

**Non-Assurance Services—Due Process****Objective of Agenda Item**

1. To advise the Board of the status of due process regarding the following proposed changes to the Code relating to certain provisions addressing non-assurance services:
  - (a) Withdrawal of the provision that permits an audit firm to provide certain bookkeeping and taxation services to public interest entity (PIE) audit clients in emergency situations;
  - (b) Additional guidance and clarification regarding what constitutes management responsibility when the auditor provides non-assurance services to an audit client; and
  - (c) Enhanced guidance and clarification on the concept of “routine or mechanical” services relating to the preparation of accounting records and financial statements for audit clients that are not PIEs.

**Background**

2. The Technical Director is responsible for advising the Board 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 Technical Director’s conclusion and basis thereof with respect to actions up to the January 2015 IESBA meeting for the aforementioned changes to the Code. Before final approval of the changes, the Technical Director will advise on whether due process has been followed during the course of the January 2015 meeting.

**Due Process Up to the Date of the January 2015 IESBA Meeting**

4. The Technical Director confirms to the Board that, up to the January 2015 IESBA meeting, the changes to the Code arising from this project have been developed in accordance with the Board’s due process.
5. In summary, for the proposed changes, the Board:
  - Approved the relevant project proposal for commencement of work on the proposed changes to the Code.
  - Consulted with the IESBA CAG on:
    - The proposal to start the project; and
    - The significant issues relating to the development of the proposed changes.

Significant comments received through the consultation with the IESBA CAG have been brought to the Board’s attention, and the project Task Force has reported back to the IESBA CAG the results of the Board’s deliberations.

  - Approved and issued an exposure draft of the proposed changes to the Code for public comment, together with an explanatory memorandum highlighting, amongst other matters, the Board’s significant proposals.

- Considered an analysis of the significant issues raised by respondents on the exposure draft, including outlines of 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:
  - Deliberated significant matters raised in the comment letters; and
  - Amended the proposed changes to the Code accordingly.
- Consulted with the IESBA CAG on significant issues raised in comment letters on the exposure draft of the proposed changes and the Board's related responses. Significant comments received through the consultation with the IESBA CAG have been brought to the Board's attention.