

Meeting: IESBA
Meeting Location: New York
Meeting Date: June 10-12, 2013

Agenda Item

3

Responding to a Suspected Illegal Act

Objective of Agenda Item

1. To consider a straw man of an alternative to the approach set out in the exposure draft, *Responding to a Suspected Illegal Act*, (the ED) regarding a professional accountant's responsibilities when encountering a suspected illegal act.

Task Force

2. Members:
 - Robert Franchini, Chair, IESBA Member
 - Isabelle Sapet, IESBA Deputy Chair
 - Helene Agélii, IESBA Member
 - Caroline Gardner, IESBA Member
 - Peter Hughes, IESBA Member

Activities Since Last IESBA Discussion

3. The IESBA Consultative Advisory Group (CAG) met in April 2013 to consider the significant comments received on the ED and an outline of the straw man that the Board considered at the March 2013 IESBA meeting.
4. The Task Force Chair and another member of the Task Force presented updates on the project at the April 2013 meetings of the International Forum of Independent Audit Regulators (IFIAR) and the Forum of Firms, respectively.
5. The Task Force subsequently held a two-day meeting in April 2013 to develop the straw man, taking into account the input received at the Board and CAG meetings, and the February 2013 meeting with Committee 1 of the International Organization of Securities Commissions (IOSCO). The Task Force met twice via teleconference thereafter to refine the straw man for presentation at the June 2013 IESBA meeting.
6. In early June, the leaderships of the Board and Task Force are scheduled to meet via teleconference with IAASB leadership to discuss matters of coordination with the IAASB regarding this project. Also in early June, the Task Force Chair will provide an update on the project via teleconference to IOSCO's Committee 1 at its meeting in Paris. The Board will be briefed on these meetings at the June 2013 IESBA meeting.

Material Presented

Agenda Item 3-A Issues Paper

Agenda Item 3-B Straw Man (Mark-up)

Agenda Item 3-C Straw Man (Clean)

Draft to be Discussed at the Meeting

7. The Task Force proposes that the marked-up version of the straw man (**Agenda Item 3-B**) be discussed at the meeting.

Action Requested

8. IESBA members are asked to consider the straw man and provide input and direction to the Task Force in firming up a way forward for the project.