

International Update

IFAC Member Body Compliance Program: 2019 Work Program

Every year, IFAC develops a work plan for the Member Body Compliance Program that is consistent with IFAC's strategy. This work plan is developed with advice and oversight from the Compliance Advisory Panel. In keeping with IFAC's planned Program review during 2019 to ensure a fit-for-purpose approach to quality membership, the Compliance strategy for 2016-2018 was extended through 2019. Therefore, the Program continues its focus in three core areas.

- Promoting and supporting Professional Accountancy Organisations (PAOs) quality and their work by providing guidance and support, sharing of experiences and resources, and connecting PAOs to mentors and other stakeholders through forums and workshops.
- Promoting and disseminating information on international standards adoption and implementation via the IFAC website, publication of a comprehensive global status report and communications, including social and traditional media coverage.
- Advancing analysis and enhancing reporting, including outreach and engagement with the international standard-setting boards, case and impact studies, and exploration of enhanced web-based Statements of Membership Obligations Action Plans.

Exposure Draft, International Education Standards 2, 3, 4, and 8, Information and Communications Technologies and Professional Skepticism

As the demand for improved information and communications technologies skills and professional skepticism proficiency grows across jurisdictions, the IAESB proposes revisions to learning outcomes of International Education Standard 2, 3, 4, and 8, and editorial changes to their introductions, objectives and explanatory materials sections. This Exposure Draft speaks to strengthening professional skepticism to improve the quality of financial reporting and auditing and developing competence to meet ICT's disruptive potential. It also reflects significant stakeholder input, including findings from the IAESB's prior consultation on future strategy and priorities, as well as insights from surveys, academic and professional literature, roundtables, in-depth interviews, webinars and additional outreach. The IAESB will analyse and deliberate on comments from respondents at its April 2019 meeting with the aim of approving the proposed revisions at its June 2019 meeting. IFAC and the IAESB have developed a plan for a new path forward for global accountancy education and professional development. This plan will transition the IAESB to a future model that will be designed, as part of a broader mandate, to reinforce the importance, relevance and authority of the revised International Education Standards, which will continue to be the basis for a comprehensive and integrated approach to

international accountancy education. Therefore, comments are of great importance and are welcomed from all potential respondents.

Stavros Thomadakis Reappointed IESBA Chairman

The International Ethics Standards Board for Accountants (IESBA) has reappointed Dr. Stavros Thomadakis as IESBA Chairman for a further one-year renewable term commencing 1 January, 2019. Under Dr. Thomadakis' leadership, the IESBA has completed a number of major projects, resulting in the revised and restructured *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which will become effective in June 2019. His dedication to high quality, fit-for-purpose ethics standards for the global accountancy profession is reflected in the ambitious strategy and work plan 2019-2023 just approved by the IESBA. "A robust, clear and future-ready Code of Ethics and a new 5-year strategy and work plan provide the IESBA with a solid platform and direction," said Dr. Thomadakis. "I look forward to continuing to work with board colleagues, IESBA staff and our global stakeholders to deliver on the plan's priority projects in the public interest. I also remain committed to coordinating with the International Auditing and Assurance Standards Board. The relationship developed between the boards is working well and will help enhance the relevance and applicability of new standards issued by both."

2018 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements

The International Auditing and Assurance Standards Board has recently come out with the latest edition of the handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements. It includes:

- ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements* and amendments to other International Standards in response to the new requirements addressing non-compliance with laws and regulations (NOCLAR) in the IESBA *International Code of Ethics for Professional Accountants*. ISA 250 (Revised) is effective for audits of financial statements (and other services) for periods beginning on or after December 15, 2017.
- ISA 540 (Revised), *Auditing Accounting Estimates and Disclosures*, which responds to the rapidly evolving business environment. The revisions ensure that the standard continues to keep pace with the changing market and fosters a more independent and challenging mindset in auditors.

The Volume III includes the IAASB's *Framework for Audit Quality: Key Elements that Create an Environment for Audit Quality*, a topic that is a key focus area for the IAASB.