NSS Guidance Cataloguing System

A. Background

IAASB Strategy 2009-2011

1. Included in the IAASB’s Strategy and Work Program, 2009-2011 is a plan to:
   - Identify implementation guidance developed by national auditing standard setters (NSS), regional and national professional accountancy organizations, and others that is applicable in an international context; and
   - Communicate the existence of, and facilitate access, to such guidance.

NSS Discussions

2. At the March 2008 IAASB-NSS meeting, as input to the IAASB’s strategy for 2009-2011, NSS participants generally supported exploring an initiative whereby implementation guidance of international relevance is made available on the IAASB’s public website.

3. At the March 2009 IAASB-NSS meeting, participants considered how a central infrastructure might be operationalized in relation to implementation guidance developed by NSS that may be of international relevance. In exploring this, participants expressed reservations about making such information available on the IAASB’s public website. This is mainly because of challenges in defining robust criteria over the quality and maintenance of the information on the IAASB website as public material, as well as the difficulty in guarding against unintended use of such information. In addition, copyright and other restrictions would tend to limit the range of materials available.

4. Instead, it was noted that it may be more appropriate and of greater benefit to use such a central infrastructure to share information among NSS about national initiatives being undertaken, and of guidance and other related documents produced, that may be of relevance to other NSS in undertaking their own initiatives or collaborating on projects. It was felt that through this channel, NSS would best be able to reach the intended audience, i.e. local practitioners, while also being able to control the quality of the material and appropriately tailoring it for local needs. Participants therefore supported the idea of an initiative that would have a narrower scope focused on cataloguing relevant national guidance for access by NSS only.

5. Participants also agreed that there would be benefit in leveraging the initiative to raise awareness of new initiatives and thought leadership work of international relevance undertaken by NSS, which would help promote cooperation among NSS.

6. In progressing this initiative, it was recommended that it be pilot tested by the participants of the IAASB-NSS liaison group before considering broadening it to allow access and sharing of information among all NSS.

Prepared by: Linda Lach/Ken Siong (February 2010)
Related IFAC Initiatives

IFACnet

7. In October 2006, IFAC launched, in collaboration with its member bodies, IFACnet, a global accountancy search engine designed primarily for professional accountants in business and small and medium practices (SMPs). This resource makes freely available to an international audience guidance material, management tools and articles developed by the 30+ participating IFAC member bodies as well as IFAC. Since its launch, IFACnet has been a popular resource, having been accessed by users from over 190 countries.

IFAC SMP Committee Initiatives

8. The IFAC SMP Committee (SMPC) has provided on the IFAC website a list of links to websites that provide relevant information as a resource for SMPs. This resource is maintained by SMPC staff.

9. In a recent SMPC survey of SMPs, respondents indicated a high level of support for an online catalogue of implementation resources. In the context of various practical support activities that the SMPC might undertake, one of the most highly rated ones was a database of materials supporting the implementation of IFAC standards. It was suggested that such a resource could take the form of a publicly available online inventory of links to relevant materials.

International Developments

10. In December 2009, the Fédération des Experts Comptables Européens (FEE) initiated a survey of its member bodies in order to determine possible future steps to assist those member bodies in fulfilling their obligation to help their practitioners successfully implement the clarified ISAs. As part of this survey, FEE is gathering information on implementation material on the clarified ISAs that its member bodies have developed or plan to develop.

B. Proposal for an Online Cataloguing System

11. In the light of the above, staff proposes that an online cataloguing system be implemented on the IAASB intranet for use and access by NSS.

Operational Considerations

Scope of the Catalogue

12. It is proposed that the catalogue cover, broadly, the following two types of material developed by NSS that may be of international relevance:

(a) Implementation guidance; and

(b) Thought leadership pieces.

13. In this regard, these types of material are defined very broadly as follows:

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1 http://www.ifacnet.com/

• “Implementation guidance” – any type of document or resource intended to facilitate the application or understanding of relevant standards,\(^3\) or to raise awareness about those standards, relevant aspects thereof or topics therein. Examples include guides to specific standards or topics within the standards, industry audit guides, staff alerts, Questions &Answers publications, Frequently Asked Questions, case studies, etc.

• “Thought leadership pieces” – any work that is of an exploratory nature (including work described as research), or that is otherwise intended to stimulate thought or debate, relating to relevant standards (or aspects thereof, or topics therein) or to the application of those standards. These may include, for example, discussion papers, consultation papers, white papers, articles, etc.

