

**Meeting:** IESBA

**Meeting Location:** Teleconference

**Meeting Date:** April 18, 2017

## Agenda Item

# 1

### Professional Skepticism

#### Objectives of Agenda Item

1. To consider, with a view to approving for exposure:
  - (a) New application material to describe the linkage between the fundamental principles and professional skepticism (PS) as defined in the International Standards promulgated by the International Auditing and Assurance Standards Board (IAASB).
  - (b) New application material to emphasize the importance of professional accountants (PAs) obtaining an understanding of the facts and circumstances known to them when exercising professional judgment, in the context of applying the conceptual framework.

#### Task Force Members

2. 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

3. Taking into account the input received from IESBA during its March 2017 discussions, the Task Force shared its proposals with the International Accounting Education Standards Board (IAESB) and on the advice of the IAASB, the IAASB representatives of the tripartite PS Working Group with a request for comments of a “fatal flaw” nature. A summary of the comments and how those comments have been addressed is discussed in **Agenda Item 1-A**.
4. The Task Force met twice via teleconference and also liaised via email to finalize the agenda materials for this meeting.

#### Material Presented

Agenda Item 1-A	PS—Issues and IESBA Working Group Proposals
Agenda Item 1-B	PS—Revised Proposed Text (Linkage) Mark-up From March 15, 2017 Draft
Agenda Item 1-C	PS—Revised Proposed Text (Linkage) Clean Version (for reference only)
Agenda Item 1-D	Revised Proposed Clarification to the Enhanced Conceptual Framework Mark-

up From March 15, 2017 Draft

Agenda Item 1-E      Revised Proposed Clarification to the Enhanced Conceptual Framework Clean  
Version (for reference only)

**Drafts to be discussed at the Meeting**

5.      The Task Force proposes that **Agenda Items 1-B** and **1-D** be discussed at the meeting.

**Actions Requested**

6.      The IESBA is asked to approve for public comment the proposed application material to:

- (a)      Explain the linkage between the fundamental principles and PS in **Agenda Item 1-B**.
- (b)      Emphasize the importance of PAs obtaining an understanding of the facts and circumstances known to them when exercising professional judgment, in the context of applying the conceptual framework in **Agenda Item 1-D**.