

Meeting: IESBA

Meeting Location: Livingstone, Zambia

Meeting Date: December 4-8, 2017

Agenda Item

6

Future Strategy and Work Plan

Objective of Agenda Item

1. To consider a draft of the consultation paper (CP) on the IESBA's Strategy and Work Plan 2019-2023 (SWP).

Working Group

2. The Working Group comprises members of the Planning Committee (PC):

- Dr. Stavros Thomadakis, IESBA Chairman
- Richard Fleck, IESBA Deputy Chair
- Gary Hannaford, IESBA Member
- Reyaz Mihular, IESBA Member

Observer

- Kristian Koktvedgaard, Chair, IESBA Consultative Advisory Group

Activities since Last IESBA Discussion

3. The PC met in person in October 2017 to consider the feedback from the September 2017 IESBA and IESBA CAG meetings and to develop the draft CP. The PC subsequently met via teleconference and liaised via email to finalize the agenda material for this Board meeting.

Matters for Consideration

September 2017 IESBA and IESBA CAG Discussions

4. At the September meeting, the Board considered the results of the April 2017 SWP [survey](#) and the PC's initial analysis and preliminary considerations regarding the survey responses. The Board also was briefed on the main outcomes of the discussion of the survey responses with the IESBA CAG earlier that month.
5. Overall, the Board broadly supported the PC's analysis of the survey responses, including the five topics relating to standard setting with respect to which the PC had identified a strong or significant convergence of views among respondents in terms of priority:
 - Trends and developments in technology and innovation
 - Emerging or newer models of service delivery

- Tax planning and related services
 - Materiality
 - Definitions of “public interest entity” and “listed entity”
6. These five topics had also achieved the most support among the CAG. In addition, there was significant support within the CAG for a sixth topic, namely a post-implementation review of the restructured Code.
7. Among other matters, the following comments or observations were noted during the Board discussion:
- While support for a post-implementation review of the restructured Code was relatively less significant among respondents, the Board should keep it high on its forward agenda given the scope and importance of the changes.
 - The e-Code and effective implementation of the restructured Code should be central to the Board’s vision and future strategy.
 - A vigorous focus on outreach and global adoption of the Code should be integral to the Board’s future SWP, given the context of the restructured Code.
 - Some of the topics identified as priority topics are inter-related, for example, technology and emerging models of service delivery, and it may therefore be necessary to explore a coordinated approach to work on them.
 - In thinking about the future strategy, it would be useful to think about success factors in 2023 which will influence the deliverables, for example, relevance and quality.
 - Regardless of the topics the Board decides to prioritize, some reserve capacity should be retained to address emerging issues.
8. The PC has taken this input into consideration in developing the draft CP.
9. During the September Board discussion, a few IESBA members had noted the potential link between topics identified as priority topics (e.g., tax planning and related services) and the topic of the meaning of the concept of the public interest. The PC is not recommending that the Board prioritize a project on defining the public interest at this time given the PIOB’s current efforts to develop a public interest framework in the context of the Monitoring Group’s review of the governance and standard-setting arrangements for the IAASB and IESBA. The PC recognizes that the outcome of the PIOB’s work may inform future IESBA consideration of the concept of public interest as it relates to topics it will prioritize as part of the future SWP.

Input from the International Organization of Securities Commission (IOSCO)

10. As noted at the September Board meeting, a response to the April SWP survey had not yet been received from IOSCO Committee 1 (C1). Subsequently, a representative of C1 conveyed to IESBA staff that C1 would not be submitting a formal response to the survey. Instead, the C1 representative suggested that the Board consider matters in C1’s response to the previous SWP consultation that the Board has not yet addressed.
11. C1’s input to the previous SWP consultation is set out in Agenda Item 6-B together with the PC’s responses and recommendations.

Matter for Consideration

1. IESBA members are asked whether they agree with the PC's responses and recommendations.

Matters for Future Board Attention Identified as Part of the Structure and Safeguards Projects

12. Agenda Item 6-C is a compilation of various matters that have been identified for future Board attention as part of the Structure and Safeguards projects. These generally are matters that have been raised by respondents to the Exposure Drafts pertaining to those projects but which the relevant Task Forces have determined to be outside the scope of those projects.
13. The PC has considered those matters and recommends that matters that pertain to other current projects or pre-existing commitments be considered as part of those work streams. For all other matters, the PC did not consider that they met the criteria for topics to be identified as priority topics, such as extent of benefit to the public interest, pervasiveness, and urgency (see Section IV of the draft CP for a further discussion of criteria). Nevertheless, the PC believes that there is a need for the Board to set aside some capacity to address matters concerning the general maintenance of the Code. These matters may arise from time to time as part of current projects or brought to the Board's attention by stakeholders. Such matters may include, for example, limited scope clarifications to application material and alignment of terminology and definitions with IAASB standards. The draft CP includes the PC's recommendation to that effect.
14. Subject to Board support of this recommendation, the PC recommends that the matters for future Board attention in Agenda Item 6-C could be considered as part of such general Code maintenance initiative.

Matter for Consideration

2. IESBA members are asked whether they agree with the PC's recommendations above.

2018 Work Plan

15. In addition to setting out an illustrative work plan for 2019-2023 in the draft CP (Appendix 4) reflecting its recommendations for actions, priorities and timing for the strategy period, the PC has included a proposed work plan for 2018 (Appendix 3).

Matter for Consideration

3. IESBA members are asked whether they agree with the PC's recommendations for the 2018 work plan.

Material Presented

Agenda Item 6-A	Draft IESBA Strategy and Work Plan 2019-2023 Consultation Paper
Agenda Item 6-B	IOSCO C1 Input to Previous SWP Consultation and PC Responses
Agenda Item 6-C	Matters for Future Board Attention

Action Requested

16. IESBA members are asked:

- (a) To consider the matters noted above; and
- (b) For feedback on the draft CP set out in Agenda Item 6-A.

Forward Timeline

Indicative Timing	Milestone
March 2018	Discussion of draft CP with CAG
March 2018	IESBA approval of CP
September 2018	Discussion of responses to CP with CAG
	Full IESBA review of responses to CP
December 2018	IESBA approval of final SWP
March 2019	PIOB consideration of final SWP