14. To assist an individual NSS in judging whether it would be appropriate for it to submit a specific document or other material for cataloguing, it is proposed that the NSS use the following set of high-level criteria:

(a) The material falls either within the implementation guidance or thought leadership category defined above, and does not deal exclusively with a matter that is of specific national significance (for example, to address a legal or regulatory requirement).

(b) The material is not inconsistent with, and does not contradict, IAASB standards currently in effect.

(c) The material is not outdated.

15. Material written in languages other than English may be submitted for cataloguing. This is to maximize the relevance and usefulness of this initiative to jurisdictions that speak those other languages.

16. Neither the IAASB nor IAASB staff will undertake any due diligence on the material submitted for cataloguing, including considering the nature and extent of any due process applied for such material. This is because the primary purpose of this initiative is to provide a central mechanism to facilitate cooperation and collaboration among NSS, and not to seek any review of the material by, or endorsement from, IAASB or IAASB staff. In addition, current staff resource limitations would preclude staff from devoting any significant amount of time to critically review and evaluate the material submitted. Responsibility for the quality and relevance of the material to NSS internationally will therefore rest with the contributing NSS.

17. Due to capacity constraints, IAASB staff also will not translate material that has been submitted in languages other than English. However, NSS who contribute material not in English will be asked to provide a brief description of the nature of the material in English for purposes of the cataloguing function.

Operating the Online Catalogue

18. Staff proposes to implement a half-yearly survey of participating NSS as a means of gathering the relevant material and related information.

\(^3\) Relevant standards refer to IAASB standards or national standards based on IAASB standards.
19. For efficiency reasons, and to minimize any perceptions of IAASB endorsement, it is proposed that material submitted not be uploaded to the catalogue on the IAASB intranet but instead be hyperlinked to the NSS websites.\(^4\) There may, however, be instances where material submitted by an NSS is only available in a restricted section of the NSS website, or not available online. In such instances, consideration will be given to uploading the material to the IAASB Intranet.

20. Once the catalogue is operational, the survey run by IAASB staff would provide a systematic process for collecting new material from the NSS. The survey would also allow contributing NSS to inform IAASB staff of any changes to their material in the catalogue (e.g. changes in hyperlinks or revised versions of documents), as well as the continuing international relevance of such material (e.g. if a document becomes outdated, this information should be made known through the survey so that the material can be removed from the catalogue).

21. To minimize perceptions of IAASB endorsement, appropriate caveats would be provided with the catalogue, e.g.
   - The material has not been developed, considered or endorsed by IAASB.
   - IAASB makes no representation regarding the quality or appropriateness of any of the material for participating NSS’ purposes.
   - The material is intended primarily for a restricted audience and may not be suitable for all purposes.
   - IAASB assumes no responsibility or liability for any material that may be accessed on other websites reached through the catalogue.
   - Copyright to the material is held by the contributing NSS.

22. Subject to the IAASB’s and the NSS’ approval, these terms will be encapsulated in a memorandum of understanding with the participating NSS in due course.

**Communication of Ongoing NSS Initiatives**

23. To enable NSS to share information about any projects or other initiatives they may be undertaking, or planning to undertake, at the national level that may have international relevance, it is proposed that the survey tool also allow NSS to provide information about such initiatives.

24. Contributing NSS would be responsible for updating such information based on ongoing developments, whether through the survey tool or directly to IAASB staff.

**Organization of the Online Catalogue**

25. It is proposed that material submitted by contributing NSS be organized by topic area and by type of material.

\(^4\) It is assumed that the related IT considerations for setting up the catalogue on the IAASB intranet would be dealt with by the IFAC webmaster in consultation with IFAC’s communications department.
26. In addition, to enable material in the catalogue to be properly identified, specific information about each item will be provided, for example:

- Title
- Developer
- Language
- Date of Issue or Production
- Synopsis
- Keywords

27. As suggested above, there will also be a separate section listing NSS initiatives being undertaken, or planned to be undertaken, at the national level.

28. An illustration of the proposed catalogue is set out in the Appendix.

**Pilot Testing**

29. Subject to the IAASB’s and NSS’ approval, it is proposed that the cataloguing system be run on a pilot basis for a one-year period with the 14 NSS\(^5\) that comprise the NSS liaison group. Participants will then be asked to reflect on the experience gained from this pilot phase and their collective feedback. This would enable them and IAASB to then evaluate whether the goals of this initiative have been achieved and whether there would be merit in broadening it to allow participation by all NSS.

