

**Final Minutes of the 45<sup>th</sup> Meeting of the  
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD  
Held via Teleconference on May 5, 2011**

**Voting Members**

Present: Arnold Schilder (Chairman)  
Diana Hillier (Deputy Chair)  
Arch Archambault  
Jean Blascos  
Jianshen Chen  
Valdir Coscodai  
Phil Cowperthwaite  
Cédric Gélard  
Jon Grant  
Gert Jönsson  
Ashif Kassam  
Merran Kelsall  
William Kinney  
Caithlin McCabe  
Daniel Montgomery  
Tomokazu Sekiguchi  
Abdullah Yusuf

**Technical Advisors**

Ricardo DeLellis (Mr. Coscodai)  
Jan Thijs Drupsteen (Mr. Kassam)  
Denise Esdon (Mr. Montgomery)  
Marek Grabowski (Mr. Grant)  
Jonas Hällström (Mr. Jönsson)  
Hiram Hasty (Mr. Kinney)  
Susan Jones (Mr. Blascos)  
Sachiko Kai (Mr. Sekiguchi)  
Richard Mifsud (Ms. Kelsall)  
Pervez Muslim (Mr. Yusuf)  
Jon Rowden (Ms. Hillier)  
Tania Sergott (Ms. McCabe)  
Greg Shields (Mr. Cowperthwaite)  
Isabelle Tracq-Sengeissen (Mr. Gélard)  
Richard Wood (Mr. Archambault)

Apologies: David Swanney

Zhang Ge (Mr. Chen)

**Non-Voting Observers**

Apologies: Juan Maria Arteagoitia, Linda de Beer, and Norio Igarashi

**Public Interest Oversight Board (PIOB) Observer**

Present: Susana Novoa

**IAASB Technical Staff**

Present: James Gunn (Technical Director), Brett James, Joanne Moores, Ken Siong, and Jessie Wong

## **1. Opening Remarks**

Prof. Schilder welcomed participants, noting the necessary quorum for the meeting. He welcomed Ms. Novoa, observing on behalf of the PIOB.

Prof. Schilder noted that apologies were received from Messrs. Arteagoitia, Ge, Igarashi and Swanney, and Ms. de Beer. Mr. Grant was noted as proxy for Mr. Swanney.

## **2. Auditor Reporting - Proposed Consultation Paper<sup>1</sup>**

Mr. Montgomery introduced the topic, noting the objective of seeking the IAASB's approval to issue the proposed Consultation Paper (CP). He highlighted, in the context of advancing the international debate on the need for change in auditor reporting, the desirability of aiming for responses to the CP in a timeframe that will coincide with the progression of policy debates and decision-making on the topic by other stakeholder groups.

Except as outlined below, and in addition to editorial changes, the IAASB agreed on the matters set out in the proposed CP.

### PROVIDING INCREASED INFORMATION ABOUT THE AUDIT

IAASB members discussed the meaning of the statement in Section III, Part C of the proposed CP that "users have suggested it would be helpful for information to be provided in the auditor's report about the effectiveness of the entity's internal controls, including significant control deficiencies identify by the auditor during the audit."

A number of IAASB members were of the view that the term "effectiveness" could imply a different meaning than what was perhaps intended relative to an audit of financial statements. Rather, the available information indicates that users would like to have information about the entity's internal controls that the auditor obtains in the course of performing the audit of an entity's financial statements. The IAASB agreed that users' information needs in this area would be more accurately described if the words "the effectiveness of" are deleted.

### CONSULTATION PROCESS – ENGAGING PREPARERS OF FINANCIAL STATEMENTS AND THOSE CHARGED WITH GOVERNANCE (INCLUDING AUDIT COMMITTEES)

A few IAASB members emphasized the importance of engaging the preparer community and those charged with governance, including audit committees, to obtain their input on the matters raised in the CP.

The IAASB agreed, noting the importance of stimulating discussion at the national level, for example through national auditing standard setters (NSS), and also through avenues that may be available via the IAASB Consultative Advisory Group.

Prof. Schilder highlighted the view expressed at the April 2011 IAASB-NSS meeting about the importance of ensuring consistency in auditor reporting globally, regardless of the direction taken on the topic after the consultation and other policy initiatives taking place at present.

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<sup>1</sup> Proposed Consultation Paper, *Enhancing the Value of Auditor Reporting: Exploring Options for Change*

APPROVAL

After agreeing all necessary changes to the document, all 18 IAASB members present or represented by proxy approved the CP for issuance with a 120-day comment period.

**3. Next Meeting**

The next IAASB meeting is scheduled for June 20-23, 2011 in New York.

**4. Closing Remarks**

Prof. Schilder thanked all participants for their contributions and especially the Working Group for its efforts. He then closed the meeting.