

Meeting: IESBA CAG
Meeting Location: Conrad Hotel, Brussels, Belgium
Meeting Date: March 5, 2012

Revised IESBA Strategy

Objective of Agenda Item

To seek input from CAG members on the proposals for a revision to the IESBA strategy in response to regulatory developments.

Background

In August 2011 the Public Company Accounting Oversight Board (PCAOB) issued a Concept Release to solicit public comment on ways that auditor independence, objectivity and professional skepticism could be enhanced. One possible approach on which the board sought comment was mandatory audit firm rotation. IESBA submitted comments on relevant matters.

In December 2011 the EC issued proposals for a Directive amending the Directive on statutory annual accounts and consolidated accounts, and also proposals for a Regulation on specific requirements regarding the statutory audit of public-interest entities (Agenda Paper E-2).

Proposed Revised IESBA Strategy

In light of these regulatory developments, at its February 2011 meeting, the IESBA will be asked to consider a planning committee recommendation to revise the IESBA strategy to better position the IESBA as a leading international setter of ethics rules for the accounting profession (Agenda Paper E-1). The recommendation is to add the following matters to the IESBA agenda:

- Non-assurance services – whether the Code position on non-assurance services remains appropriate when considering the EC’s proposal to ban all-non-assurance services.
- Rotation – when considering firm rotation, the Board should consider the time period for rotation, whether rotation should apply for all listed entities, and the Code’s position on key audit partner rotation.

- Professional accountants in business – The Board should perform research to understand the facts surrounding recent corporate accounting irregularities.

Please refer to the attached agenda papers.

At its meeting in Brussels, the CAG will be provided with a report on the views expressed by IESBA at its Dublin meeting.

Action Requested:

CAG members are asked for their views on the proposed revisions to the IESBA strategy.

Material Presented

Agenda Paper E

This Agenda Paper

Agenda Paper E-1

Revised IESBA strategy IESBA agenda paper

Agenda Paper E-2

Proposal for a Regulation of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities.

Action Requested

CAG members are asked to address the question set out in this agenda paper.