IAASB & IESBA Future Strategies and Work Plans – Joined-up Thinking

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3rd Joint IAASB and IESBA Meeting
New York
18 September 2019
Agreed Set of Principles for Coordination

• IESBA Strategy and Work Plan for 2019-2023
  – Issued April 2019
  – Strong need for coordination with the IAASB emphasized

• IAASB Proposed Strategy for 2020-2023 and Work Plan for 2020-2021
  – Targeted to be approved in December 2019
  – Deepening connections with stakeholders, including coordination with IESBA

• IAASB and IESBA strategy periods will be aligned after 2023

• Set of Principles agreed and issued in 2018
  – Coordination is an important enabler for each SSB to achieve its Strategy
  – Have been ‘acting on coordination’ (staff; Tasks Forces/Working groups; Chairs; Boards)
**Purpose of coordination**

“To enable the SSBs to deliver standards and other outputs to their broad constituencies that are consistent with each other and interoperable, or that are not otherwise incompatible with each other.”

**Shaping joined-up thinking**

- Public interest issues common to both SSBs (pertaining to a strategic objective / theme or a project or a topic)
- Act at a strategic level to emphasize the merits of coordination and to address perceptions around its occurrence and effectiveness
- Focus on commonality of interests at a technical or activities level
  For example, identifying the core issue and how it is contextualized and finding application in the standards of each SSB, and seeking an optimum resolution
IAASB’s Goal: Sustained trust in financial and other reporting, enhanced by high-quality audits, assurance and related services engagements, through delivery of robust global standards that are in the public interest and capable of consistent and proper implementation.

IESBA’s vision: Is for the Code to be a foundation of strong ethical principles, values and standards to underpin trust in the global accountancy profession in a dynamic and uncertain world, and to enable the profession to act in the public interest.

Commonality of interests
Public Interest | Trust | Foundation / Enabler
Strategic Objectives / Strategic Themes

**IAASB:**
- Develop and maintain International Standards and Supporting Materials
- Innovate our ways of working; broadening capabilities and capacity
- Deepen our relationships with our stakeholders

**IESBA:**
- Advancing the Code’s relevance and impact
- Deepening and expanding the Code’s influence
- Expanding the IESBA’s perspectives and inputs

**Commonality of interests**
- Continued global relevance
- Responsive
- Collaboration (cooperation and input)
- Pre-existing commitments
- Raising the bar (incl. our processes and how we engage)
Examples – Relating to Standard Setting

<table>
<thead>
<tr>
<th>From IESBA SWP</th>
<th>Possible commonality</th>
<th>From IAASB proposed SWP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition of listed entity and public interest entity [touchpoint in current</td>
<td>Differential requirements The basis of and purpose for differentiating between certain</td>
<td>‘Listed entity’ and ‘entities that may be of significant public interest’ are used in</td>
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<tr>
<td>projects; planned future workstream]</td>
<td>entities</td>
<td>the ISAs [touchpoint in current projects]</td>
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<tr>
<td>Emerging or newer models of service delivery [planned future workstream]</td>
<td>Application of fundamental / foundational requirements Modernizing standards New</td>
<td>Audit delivery models – firm structures; service delivery centres; ‘Engagement team’</td>
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<td></td>
<td>relationships</td>
<td>[touchpoint in current projects]</td>
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<tr>
<td>Audit firms business model [PIOB public interest issue]</td>
<td>Threats to behavior/audit quality Complexity (many elements) ‘Commercial considerations’</td>
<td>Audit firms business model [PIOB public interest issue]</td>
</tr>
</tbody>
</table>
### Examples – Other Strategic Topics

<table>
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<tr>
<th>IESBA</th>
<th>Possible commonality</th>
<th>IAASB</th>
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| **Outreach** activities – part of expanding the IESBA’s perspectives and inputs | Overlap of stakeholders  
Adoption and implementation  
Issues affecting SSBs standards  
Opportunities to collaborate | Outreach activities – part of deepening IAASB’s relationships with stakeholders |
| **Research** and other fact finding – part of evidence or analysis in expanding the IESBA’s perspectives and inputs | Evidence-based standard setting  
Better informed work plans and more structured processes | Information-gathering and research activities – part of IAASB Framework for Activities as a foundation for future workstreams |
| Issuing of non-authoritative publications – part of actions to advance the Code’s relevance and impact | Adoption and implementation  
Role of SSBs – clear criteria and boundaries | Developing guidance and support materials – Complements core activities in ensuring standards that are relevant, robust and operable |

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**Early Identification of SWP Topics**
Discussion Group Sessions

Discussion Groups 1 and 2
Exploring a Pathway to Convergence on the Concepts of Public Interest Entity (PIE) and Entity of Significant Public Interest (SPI)

Discussion Groups 3 and 4
Other SWP Focus Areas Requiring Joined-up Thinking