FRC Technical Advisory Group (TAG) Meeting
Friday 3rd December 2021
10.30am
MINUTES

Minutes of prior meeting agreed with no comments.

Ethics:

1. **European Single Electronic Format (ESEF)**

   Voluntary assurance engagements (ie. those not required by law or regulation) related to iXBRL tagging of financial statements in accordance with the ESEF would fall within the list of permissible services in paragraph 5.42 of the Ethical Standard (2019), but subject to the 70% non-audit services fee-cap.

   In situations involving a dual listed entity where iXBRL tagging assurance was required by the laws and regulations of an other jurisdiction, then the part of the fee relating to such an other jurisdiction would not be subject to the fee cap.

2. **OEPI Status of AIM companies exceeding SME threshold**

   It had previously been noted at TAG that there is potentially inconsistent practice in the application of an effective date for heightened OEPI ethical prohibitions for AIM companies exceeding the SME threshold: immediately at the calendar year-end where the threshold is breached; or at the start of the following financial period.

   The FRC took the view that either approach would be reasonable.

   This would be set out in the rolling record of actions.

AOB:

3. A paper had previously been circulated by firms setting out specific aspects of the application of Supporting Ethical Provision 2.4 (SEP 2.4) of the ES 2019 in a group audit context. This would be included within the relevant meeting papers on the FRC TAG web page in due course.

4. The FRC would shortly be hosting a new webpage setting out the process for breach reporting for firms which audit public interest entities, in accordance with ES 2019.[2]

5. An issue had been raised about the ethical implications of certain non-audit service due diligence work in respect of listed audited entities. The FRC would speak to firms on current practice in advance of a further discussion at the next TAG.

Audit:

1. **Revised ISA (UK) 315 – implementation issues (including IT controls work).** It was noted that the IAASB was working on first time implementation guidance for this standard, and a further discussion would take place when this was available.