The following Oversight Plan has been developed on the basis that the IESBA will continue as an SSB during 2019, developing the projects that are currently on the Board’s agenda or will become part of the IESBA’s agenda under its new 2019-2023 Strategy and Work Plan.

Oversight intensity is proposed after a risk assessment of the SSBs projects.

1. 2018 Highlights

The situation of IESBA as an independent SSB looking forward is being questioned by the MG-led reform process, and is expected to be determined in 2019, after the next MG consultation process is completed.

During this process, the Chair was renewed for 2019, and is still eligible for reappointment in 2020.

The main activities of the IESBA in 2018 focused on the completion of Inducements, on the consultation on Professional Skepticism (PS), on the roundtables held on NAS and PS and on consulting and finalizing its 2019-2023 Strategy and Work Plan (SWP).

2. Expected IESBA Activity for 2019

In 2019, the IESBA will be working on the initiatives and projects identified in its 2019-2023 SWP.

In particular, the IESBA will give priority to its pre-commitments (NAS, PS which will be developed under a different title). It will start working on Technology and Service Delivery Models. It will be involved in fact finding on Tax Planning and it will work on the ED of Part 4B of the Restructured Code (vs. ISAE 3000).

The outcome of the roundtables on PS and NAS will help address the relevant issues and determine the direction the IESBA will take on those two projects.

All the projects are highly relevant from a public interest perspective and will be overseen by the PIOB.

The IESBA CAG will elect a new Chair in 2019.

3. Oversight Assurance Team in 2019

<table>
<thead>
<tr>
<th>IESBA</th>
<th>PIOB Observers</th>
</tr>
</thead>
<tbody>
<tr>
<td>IESBA</td>
<td>Jane Diplock, Jules Muis</td>
</tr>
<tr>
<td>IESBA CAG</td>
<td>Maria Helena Pettersson</td>
</tr>
</tbody>
</table>
4. Risk Assessment Analysis for 2019

In 2019, the PIOB will apply the Oversight Assurance Model 1 (high intensity) with 100% direct observations, in light of the Public Interest risks of the projects under development.

The IESBA will start its new Strategy cycle in 2019 and it is fundamental that projects such as NAS, PS, Fees, as well as the new topics identified (e.g. Technology) receive the appropriate relevance from a public interest perspective.

In particular, NAS will need to consider all the concerns raised in the last few years and ultimately address the independence threats. The risk is that a number of exceptions will still be allowed and the Code of Ethics will not raise the bar on auditors’ requirements and prohibitions in providing NAS to audit clients.

Strictly related to NAS, is the Fees project, which will require coordination and will need to address the core issue (i.e. independence).

PS, even if formulated with a different terminology, will have to extend the minimum level of PS required to auditors also to other Professional Accountants. The short-term initiative, consisting of application material in the Code, was completed in the Restructured and Revised Code. The risk is that the medium or long-term initiative will not go further, given the opposition of some stakeholders to apply PS, or a similar concept, to all Professional Accountants.

Appendix I details the three different Oversight Assurance Models that the PIOB applies.

The PIOB will communicate to the IESBA, on a regular basis, the public interest issues it has identified on the main projects. The PIOB will monitor how those issues are addressed by the IESBA during the development of standards.

5. Oversight Activities for 2019

5.1. Direct Observations of Meetings

During 2019, the PIOB will observe the following meetings:

IESBA:

The Board will meet four times in New York. All meetings are scheduled for observation:

March 11-13
June 17-20
September 16-19
December 3-6

Should the IESBA add teleconferences during 2019, the PIOB will observe them as well.

IESBA CAG:
The IESBA CAG will meet twice, in New York. Both meetings will be observed, as well as the IAASB CAG meetings held back-to-back.

March 4-6
September 9-11

Should the IESBA CAG add teleconferences during 2019, the PIOB will observe them as well.

5.2. Approvals Scheduled for 2019

During 2019, the IESBA will work on the projects described in par. 2. None will be finalized in 2019, as this is the first year of the new SWP. Rather, the PIOB will have to approve in 2019 the SWP which the IESBA will finalize in December 2018, as shown in the table below.

<table>
<thead>
<tr>
<th>Project</th>
<th>IESBA Approval</th>
<th>PIOB Approval</th>
</tr>
</thead>
</table>

5.3. Oversight Analysis

For all pronouncements (and strategies) which will be submitted to the PIOB for approval in 2019, the PIOB staff will prepare the relevant public interest analysis.

Throughout the year, the team members, supported by PIOB staff, will confirm whether the OAM planned for 2019 remains relevant. Should the PIOB determine that a change of OAM be required, the reasons supporting the change will be applied 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>
</table>