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BEYOND EXPECTATIONS

PIOB
Enhancing Public Interest

Good Governance Academy 9th Colloquium

May 2023

Linda de Beer, IOB Chair

Talking Points

- About the **PIOB**
- **‘Mind the Gap’** explained
- **‘Mind the Gap’** in our Public Interest Issues
for IESBA and IAASB

The PIOB Members

To see the PIOB members' full curricula vitae,
please visit piob.org/who



Linda de Beer | Chair



Robert Buchanan



Tom Furusawa



Philippe Christelle



Tshego B. Modise



Begoña Giner



Sandra Peters



Janine van Diggelen



Michael Hafeman



Dave Sullivan



ULTIMATE GOAL

To ensure relevant audit, assurance, and ethical standards
that are responsive to the Public Interest



MULTI-STAKEHOLDER STANDARD-SETTING BOARDS (SSBs)

with sufficient technical skills and diverse perspectives and experience



INDEPENDENT OVERSIGHT

of the SSB strategies, work plans, and projects to ensure:

- Public Interest responsiveness
- Due process has been followed



SUSTAINABLE FUNDING

for both SSB structures and the PIOB from diverse sources to ensure independence and absence of undue influence by the providers of funds on the work of the PIOB and the SSBs

KEY TOOLS TO ACHIEVE OUR GOAL

- Nominations process
- Approval process for SSB candidates

- Stakeholder engagement for a deeper understanding of public interest needs
- A multi-skilled PIOB with diverse experience and perspectives for oversight
- Ongoing engagement with SSB chairs to ensure common goals and objectives, and a common view on the public interest

- Transparency and knowledge of the work done by the PIOB and the SSBs
- Clarity of value added through PIOB oversight

Our Activities



Oversight over standards, strategies and work plans

- Public interest responsiveness in terms of Public Interest Framework (PIF) and of due process
- Approve standards, strategies and work plans
- Provide public certification on the approval of new or revised standards



Appointments for membership of IAASB and IESBA

- Appointing SSBs' members and chairs at the recommendation of the SSBs NomCo
- Maintain a written policy on conduct that governs potential conflicts of interest of the members and staff of the SSBs

Assessment

- SSBs Chairs
- Effectiveness of SSBs delivery of the strategies and work plans

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Some of the Gaps



THE

EXPECTATION

GAP

what the public's expectation is of auditors, finance executives and professional accountants in the reporting chain versus what is actually

The auditor's role in respect of Fraud and Going Concern and transparency in the audit report in this regard (IAASB projects)



THE SCALE GAP

which separates large corporations and audit practices from smaller ones, and developed economies from emerging ones.

Scalability of standards to accommodate variable size needs
(a consistent theme in IAASB and IESBA projects)

A hand holding a green traffic light against a grey background. The traffic light is illuminated green, and the hand is positioned as if holding it. The background is a solid grey color.

THE LEGISLATION GAP

the setting of global standards that meet the needs of global capital markets, while considering the perspectives of various users.

The audits of listed company versus those of less complex entities
Independence requirements for auditors of public interest entities versus smaller entities
Fragmentation risk of different rules for auditors and accountants in different countries – investors having to understand various legislative regimes.

(IAASB and IESBA: Sustainability projects, Tax Advisory Services, LCEs)



Our Public Interest Issues - Impact

- **Reinforcing the SSBs' confidence** in pursuit of critical public interest initiatives
- **Challenging prioritizations** in relation to the timing of work notwithstanding other projects competing for resources
- **Challenging whether proposals go far enough** to address underlying public interest concerns
 - for example, by stimulating further consideration of the adequacy of the level of specificity in requirements
- **Prompting reflection on the weight** to be given to certain stakeholder views
- **Reiterating thematic public interest objectives** as the SSBs bring forward proposals
 - for example, in relation to robust transparency when considering disclosures
- **Bringing new public interest dimensions** to light for SSB consideration
 - for example, in relation to the level of importance attaching to matter



[Interview at PI workshop](#)

PIOB

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