



International Ethics Standards Board for Accountants (IESBA) and its CAG 2020 Oversight Plan

1. Expected IESBA Activity in 2020

In 2020 the IESBA will finalize and approve the “Role and Mindset Expected of Professional Accountants” provisions (R&M - formerly Professional Skepticism). The ED published in 2019 proposed the applicability of professional judgment to all Professional Accountants (PAs) as well as the requirement to exercise professional judgment with an “inquiring mind”. The PIOB had supported the idea that a minimum level of Professional Skepticism, or other suitable term, should be applied by all PAs.

The IESBA will progress its work on the Non-Assurance Services (NAS) and Fees projects and plans to complete them by the end of the year.

The PIOB had recommended a significant revision of NAS, to address independence issues. The IESBA proposals for NAS set a prohibition for audit firms and networks to provide NAS to PIE audit clients whenever a self-review threat is created. The requirement introduced to obtain agreement of Those Charged With Governance (TCWG) before providing NAS to audit clients has responded to PIOB’s suggestions.

On Fees, the IESBA has introduced, among others, new provisions: to establish a quality management system and to determine the sufficiency and appropriateness of resources assigned to the engagement; requirement to communicate fees to TCWG and publicly disclose fee-related information. The PIOB had recommended to consider the impact that fees have on audit quality and on the auditor’s independence.

For both NAS and Fees projects, the definition of PIEs becomes crucial as it determines the categories of entities subject to stricter provisions in the Code. The IESBA decided to accelerate this project, which is included in its 2019-2023 Strategy and Work Plan (SWP).

The Technology Working Group (WG) will provide its report to help determining the direction this initiative will take. It may translate into a project to revise provisions in the Code of Ethics or rather to end up in non-authoritative guidance. As a consequence of the increased use of technology and the current lack of guidance, the PIOB suggested the IESBA to develop a framework for evaluation of ethical issues and biases when firms use automation and artificial intelligence to perform audit procedures.

The Tax Planning initiative will conclude its fact-finding activity and the WG’s report will determine what kind of actions the IESBA will take.

Phase 2 of the E-Code will be finalized during the year.



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Overlapping issues with the IAASB will be discussed by the IESBA and coordination between the two SSBs will continue to take place.

2. Oversight Activities Planned in 2020

The PIOB oversees the standards developed by the SSBs and monitors the progress of the projects/initiatives undertaken by the SSBs, which are included in their Strategies and Work Plans. The oversight activity includes the review of the Exposure Drafts and their evolution, the comment letters submitted by respondents and all the documentation prepared by the SSBs for each meeting. The PIOB is willing to engage more with the SSBs staff and Task Forces members to enhance the dialogue and the communication.

PIOB staff will keep updating the list of Public Interest Issues on the main IESBA projects, on the basis of the discussion held at the PIOB Board meetings, and will keep communicating them to the IESBA, on a quarterly basis. These lists will keep being published in the PIOB website. The PIOB will monitor how these issues are addressed by the IESBA during the development of standards.

PIOB staff will prepare Briefing Memos for the PIOB Board members who will observe the IESBA and CAG meetings. Observer will prepare their Observation Memos for each meeting, which will be discussed at the PIOB Board quarterly meetings.

2.1. Approvals Scheduled in 2020

For all pronouncements (and strategies) which will be submitted to the PIOB for approval in 2020, the PIOB staff will prepare the relevant Analysis of Public Interest Responsiveness (APIR).

Project	IESBA Approval Date	PIOB Approval Date
Role and Mindset Expected of Professional Accountants	June 2020	September 2020
Non-Assurance Services	December 2020	March 2021
Fees	December 2020	March 2021

2.2. Observation of IESBA and IESBA CAG Meetings

The PIOB will directly observe the four IESBA and the two IESBA CAG meetings held in 2020, as well as the teleconferences which will be scheduled during the year.

IESBA/CAG	Date	Location
IESBA Teleconference	February 3	TBC



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IESBA/CAG	Date	Location
CAG	March 9	New York
IESBA	March 16-18	New York
IESBA Teleconference	May 11	TBC
IESBA	June 10-12	Possible location in North America - TBD
IESBA Teleconference	August 10	TBC
CAG	September 9-10	New York
IESBA	September 14-17	New York
IESBA Teleconference	November 2	TBC
IESBA	December 2-4	New York

2.3. Oversight Observers in 2020

PIOB Board members assigned to the observation of the IESBA and CAG meetings during the year are as follows:

IESBA/CAG	PIOB Observers
IESBA	Jane Diplock, Jules Muis
CAG	Shigeo Kashiwagi