



International Accounting Education Standards Board and CAG Oversight Plan 2018

The following Oversight Plan has been developed on the basis that the IAESB will continue functioning as a SSB during all of 2018, and developing the projects that are currently on the Board's agenda. Should this assumption change due to the ongoing MG consultation on proposals for the SSBs, this Plan will be accordingly revised.

1. 2017 Experience

During the year, the PIOB applied a high-intensity level of oversight, and directly observed the 2 IAESB meetings and one Board teleconference, and the 2 CAG meetings held in the year. This was in accordance with what was scheduled in the 2017 oversight plan.

The IAESB's work during 2017 mainly focused on implementation issues around the revised IESs. Regarding outcomes that require PIOB's approval, the Board finalized its 2017-2021 Strategy and 2017-2018 Work Program, with input received from the CAG and from the PIOB. The PIOB approved the new Strategy and Work Program during its February meeting.

In June, the Board approved the Exposure Draft (ED) of revised IES 7, "Continuing Professional Development", which received 42 comment letters, following the extension of the period for comments for 2 weeks, to allow a higher number of responses and additional IAESB outreach activities to this end. The letters were first discussed during the October Board meeting.

The Board also started new projects that were included in its 2017-2018 Work Program (WP), Professional Skepticism (PS) and Information and Communications Technology (ICT). On PS, the Board agreed with a short communications piece developed by the joint IAASB-IESBA-IAESB Task Force, which was published in August 2017; and commissioned a university researcher to conduct a literature review on professional skepticism in accountancy, as the first step to better understand PS in the context of behavioral competences for professional accountants. The IAESB, as the IESBA, seems supportive of having PS applicable to all professional accountants, not just auditors.

Regarding ICT, in April, the Board received a presentation related to this, although the Board still has to determine the scope and way forward for this project.

The term of the IAESB Chair ended in December 2017, and was extended up to the end of 2018, in line with the other two SSB's Chairs.



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Regarding CAG leadership, in April the CAG started the process to select a new Chair, given that the current Chair was ending his term in December 2017 and was not staying at the CAG. In October, the CAG elected Ray Johnson as the new CAG Chair. The PIOB approved the new Chair via written procedure in November.

2. Expected IAESB Activity for 2018

The IAESB plans to finalize the revision of IES 7 in July 2018, and submit the standard for PIOB approval in September 2018; and to progress the new projects.

3. Oversight Assurance Team in 2018

	Team Member(s)
IAESB	Aileen Pierce and Shigeo Kashiwagi
IAESB CAG	Aileen Pierce and Shigeo Kashiwagi

4. Oversight Model for 2018

Given that the Board will finalize the revision of IES 7, the only IES that deals with continuing professional development; and the expectation that during 2018 the IAESB would progress the new projects on PS and ICT, both relevant for the PIOB, an **Oversight Model 1 (High Intensity)** will be applied in 2018.

Appendix I details the 4 different Oversight Assurance Models applied by the PIOB.

5. Oversight Activities for 2018

5.1. Direct Observations of Meetings

During 2018, the PIOB will observe the following meetings:

IAESB:

The Board will meet 3 times in 2018. Two meetings will be scheduled for direct observation:

April 18-20 – Nairobi, Kenya (back-to-back with the CAG meeting).

July 11-12 – NYC

October 24-26 – NYC- will not be observed.

Should the IAESB add teleconferences during 2018, the PIOB will also observe them.

IAESB CAG:

The CAG will meet two times. These meetings will be scheduled for direct observation:



April 16-17 - Nairobi, Kenya (back-to-back with the Board meeting)
September 13-14 - NYC

Should the IAESB CAG add teleconferences during 2018, the PIOB will observe them too.

The PIOB Bluebook provides detailed guidance on observation.

5.2. Approvals Scheduled for 2018

The IAESB expects to approve the revised IES 7 in July 2018, and submit the standard for PIOB approval in September 2018.

5.3. Oversight Analysis

The Secretariat will perform an Extended Review analysis over IES 7 when the standard is submitted for PIOB approval.

Throughout the year, Team members, supported by PIOB staff, will confirm whether the OAM planned for 2018 remains relevant. Should the PIOB determine that a change of OAM is required; the reasons supporting the change will be recorded as part of this plan.



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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