

Meeting: IESBA

Meeting Location: New York, USA

Meeting Date: June 19–21, 2017

Agenda Item

6

Professional Skepticism

Objectives of Agenda Item

1. To consider a draft Professional Skepticism (PS) Working Group (PSWG) publication, *Professional Skepticism – Strengthening the Pillars: Observations of the IAASB-IAESB-IESBA Professional Skepticism Working Group*, and whether there are any fundamental Board concerns or objections to the release of the publication.
2. To consider the Task Force's proposals as to how the IESBA might progress a longer term initiative on PS.

PSWG and IESBA Task Force Members

3. The PSWG includes representatives from the IESBA, the International Auditing and Assurance Standards Board (IAASB), and the International Accounting Education Standards Board (IAESB). A listing of the PSWG members is included in the PSWG publication (Agenda Item 6-A).
4. The IESBA PS Task Force comprises:
 - Richard Fleck, Chair and IESBA Deputy Chair
 - Patricia Mulvaney, IESBA Member
 - Tone Maren Sakshaug, IESBA Technical Advisor

Activities since the Last IESBA Discussion

5. Subsequent to the March 2017 IESBA meeting, the PSWG held two teleconferences to share updates from the IAASB, IESBA, and IAESB, as well as to develop the material included in **Agenda Item 6-A**.
6. The IESBA Task Force held one physical meeting and two teleconferences to develop **Agenda Item 6-B**.

PSWG Publication

7. In answering the stakeholder calls for joint coordination on the topic of PS among the three standard-setting boards, the PSWG developed a proposed Stakeholder Communication that summarizes the key messages received from respondents to the IAASB's December 2015 Invitation to Comment (ITC), [*Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits*](#); feedback provided directly to the IESBA on the topic by the IESBA CAG and other stakeholders; and feedback from respondents to the IAESB's Consultation Paper about professional skepticism. This publication highlights the key observations of the PSWG, actions that

the IAASB, IESBA and IAESB have taken and intend to further take to address issues with respect to PS, and the role of others in supporting more effective exercise of PS.

8. The Task Force would like to emphasize that the proposed communication in **Agenda Item 6-A** is a publication developed by, and to be issued in the name of, the PSWG. It is not intended to be a Board publication issued by the IESBA, IAASB and IAESB, individually or jointly. Subject to any “fatal-flaw-type” comments from the three Boards, the PSWG plans to issue the document in July 2017. The Task Force plans to have a short discussion of the PSWG publication and will consider the Board's discussion of the matters in **Agenda Item 6-B** in making any final comments to the PSWG prior to the publication being issued.

Actions Requested

9. The IESBA is asked whether it has any fundamental concerns or objections to the release of the PSWG Stakeholder Publication in **Agenda Item 6-A**.
10. The IESBA is asked to consider the matters in **Agenda Item 6-B**, and provide input to the Task Force.

Materials Presented

Agenda Item 6-A	Draft PSWG Stakeholder Publication— <i>Professional Skepticism – Strengthening the Pillars: Observations of the IAASB-IAESB-IESBA Professional Skepticism Working Group</i> .
Agenda Item 6-B	Professional Skepticism—Consideration of Longer Term Issues and IESBA Task Force Proposals