

IESBA Meeting Highlights and Decisions

March 2023

This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) has been prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported on technical matters are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

The IESBA met on March 13-17, 2023 in Abu Dhabi, UAE. The video recording of the meeting is available on the IESBA [YouTube](#) channel.

Contact: Ken Siong, IESBA Program and Senior Director (KenSiong@ethicsboard.org)

IESBA Strategy and Work Plan 2024-2027

The IESBA unanimously approved its Strategy & Work Plan 2024-2027 consultation paper. The consultation paper will be released by early April 2023 with a public comment period of 90 days.

The IESBA will consider a full analysis of the responses to the consultation paper at its September 2023 meeting, with a view to approving its final Strategy and Work Plan 2024-2027 by December 2023.

Sustainability

The IESBA considered an update on the preparations for the global sustainability roundtables to be held in Paris, Sydney, Singapore and New York between late March and early April 2023. It also considered updates from:

- Mr. David Madon, Director of Sustainability, Policy & Regulatory Affairs at IFAC, on the latest research undertaken by IFAC on the landscape for sustainability reporting and assurance; and
- Mr. Willie Botha, Program and Technical Director of the International Auditing and Assurance Standards Board (IAASB), on the IAASB's sustainability project.

The IESBA supported the establishment of a reference group of stakeholders outside the accounting profession to act as a sounding board to inform the development of profession-agnostic ethics and independence standards for sustainability assurance engagements.

The IESBA also provided feedback to the Task Force's preliminary views, under Work Stream 1 (Independence) and Work Stream 2 (Ethics), on a number of key terms and definitions as well as scoping and independence matters relating to sustainability reporting and assurance. In addition, the IESBA further considered the potential approaches to the presentation of the profession-agnostic standards for sustainability assurance, as well as whether it should actively address the need to develop ethics standards for sustainability reporting in ways that would make them potentially accessible and applicable also to preparers outside the accounting profession.

The IESBA will consider the feedback from the global roundtables and preliminary drafts of the proposed ethics and independence provisions for sustainability reporting and assurance at its June 2023 meeting.

Use of Experts

The IESBA considered and supported the Task Force's preliminary thinking regarding (a) a possible ethics framework to guide professional accountants' judgments, decisions and actions as to the use of experts in their professional activities or services; and (b) a potential approach to addressing considerations relating to the ethical behavior (including independence) expected of experts when their work is used by professional accountants in the preparation and presentation of financial and non-financial information, as well as in the context of audit and other assurance engagements, including sustainability assurance engagements.

The IESBA will consider the Task Force's proposals at its June 2023 meeting.

PIE Rollout Update

The IESBA considered an update from its Public Interest Entity (PIE) Rollout Working Group regarding Track 1 of the IAASB's PIE project. Track 1's objective is to determine whether the auditor's report is an appropriate mechanism to enhance transparency about the relevant ethical requirements for independence applied for certain entities when performing an audit of financial statements.

The IESBA also considered the preliminary data gathered by IFAC from a limited survey of a selected number of its member bodies regarding the adoption and implementation of the IESBA's [PIE revisions](#). In addition, the IESBA was briefed on IESBA Staff's development of a jurisdictional PIE definitions database.

ADAA-IESBA Panel Discussion

The IESBA participated in a panel discussion with the Abu Dhabi Accountability Authority (ADAA) on the role of ethics and the accountancy profession in enhancing ethical culture within organizations, the roles of the profession and other key players in the global fight against economic crime, and how putting ethics at the top of the business, public policy and regulatory agendas advances sustainability goals and protects the public interest. The panelists were:

- Ms. Gabriela Figueiredo Dias, IESBA Chair
- Prof. Jens Poll, Board Member, IESBA
- Ms. Ayesha Al Sheryani, ADAA Executive Auditor
- Ms. Fetema Lari, ADAA Principal

Emerging Issues and Outreach Committee (EIOC)

The IESBA considered an update from the EIOC regarding recent significant external developments, including the FTX collapse and the exponential growth of generative Artificial Intelligence (AI) such as ChatGPT. The IESBA considered and shared reflections regarding the potential ethical concerns or challenges arising from those developments, and agreed to keep a watching brief on the developments in the near term.

The IESBA also received a brief update on a May 2022 Position Paper issued by the Netherlands Authority for the Financial Markets (AFM) on audit firms' approach to fraud and fraud risks at audited entities. The IESBA was also briefed on the IAASB's project to revise ISA 240, *The Auditor's*

Responsibilities Relating to Fraud in an Audit of Financial Statements. The IESBA agreed to close coordination with the IAASB on the ISA 240 project, such coordination being especially important in light of the Dutch AFM's Position Paper.

The IESBA will consider the next EIOC update at its September 2023 meeting.

IAASB-IESBA Coordination

The IESBA considered an update on the coordination activities with the IAASB since June 2022. Among other matters, the IESBA considered the status of the projects and initiatives for which there is ongoing coordination between the IESBA and IAASB, and the IAASB initiatives that may require potential coordination in the near to medium term.

IESBA Communications

The IESBA considered an update from Mr. David Johnson, Senior Manager, IFAC Communications Dept, regarding the goals, strategy and key priorities as well as the key drivers for IESBA communications in 2023, the importance of strategic planning for communications, and the strategies for growing and enhancing the IESBA's presence in both traditional and social media. The IESBA acknowledged IFAC's support in delivering on its strategic communications needs and broadly supported the communications initiatives being advanced by the IFAC Communications team and the wide involvement of IESBA members in those initiatives.

Next Meeting

The next IESBA meeting is scheduled for June 12-16, 2023, to be held in New York, USA.