Meeting: IESBA
Meeting Location: New York, USA
Meeting Date: September 17-20, 2018

Alignment of Part 4B with ISAE 3000 (Revised)

Objective of Agenda Item
1. To consider and approve a project proposal to address the consistency of Part 4B of the revised and restructured Code with ISAE 3000 (Revised)\(^1\) ("the Project").

Working Group Members
2. The IESBA Part 4B Working Group (WG) comprises:
   - Liesbet Haustermans, Chair and IESBA Member
   - Caroline Lee, IESBA Member
   - Andrew Pinkney, IESBA Technical Advisor
   - Saadiya Adam, IESBA Technical Advisor
   - Peter Hughes, Former IESBA Member (providing technical support)

Activities since the IESBA Discussion at the June 2018 IESBA Meeting
3. The WG met in London on 23\(^{\text{rd}}\) and 24\(^{\text{th}}\) July and considered the preliminary input received from Board members in Athens, including any material subsequently provided to the WG by Board members.

4. On 23\(^{\text{rd}}\) July, the WG received a presentation via teleconference from Eric Turner, Director, Audit and Assurance Standards, CPA, Canada who explained the background to the development of CSAE 3000 and CSAE 3001 in Canada, dealing with attestation and direct assurance engagements respectively. Mr Turner also provided examples of direct assurance engagement reports delivered in Canada under CSAE 3001.

5. On 24\(^{\text{th}}\) July, the WG met with Helen Brennan, director of Audit and Assurance Quality and Risk Management at KPMG in London and chair of the project to update the ICAEW Assurance Sourcebook in the UK. Ms Brennan provided insights into the types of attestation and direct assurance engagements provided by firms in the UK and the considerations of the ICAEW in updating the provisions for assurance engagements in its Assurance Sourcebook.

6. Taking into account all this input, the WG developed the project proposal included as Agenda Item 11-A. The project proposal recognizes that the primary task is to make appropriate revisions to the

\(^1\) International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information
Code to align terms and concepts with ISAE 3000 (Revised). However, the Project will also seek to provide further clarification of the independence provisions applicable to the various parties to an assurance engagement in the light of the revised terms and concepts in ISAE 3000 (Revised). Additionally, consideration will be given to whether certain minor textual changes should be made in Part 4B of a clarifying and consistency nature, together with certain other matters which are referred to in paragraphs 10 and 11 of Agenda Item 11-A.

7. The Project will examine whether further clarification would be appropriate with regards to the compatibility of direct engagements with the independence concepts in Part 4B and, if so, whether a staff publication should, for example, be issued at the same time as the exposure draft of the proposed changes to Part 4B arising out of the Project.

8. The IESBA CAG will consider and provide input on the project proposal set out as Agenda Item 11-A at its September meeting. The Chair of the WG will brief the IESBA on the key outcomes of the CAG discussion during the September IESBA meeting.

Action Requested
9. IESBA members are asked to consider and approve the project proposal in Agenda Item 11-A.

Material Presented

<table>
<thead>
<tr>
<th>Agenda Item 11-A</th>
<th>Project Proposal – Alignment of Part 4B with ISAE 3000 (Revised)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agenda Item 11-B</td>
<td>Comments on the Project Proposal from Standard-Setting Board and IFAC Technical Managers</td>
</tr>
</tbody>
</table>