

Meeting: IESBA
Meeting Location: New York
Meeting Date: March 13-15, 2017

Agenda Item

8

Long Association

Objective of Agenda Item

1. To consider a revised draft of the IESBA Staff Questions & Answers (Q&A) publication to be issued with the release of the final revised and restructured long association provisions.

Task Force

2. Members:
 - Richard Fleck, Chair, IESBA Deputy Chair
 - Brian Caswell, IESBA Member
 - Gary Hannaford, IESBA Member
 - Chishala Kateka, IESBA Member
 - Andrew Pinkney, IESBA Technical Advisor

Activities since Last Board Discussion

3. Following PIOB approval of the revised long association provisions in January 2017, the Task Force liaised via email to develop the updated Q&A publication, taking into account the final text of the standard as drafted under the extant structure and drafting conventions.
4. Before the final publication is issued, staff will update it for any conforming amendments (e.g., paragraph references, etc.) to align with the text of the approved restructured provisions. The restructured provisions are expected to be issued as part of the restructured Code by the end of Q1 2018.

Specific Matters for Consideration

5. The Task Force draws the Board's attention to Q11 and Q12 in particular. The responses to these questions explain how the Task Force believes the transition to the new provisions should be implemented:
 - (a) With respect to Q11, how long an engagement partner (EP) (or an engagement quality control reviewer (EQCR)) on the audit of a public interest entity (PIE) should cool off if he or she has served for the maximum permitted seven cumulative years on the engagement but has not yet completed a cooling-off period under the old provisions when the new provisions become effective; and

- (b) With respect to Q12, whether an EP (or EQCR) on a PIE audit would be able to start a fresh seven-year term having come off the engagement for two years when the new provisions become effective but not yet reached the maximum permitted seven cumulative years on the engagement.

Material Presented

Agenda Item 8-A Draft IESBA Staff Questions and Answers – Long Association of Personnel with an Audit Client (Clean)

Agenda Item 8-B Draft IESBA Staff Questions and Answers – Long Association of Personnel with an Audit Client (Mark-up) – FOR REFERENCE ONLY

Draft to be Discussed at the Meeting

6. The Task Force proposes that the clean version of the document (Agenda Item 8-A) be discussed at the meeting.

Action Requested

7. IESBA members are asked for feedback on Agenda Item 8-A to enable staff to finalize the publication for issuance with the restructured provisions.