Future Strategy & Work Plan

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IESBA Strategy and Work Plan 2019-2023

• Revised and restructured Code issued Apr 2018
  – More user-friendly and easier to apply and enforce
  – Packages all substantive advances in ethics and independence over last four years
  – Effective June 15, 2019

• New SWP: fulfilling distinct but broad goals
  – Relevance and applicability in a world of changing technologies, business methods and public expectations
  – Strengthening both public interest objectives and trust in the accountancy profession as an integral whole
Strategic Priorities

- Pre-commitments
  - Role & Mindset | NAS | Fees | E-Code

- Pervasive strategic subject
  - Technology (and service delivery models)

- Additional top priorities
  - Tax planning and related services | Definition of PIE and listed entity | Materiality
  - Post-implementation reviews: NOCLAR | Long Association | Revised and Restructured Code

- Finalize SWP Dec 2018
Technology & Service Delivery Models

- Exponential, disruptive technology (e.g. Emergent AI, big data, cloud computing, mobile, social networks, blockchain)

- Emerging or newer models of work and service delivery (e.g. contingent workforce; managed and outsourced services)

- Profession and others recognizing pressing need to understand and address transformative effects
  - Strategic imperatives?
  - Impact on business models?
  - Threats and opportunities?

- Ethical implications for the Code?
- Technology WG formed Q1 2018
Role & Mindset (formerly Professional Skepticism)

• How best to meet public expectations re exercise of “professional skepticism” by all PAs?
• Consultation paper issued May 2018
• Global roundtables held in Jun-Jul 2018
  – Washington DC, Paris, Tokyo, Melbourne
• Project approved Sept 2018 with new title
  – Promoting the Role and Mindset Expected of Professional Accountants
• ED anticipated Q4 2019
Non-assurance Services

• How best to delineate boundaries of NAS that firms may provide to audit clients?
• Global roundtables held in Jun-Jul 2018
• Project approved Sept 2018
• Addressing a number of issues
  – Self-review threat │ Materiality │ PIE vs. non-PIE │ New and emerging services │ Communication with TCWG │ NAS disclosure requirements
• ED anticipated Q4 2019
Fees

• Project approved Sept 2018
  – Based on June 2018 final Working Group report
• Scope – provisions addressing:
  – Level of fees for individual audit engagements
  – Fee dependency at the firm, office and partner level
  – Fee-related safeguards
• Outside scope:
  – Ratio of NAS to audit fees, and audit firm business model
• ED anticipated Q4 2019