1. 2016 Experience

The PIOB directly observed the four IESBA and the two CAG meetings held in the year, in addition to the three teleconferences (one of IESBA and two of the CAG). This implied direct observation of 100% of the Board and CAG meetings, in line with the oversight plan approved for 2016.

The close-off text of Part C of the Code – Phase I, approved by the IESBA in December 2015, was approved by the PIOB in March 2016.

The final text of NOCLAR was agreed, in principle, at the March IESBA meeting, subject to final feedback from the IAASB (working on ISA 250). The final pronouncement of NOCLAR (close-off document) was approved with the unanimous vote of the Board at the April Teleconference. The PIOB approved the pronouncement at its June meeting.

During the year, the IESBA further progressed with its work on the Structure of the Code project, which is considered the top priority, and the Safeguards project. The restructuring exercise on the projects already approved as close-off documents continued as well.

At its September 2016 meeting, the IESBA planned to approve the Long Association pronouncement. The close-off document was agreed by the Board at that meeting but it was decided to conduct a later Teleconference to accurately discuss the transitional provisions. After extensive interactions with the PIOB, dealing with significant public interest concerns that the project had not addressed, the teleconference was cancelled and the IESBA decided to further discuss the Long Association provisions at its December meeting. The provisions were simplified, some exceptions and the transitional provisions were eliminated. The IESBA approved the close-off text at its December meeting and the PIOB approved it by written procedure in January 2017.

The IESBA CAG Chair was reappointed in June 2016 and his term will last further three years.

During the year, the PIOB observers at IESBA and IESBA CAG meetings offered their comments, some of which are still under consideration by the IESBA.

2. Expected IESBA Activity for 2017

In 2017 the IESBA will be working on the restructuring of the different parts of the Code (already approved as close-off documents, such as Part C – Phase I, Long Association and NOCLAR) and will be completing the Structure of the Code itself (Phase I and II) and the Safeguards project (Phase I and II). Only by the end of the year (December 2017) the IESBA plans to approve all those standards, which will be therefore submitted to the PIOB for approval in March 2018.

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

The IESBA Chair will end his first term in 2017 and is eligible for re-appointment.
3. Oversight Assurance Team in 2017

<table>
<thead>
<tr>
<th>Team</th>
<th>Team members</th>
</tr>
</thead>
<tbody>
<tr>
<td>IESBA</td>
<td>Jules Muis, Aileen Pierce, Maria Helena Pettersson</td>
</tr>
<tr>
<td>IESBA CAG</td>
<td>Maria Helena Pettersson, Jules Muis</td>
</tr>
</tbody>
</table>

4. Oversight Assurance Model for 2017

Considering the agenda of the IESBA in 2017 and the projects which will need to be completed, especially on the restructuring exercise, the PIOB will apply Oversight Assurance Model 1 (high intensity) with 100% direct observations in 2017.

Appendix I details the PIOB 4 different Oversight Assurance Models that the PIOB applies.

5. Oversight Activities for 2017

5.1. Direct Observations of Meetings

During 2017, the PIOB will observe the following meetings:

**IESBA:**

The Board will meet four times, three in NYC and one in Africa (Zambia) (December). All four meetings will be scheduled for observation:

March 13-15
June 19-21
September 19-22
December 4-7

Should the IESBA add teleconferences during 2017, the PIOB will observe them as part of the OAM Model 1.

**IESBA CAG:**

The IESBA CAG is meeting twice, once in New York (March) and once in Madrid (September).

The two meetings will be scheduled for observation, given that they will be held back-to-back with IAASB CAG meetings already scheduled for observation:

March 6
September 13
Should the IESBA CAG add teleconferences during 2017, the PIOB will observe them as part of the OAM Model 1.

The PIOB Bluebook provides detailed guidance on observations.

5.2. Approvals Scheduled for 2017

As explained in par. 2, the IESBA will work during 2017 on the completion of several projects and, only at its December meeting, it plans to approve a number of them, which will be subsequently submitted to the PIOB for approval (only in 2018). The table below shows the details:

<table>
<thead>
<tr>
<th>Project</th>
<th>IESBA Approval</th>
<th>PIOB Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructured Code (Phase I and II)</td>
<td>December 2017</td>
<td>March 2018</td>
</tr>
<tr>
<td>Safeguards (Phase I and II)</td>
<td>December 2017</td>
<td>March 2018</td>
</tr>
<tr>
<td>NOCLAR (Restructured Text)</td>
<td>December 2017</td>
<td>March 2018</td>
</tr>
<tr>
<td>Long Association (Restructured Text)</td>
<td>December 2017</td>
<td>March 2018</td>
</tr>
<tr>
<td>Part C of the Code (Phase I - Restructured)</td>
<td>December 2017</td>
<td>March 2018</td>
</tr>
</tbody>
</table>

5.3. Oversight Analysis

Given that no pronouncement will be submitted to the PIOB for approval in 2017, except the close-off document of Long Association approved by the PIOB by written procedure in January 2017, the relevant Extended or Limited Reviews performed by PIOB Staff will be prepared in 2018.

Throughout the year, the 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 be 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>
</table>