**C. Action Requested**

30. The IAASB is asked for its views on the proposed NSS guidance cataloguing system and the related considerations set out above, and whether there are any other matters that should be taken into account in determining the way forward.

31. Subject to the IAASB’s support of this initiative, staff will present the proposal for the NSS’ consideration at the April 2010 IAASB-NSS meeting.

\(^5\) Australia, Brazil, Canada, China, France, Germany, India, Japan, The Netherlands, New Zealand, South Africa, UK, US (ASB), US (PCAOB).
Illustrative NSS Online Catalogue

The following depicts how the online catalogue might appear.

### Part 1: ISA Implementation Resource Catalogue

<table>
<thead>
<tr>
<th>Topic</th>
<th>Guidance</th>
<th>Awareness Publications</th>
<th>Q&amp;As / FAQs</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>General (Addresses all ISAs)</td>
<td>• &lt;NSS&gt; Webinar on Implementing ISAs</td>
<td>• &lt;NSS&gt; Summary of Main Changes in Newly Adopted ISAs</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• &lt;NSS&gt; Webinar on Implementing ISAs</td>
<td></td>
<td></td>
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<tr>
<td>Risk Assessment</td>
<td></td>
<td>• &lt;NSS&gt; FAQs on Risk Assessment Standards</td>
<td></td>
<td>• &lt;NSS&gt; Podcast: Applying the Risk Assessment ISAs</td>
</tr>
<tr>
<td>Documentation</td>
<td>• &lt;NSS&gt; Practice Note on Smaller Entity Audit Documentation</td>
<td></td>
<td>• &lt;NSS&gt; Q&amp;A on Audit Documentation</td>
<td></td>
</tr>
<tr>
<td>Related Parties</td>
<td>• &lt;NSS&gt; Staff Alert on Auditing Related Party Transactions</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Group Audits</td>
<td>• &lt;NSS&gt; Article on Implementing ISA 600</td>
<td></td>
<td></td>
<td>• &lt;NSS&gt; Case Studies on Group Audits</td>
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</tbody>
</table>
# Part 2: Thought Leadership Resource Catalogue

## THOUGHT LEADERSHIP RESOURCE CATALOGUE

<table>
<thead>
<tr>
<th>Topic</th>
<th>Type of Resource</th>
<th>Audit Forums</th>
<th>Journal Articles</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td><strong>Discussion Papers,</strong></td>
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<tr>
<td><strong>Consultation Papers,</strong></td>
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<tr>
<td>White Papers,**</td>
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<tr>
<td>and Research papers</td>
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<tr>
<td><strong>Audit Quality</strong></td>
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<tr>
<td>• &lt;NSS&gt; Discussion Paper: Essential Elements of Audit Quality</td>
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<tr>
<td><strong>Professional Judgment</strong></td>
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<td></td>
<td>&lt;NSS&gt; Article Exploring Appropriate Application of Professional Judgment in an Audit Conducted in Accordance with ISAs</td>
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<tr>
<td><strong>XBRL</strong></td>
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<td>&lt;NSS&gt; Article Assurance Concepts Regarding XBRL Data</td>
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### Part 3: Ongoing or Planned Projects or Initiatives

<table>
<thead>
<tr>
<th>NSS</th>
<th>Topic Area</th>
<th>Description of Project or Initiative</th>
<th>Timing</th>
<th>Anticipated Deliverable</th>
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<tbody>
<tr>
<td>&lt;NSS 1&gt;</td>
<td>&lt;Topic 1&gt;</td>
<td>&lt;Description of project&gt;</td>
<td>Jan 20X1 – June 20X2</td>
<td>Discussion Paper</td>
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<td></td>
<td>&lt;Topic 2&gt;</td>
<td>&lt;Description of project&gt;</td>
<td>Feb 20X1 – Sept 20X1</td>
<td>Staff Alert</td>
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<tr>
<td>&lt;NSS 2&gt;</td>
<td>&lt;Topic 1&gt;</td>
<td>&lt;Description of project&gt;</td>
<td>Apr 20X1 – June 20X2</td>
<td>Webinars</td>
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