

IESBA Meeting Highlights and Decisions

June 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 in New York, USA on June 12-16, 2023. The video recording of the meeting is available on the IESBA [YouTube](#) channel.

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Sustainability

The IESBA considered a presentation from Mr. Daniel Metzger, Associate Director, Head of Mid-East & Asia, and other representatives of AccountAbility on AccountAbility's role in the sustainability field, its stakeholders, the global standards it sets, and how those standards might interoperate with the sustainability-related ethics and independence standards the IESBA is developing.

The IESBA then considered feedback from the global sustainability roundtables held in late March/early April 2023, and an update on the formation of its Sustainability Reference Group.

The IESBA considered and supported the Task Force's proposed approach for the presentation of the profession-agnostic ethics and independence standards for sustainability assurance to be included in a new Part 5 of the Code. The IESBA also deliberated a number of other issues and provided feedback to the Task Force under Work Stream 1 (Independence) and Work Stream 2 (Ethics), including on the proposed scope of the ethics and independence standards for sustainability assurance; independence standards for group sustainability assurance engagements; the determination of entities that are PIEs under the new Part 5 addressing sustainability assurance engagements; partner rotation requirements and fee-related provisions in the context of independence; the scope of the provisions in the new Part 5 addressing responding to non-compliance with laws and regulations (NOCLAR); and a number of key terms and definitions.

The IESBA also supported the Task Force's proposal to limit the scope of the ethics provisions for sustainability reporting to professional accountants only at this time, and to explore developing profession-agnostic ethics standards for sustainability reporting as part of another initiative in the future.

The IESBA will consider a first-read draft of the proposed ethics and independence provisions for sustainability reporting and assurance at its September 2023 meeting.

Use of Experts

The IESBA considered and provided feedback on the Task Force's proposed approach to addressing the ethics and independence considerations regarding the use of experts, including external experts in an

audit or assurance context. As part of its discussions, the IESBA considered the feedback from the global roundtables held in late March/early April 2023.

Among other matters, the IESBA discussed proposed definitions of the terms “expert,” “expertise” and “external expert;” the interactions between the concept of an expert with the definitions of engagement team and audit team; whether to take an objectivity or independence approach with respect to an external expert in an audit or assurance context; and considerations regarding evaluating the competence, capabilities and objectivity of experts,

The IESBA will consider a first-read draft of the proposed provisions addressing the use of experts at its September 2023 meeting.

Tax Planning

The IESBA considered a high-level overview of the comments received on its Exposure Draft, [Proposed Revisions to the Code Addressing Tax Planning And Related Services](#). Some of the key themes raised by stakeholders are on the following topics addressed in the Exposure Draft:

- Description of tax planning
- Role of the professional accountant in acting in the public interest
- The principle of credible basis
- The stand-back test
- Documentation

The IESBA will undertake a full review of the respondents’ comments and consider revisions to the proposed provisions at its September 2023 meeting.

PIE Rollout Update

The IESBA considered an update from its Public Interest Entity (PIE) Rollout Working Group regarding the International Auditing and Assurance Standards Board’s (IAASB) [Listed Entity and PIE Project](#), including the IAASB’s next steps.

The IESBA was also informed that a [database of PIE definitions by jurisdiction](#) was released in April 2023.

IAASB-IESBA Coordination

The IESBA considered an update on the coordination activities with the IAASB since March 2023. 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. The IESBA also considered a presentation from Ms. Julie Corden, IAASB Board member and Fraud Task Force Chair, on the latest proposals to revise ISA 240, *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*.

Technology

The IESBA considered an update from its Technology Working Group, including the Working Group’s activities since December 2022. The IESBA also considered and approved the updated [Terms of Reference](#) of the Working Group.

Finally, the IESBA considered a presentation from Ms. Danielle Supkis Cheek, Vice President of Strategy and Industry Relations, MindBridge Analytics Inc. The session covered the nuances of ethical considerations regarding the use of artificial intelligence (AI), the practical uses of AI in today's assurance engagements, and how the human element co-exists with and can effectively supervise the use of AI.

[Next Meeting](#)

The next IESBA meeting is scheduled for September 18-22, 2023, to be held in New York, USA.