

International Ethics Standards Board for Accountants and its CAG Oversight Plan 2018

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

1. 2017 Experience

The PIOB directly observed the four IESBA and the two CAG meetings held in the year, in addition to the three teleconferences (two of IESBA and one of the CAG). This implied direct observation of 100% of the Board and CAG meetings, in line with the oversight plan approved for 2017.

The close-off text of Long Association, approved by the IESBA at its December 2016 meeting, was subsequently approved by the PIOB in January 2017 by written procedure.

The IESBA concluded its work on the Structure of the Code project (including the restructure of the close-off texts approved in previous years, such as Part C¹, Long Association and NOCLAR) and the Safeguards project (including the restructure of NAS).

Application material related to Professional Skepticism and Professional Judgment also progressed during the year and was approved by IESBA in December 2017.

The term of the IESBA Chair (ending in 2017 and eligible for re-appointment) was extended up to 2018, in line with the other two SSB's Chairs, with a potential renewal of up to two years, subject to the outcome of the reforms process and discussion with the MG.

During the year, the PIOB observers at IESBA and IESBA CAG meetings offered their comments, some of which are still under consideration by the IESBA.

2. Expected IESBA Activity for 2018

In 2018 the IESBA will be completing the review of Part C of the Code – Phase II (Gifts, Hospitality and other Inducements) and will start working on its next Strategy and Work Plan (2019-2023).

¹ Phase I and Applicability to PAPPs.



It will also have to decide how to review NAS, from a substantial perspective, and how to advance on the long-term initiative on Professional Skepticism.

These projects are highly relevant from a public interest perspective and will be closely overseen by the PIOB.

3. Oversight Assurance Team in 2018

	Team members
IESBA	Aileen Pierce, Jules Muis, Maria Helena Pettersson
IESBA CAG	Maria Helena Pettersson, Karen Stothers

4. Oversight Assurance Model for 2018

In 2018 the PIOB will apply Oversight Assurance **Model 1 (high intensity)** with 100% direct observations in 2018.

Appendix I details the three different Oversight Assurance Models that the PIOB applies.

5. Oversight Activities for 2018

5.1. Direct Observations of Meetings

During 2018, the PIOB will observe the following meetings:

IESBA:

The Board will meet four times, three in NYC and one in Athens, in June. All four meetings will be scheduled for observation:

March 12-14
 June 19-21
 September 17-19
 December 3-5

On February 8th, the IESBA will hold a joint teleconference with the IAASB, to discuss about the Engagement Quality Control Reviewer (EQCR).

Should the IESBA add further teleconferences during 2018, the PIOB will observe them as part of the OAM Model 1.

IESBA CAG:

The IESBA CAG is meeting twice, in New York.

The two meetings will be scheduled for observation, given that they will be held back-to-back with IAASB CAG meetings already scheduled for observation:

March 5
September 10

Should the IESBA CAG add teleconferences during 2018, the PIOB will observe them as part of the OAM Model 1.

The PIOB Bluebook provides detailed guidance on observations.

5.2. Approvals Scheduled for 2018

The IESBA will work during 2018 on the completion of projects such as Part C – Phase II (Gifts, Hospitality and other Inducements) and on the new Strategy and Work Plan, which will be subsequently submitted to the PIOB for approval.

The table below shows the details:

Project	IESBA Approval	PIOB Approval
Part C of the Code (Phase II – Gifts, Hospitality and other Inducements)	March 2018	June 2018
Strategy & Work Plan (2019-2023)	December 2018	March 2019

5.3. Oversight Analysis

For all pronouncements (and strategies) which will be submitted to the PIOB for approval in 2018, the PIOB staff will prepare the relevant Extended or Limited Review.

Throughout the year, the 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 be required, the reasons supporting the change will be recorded as part of this plan.



Public Interest Oversight Board

APPENDIX I - OVERSIGHT ASSURANCE MODELS

Mode l	Intensity of PIOB Oversigh t	When	PIOB Observatio ns
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