Objective of Agenda Item

1. To advise the IESBA of the status of due process regarding the proposed revisions to the Code arising from the Engagement Team – Group Audits Independence (ET-GA) and Technology projects.

Background

2. The Program and Senior Director is responsible for advising the IESBA as to whether due process has been followed effectively and with proper regard for the public interest before final changes to the Code are approved for issuance.

3. The following outlines the Program and Senior Director’s conclusion and basis for that conclusion with respect to the actions up to the November-December 2022 IESBA meeting for the abovementioned revisions to the Code. Before final approval of the changes, the Program and Senior Director will advise the IESBA as to whether due process has been followed during the course of the November-December 2022 IESBA meeting.

Due Process Up to the November-December 2022 IESBA Meeting

4. The Program and Senior Director confirms to the IESBA that up to its November-December 2022 Board meeting, the changes to the Code arising from each of the above two projects have been developed in accordance with the IESBA’s due process.

5. In summary, for the proposed changes in relation to each project, the IESBA:
   - Approved the relevant project proposal for commencement of work on the proposed revisions to the Code. In particular, the IESBA conducted fact-finding that led to the Technology Working Group’s Phase 1 Report, which then informed the development of the Technology project proposal.
   - Consulted with the IESBA Consultative Advisory Group (CAG) on:
     - The proposal to start the project; and
     - The significant issues relating to the development of the proposed revisions.
   - Significant comments received through the consultation with the CAG have been brought to the IESBA’s attention, and the project Task Force has reported back to the CAG the results of the IESBA’s deliberations.
   - Approved and issued an exposure draft of the proposed revisions to the Code for public comment, together with an explanatory memorandum highlighting, among other matters, the IESBA’s significant proposals.
   - Considered an analysis of the significant issues raised by respondents on the exposure draft, including their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
   - Having familiarized itself with the issues raised in comment letters on the exposure draft:
     - Deliberated significant matters raised in the comment letters; and
Amended the proposed changes to the Code accordingly.

- Consulted with the CAG on significant issues raised in comment letters on the exposure draft of the proposed changes and the IESBA's related responses. Significant comments received through the consultation with the CAG have been brought to the IESBA's attention.
- Coordinated closely with the IAASB on the proposed changes to the Code, especially in relation to the ET-GA project.