1. 2016 experience

Following the approval of its 2016-2018 Strategy in 2015, the CAP issued its 2016 and 2017 Work Programs during 2016. The PIOB agreed they were developed with proper regard to the public interest in March 2016 and December 2016, respectively.

During 2016, the PIOB directly observed 3 out of 4 CAP meetings, and partially observed the fourth via teleconference. This conformed to the Oversight Plan for that year. PIOB observers provided input at the meetings. The observer at the February, May and July meetings raised a concern in relation to CAP staff's conclusions regarding the use of a “general conditions” document by an IFAC member body; and commented on the CAP's current categories used to define the status of adoption of the Code of Ethics for Professional Accountants. This related to the CAP's current practice to group under the category “adopted”, jurisdictions that have implemented more stringent requirements than those in the Code, together with others that have adopted the Code only. For the 2 issues, the PIOB issued letters to the CAP Chair including PIOB’s recommendations.

Responses to the 2 concerns were received from the CAP Chair, succinctly, that no indication was found that the “general conditions” would allow for inconsistent use of the standards; and that the CAP will further deliberate on better defining adoption categories during Q1 and Q2 of 2017, and will work closely with the IESBA. The CAP plans to respond to the PIOB in October 2017. The PIOB will follow up the 2 matters during 2017.

The PIOB met with the CAP Chair twice in 2016, when these two issues were discussed and recommendations were made to the CAP Chair.

One recommendation made by the PIOB in 2012 was that CAP membership could benefit if it were opened to the presence of members beyond IFAC member bodies, as is the case with the rest of public interest committees. This recommendation remains outstanding. Following discussions at the PIOB September meeting, the PIOB sent a letter to the CAP Chair articulating the benefits to the CAP from opening its membership beyond IFAC member bodies, and requesting that the letter be brought to the attention of the IFAC Board. The IFAC Board decided to continue to limit CAP membership to IFAC member bodies. The 2018 Call for Nominations continues to limit CAP nominations to IFAC member organizations.

The new CAP Chair, Kathryn Byrne, commenced her term in January 2016.

2. Expected CAP Activity for 2017

The CAP is expected to implement its 2016-2018 Strategy and its 2017 Work Program:
• To continue working with enhancements to the monitoring of, and reporting by, IFAC member bodies; and the implementation of the revised enforcement framework for IFAC member bodies;
• Encouraging member bodies to adopt and implement international standards and best practices for the accountancy profession;
• Providing support to member bodies.

The CAP will also continue with its regular activities related to Action Plans submitted by member bodies and requests received for membership with IFAC.

One of the most important CAP activities, from the PIOB’s perspective, will be the CAP reporting on, and monitoring of, the status of adoption of international standards in different jurisdictions. Accurate information on the status of adoption and implementation of the standards would be the goal. The CAP’s work in monitoring adoption and implementation would enable the CAP to provide feedback to SSBs about problems or practical issues encountered by member bodies or jurisdictions in the adoption or implementation of the standards, which could trigger SSBs’ remedial actions to address those matters.

Following the first draft of a report prepared in October 2016, an updated report on the status of adoption of international standards could be expected during 2017.

The PIOB will monitor these activities throughout the year, including how the different categories (e.g.: adoption, partial adoption and no-adoption) are defined and offer accurate information, mainly through the observation of CAP meetings; and will continue offering its public interest perspectives to the Program.

3. Oversight Assurance Team in 2017

<table>
<thead>
<tr>
<th>Team Members</th>
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</thead>
<tbody>
<tr>
<td>CAP</td>
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<tr>
<td>Jules Muis</td>
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4. Oversight Assurance Model for 2017

In view of the activity expected for the CAP in 2017, and the role the CAP would play in relation to monitoring adoption and implementation of the standards, an **Oversight Model 2 (medium intensity)**, with a medium intensity of observations, will be applied during 2017. This model is the same than in 2016.

Appendix I details the PIOB 4 different Oversight Assurance Models.

5. Oversight Activities for 2017

5.1. Direct Observations of Meetings
The CAP has reduced to 3 the number of physical meetings that will be held in 2017, from 4 in 2016. Initially the PIOB will directly observe 2 of the meetings:

April 3-4 – NYC  
October 12-13 - NYC

5.2. Remote Observations and Monitoring & Reporting

Initially, the following CAP meeting and teleconferences will be subject to remote observations:

January 19 - Teleconference  
July 13-14 – Hanoi, Vietnam  
August 10 – Teleconference (TBC)

The meeting in Hanoi has been set back-to-back with a SMO Workshop that will be held at that city, grouping representatives from member bodies and regional organizations within the Asia Pacific region.

If the agenda for any of these meetings does not merit a RO, the PIOB will not observe that meeting at all.

Throughout the year, Team Members, supported by PIOB staff, will confirm whether the OAM planned for 2017 remains relevant. Should the PIOB determine that a change of OAM is required; the reasons supporting the change will be recorded as part of this plan.
APPENDIX I - OVERSIGHT ASSURANCE MODELS

<table>
<thead>
<tr>
<th>Model</th>
<th>Intensity of PIOB Oversight</th>
<th>When</th>
<th>PIOB Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High</td>
<td>Higher risk to public interest protection</td>
<td>100% observations</td>
</tr>
<tr>
<td>2</td>
<td>Medium</td>
<td>Medium risk to public interest protection</td>
<td>Medium level of observations</td>
</tr>
<tr>
<td>3</td>
<td>Low</td>
<td>Low risk in public interest protection</td>
<td>Minimal or no observations</td>
</tr>
</tbody>
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