IAASB-IESBA Coordination

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IESBA Board Liaison to IAASB, IESBA Member

IESBA Meeting
31 March 2021
Virtual
Objective of Session

To receive a brief update on recent IAASB-IESBA coordination activities relating to:

- Current projects/initiatives with ongoing coordination
- Current projects/initiatives with potential coordination
- Completed projects
Coordination activities in Q1 2021

IAASB & IESBA liaison meeting
- Stocktake of projects/initiatives

IAASB & IESBA staff meeting
- Fraud and Going Concern
An overview of some current IAASB Projects and Initiatives as of March 2021

<table>
<thead>
<tr>
<th>IAASB Projects/Initiatives</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Audit – ISA</td>
<td>Post-ED discussions</td>
</tr>
<tr>
<td>Audit Evidence</td>
<td>Project proposal approved in Dec 2020</td>
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<tr>
<td>Audit of Less Complex Entities (LCE)</td>
<td>Project proposal approved in Dec 2020</td>
</tr>
<tr>
<td>Complexity Understandability Scalability Proportionality (CUSP)</td>
<td>Information gathering</td>
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<tr>
<td>Auditor Reporting Implementation</td>
<td>Ongoing discussions</td>
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<tr>
<td>Fraud</td>
<td>Information gathering</td>
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<tr>
<td>Going Concern</td>
<td>Information gathering</td>
</tr>
<tr>
<td>Conforming Amendments to Other Standards from QM Standards</td>
<td>ED released, comments due May 24</td>
</tr>
<tr>
<td>Technology</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
The following projects/initiatives have ongoing coordination and are managed by those projects:

- **IAASB**
  - Group Audit

- **IESBA**
  - ET–GA Independence

- **IAASB**
  - New workstream
  - Auditor Reporting
  - Post-Implementation Review
  - Audit of LCE

- **IESBA**
  - PIE
The following IAASB initiatives may require coordination going forward

**Fraud and Going Concern**

- Information gathering stage – IAASB reviewing comments to Discussion Paper
- Project proposals anticipated Sept 2021 (Fraud) and Oct 2021 (Going Concern)
- Initial staff discussion identified possible matters of mutual interest, eg:
  - Enhancements to PS and interaction with the Code’s inquiring mind concept
  - Definition of fraud
  - Presentation and preparation of information
  - Expertise when determining appropriateness of management’s going concern assessment
The following IAASB/IESBA projects have been completed

**IAASB**

**EER Assurance**
- Guidance approved by IAASB in March 2021
- IESBA comments have been addressed and accepted accordingly
- No further coordination required

**ISQM (ISQM 1, ISQM 2 & ISA 220(Revised))**
- Final pronouncements released in Dec 2020
- IESBA to make conforming amendments to the Code. E.g., changes to the Glossary:
  - As additions, the definitions of “engagement quality review” and “engagement quality reviewer” from the approved ISQM 1
  - The deletion of the term “engagement quality control review”

**IESBA**

**NAS and Fees**
- Final revisions approved by IESBA in Dec 2020
- IAASB will consider if revisions to ISA 260 (Revised) are warranted in light of revisions to the Code with respect to communications with TCWG
Comment or question?