurisdictions and member bodies are included in the next reports.

The PIOB met with the CAP Chair in June 2017. The Chair also attended the PIOB Workshop on “The Impact of Technology on an Audit”, held next to that PIOB meeting.

Regarding CAP leadership, the CAP Chair, Kathryn Byrne, was nominated to become a member of IFAC Nominating Committee. The PIOB approved that nomination in September. The Chair will resign from her position effective December 31, 2017. The new CAP Chair is expected to be approved in time for the CAP first meeting in April 2018. In the interim, the CAP Deputy Chair will temporarily serve as the Chair. The new Chair will require the PIOB’s approval.

2. Expected CAP Activity for 2018

The CAP is expected to implement its 2018 Work Program. According to this plan, the CAP will continue with its regular activities related to Action Plans submitted by member bodies and Dashboard Reports, monitoring compliance with SMOs by member bodies under the new enforcement framework, enhancing the Status of Adoption Reports and advancing the analysis of data collected for these reports, reviewing the tools currently used by the program, such as the Action Plans, and dealing with requests for membership with IFAC.

3. Oversight Assurance Team in 2018

	Team Member(s)
CAP	Jules Muis - Shigeo Kashiwagi

4. Oversight Assurance Model for 2018

Based on the expectation that during 2018 the CAP would be furthering its role in relation to monitoring adoption and implementation of international standards and producing enhanced Status of Adoption Reports; and possibly introducing changes to its Action Plans methodology/format, an **Oversight Model 2 (medium intensity)**, with a medium intensity level of observations, will be applied during 2018.

Appendix I details the PIOB 4 different Oversight Assurance Models.

5. Oversight Activities for 2018

5.1. Direct Observations of Meetings

The CAP will meet three times in 2018. Initially, the PIOB will observe 2 of the meetings:

July 12-13 - NYC

October 18-19 - NYC

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A third CAP meeting is scheduled for April 12-13, in Vienna. This meeting will not be observed by the PIOB. In addition to this, the CAP has scheduled a teleconference for January 18, which the PIOB will not observe.

Allocation of PIOB observations to CAP meetings may change from what is stated above, based on the actual agendas for the meetings.



Public Interest Oversight Board

APPENDIX I - OVERSIGHT ASSURANCE MODELS

Mode I	Intensity of PIOB Oversight	When	PIOB Observations
1	High	Higher risk to public interest protection	100% observations
2	Medium	Medium risk to public interest protection	Medium level of observations
3	Low	Low risk in public interest protection	Minimal or no observations