

IAASB CAG PAPER
IAASB CAG Agenda (April 2007)
Agenda Item A.2
IAASB CAG Working Groups

M E M O R A N D U M

TO: IAASB CAG Representatives

FROM: David Damant

DATE: March 12, 2007

RE: IAASB CAG Working Groups

After I was appointed as Chair of the IAASB CAG, I instituted working groups of two to four members for certain IAASB projects. The aim of the working groups is to review in detail the IAASB CAG agenda papers and IAASB reference material relating to their projects for discussions at IAASB CAG meetings. The working groups have proceeded in various ways and to various levels of activity.

In October 2006, I asked the members of each working group to discuss with each other how the membership or operations of the working groups could be extended or improved, both for existing working groups and for those which may be established in the future.

Based on responses and further consideration of the matter, I am proposing the following with regard to the membership and operations of the working groups:

Membership and Operations of Working Groups

1. Working groups should normally comprise not more than four members. In certain cases we may decide to increase the size of a particular working group based on factors such as the importance of the subject matter to the Member Organizations, the complexity of the subject matter, etc.
2. Members of a working group should read the material related to their project and distributed for an IAASB CAG meeting. This includes the IAASB reference material, as well as the IAASB CAG agenda papers.
3. Members of a working group should discuss the material related to their project and distributed for an IAASB CAG meeting. This could be by telephone conference or email. During this discussion, the members should develop comments for presentation at the IAASB CAG meeting. It would be particularly useful if working groups could develop two or three major points which the group believes the CAG could most usefully discuss.
4. It is not necessary for the members of the working group to agree with each other; differences of opinion may be presented at the meeting. It is also not necessary for the working group to prepare a paper. However, should a working group wish to develop

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a paper for distribution to the IAASB CAG, such paper will not be on the public record.

5. Each working group should appoint a “rapporteur.” The rapporteur is responsible for arranging the discussion referred to in 3 and for opening the discussion on behalf of the working group at the IAASB CAG meeting.
6. It should be noted that discussions in the CAG should not replace or duplicate the detailed comments which may be made by various member organisations in responding to an IAASB Exposure Draft or similar document, although there may of course be some overlap.

Subject to final comments, this note on working groups will be included in the “file,” which covers the activities of the IAASB CAG. In the interim, it may be helpful if members of the respective working groups could consider the implementation of the points set out above.

Membership of Existing Working Groups

A table of the existing working groups is attached. You will note that most of the working groups are small. I would appreciate it if you could let me know should you be interested in becoming a member of an additional working group or groups.

In particular, I wish to increase the size of the working groups responsible for the Management Representations project and Related Parties project. Previous discussions of these projects have highlighted their importance to the Member Organizations. In the case of management representations, the views of preparers of financial statements are of particular importance.

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Appendix

Membership of IAASB CAG Working Groups – March 2007

Project	Working Group Members	IAASB Project Timetable February 28, 2007	IAASB CAG Discussion in April 2007
Communications with Those Charged with Governance (ISA 260)	Diomeda Johnson Manabat	Sep 07 Review comments on clarity ED and issue final	
Materiality / Misstatements (ISAs 320 & 450)	Blomme Morris	Jul 07 Review comments on clarity ED and issue final	
Service Organizations (ISA 402 and ISAE 3402)	Roussey [TBD]	<u>ISA 402</u> Apr 07 First read of ED Sep 07 Approve ED Jun 08 Review comments on ED Sep 08 Issue final <u>ISAE 3402</u> Apr 07 Discussion of issues Jul 07 First read of ED Sep 07 Approve ED Jun 08 Review comments on ED Sep 08 Issue final ISA	
External Confirmations (ISA 505)	De Beer Morris Pickeur Van Der Plaats	Jul 07 Approve ED Mar 08 Review comments on ED Jun 08 Issue final	Discussion of proposed ED
Auditing Accounting Estimates, Including	Guterman Morris	Sep 07 Review comments on ED Dec 07 Issue final	Report back

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Project	Working Group Members	IAASB Project Timetable February 28, 2007	IAASB CAG Discussion in April 2007
Fair Value Accounting Estimates, and Related Disclosures (ISA 540 & 545 combined)	Pickeur Sucher		
Related Parties (ISA 550)	Cassel Roussey	Dec 07 Review comments on re-ED Mar 08 Issue final	Report back
Written Representations (ISA 580)	Morris Peyret	Sep 07 Review comments on ED Mar 08 Issue final	Report back
Group Audits (ISA 600)	Hegarty Roussey	Apr 07 Review of comments on re-ED Jul 07 Issue final	Discussion of significant comments and proposed final ISA
Use of Experts (ISA 620)	Guterman Morris Roussey	Apr 07 Approve ED Dec 07 Review comments on ED Mar 08 Issue final	Discussion of proposed ED
Modifications / EOM (ISAs 705 & 706)	Lamoureux Sucher	Jul 07 Approve clarity ED Jun 08 Review comments on clarity ED and issue final	Discussion of proposed redrafted ED
Special Reports (ISAs 800 & 805)	Blomme Gielen Lamoureux Singh	Jul 07 Approve clarity ED Jun 08 Review comments on clarity ED and issue final	Discussion of proposed redrafted ED
Control Deficiencies Noted in an Audit (previously referred to as Material)	Blomme Morris Peyret	Apr 07 First read of ED Sep 07 Approve ED Sep 08 Review comments on ED and	Discussion of proposed ED

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Weaknesses in Internal Control)		issue final	
SMP /SME / Developing Nations Matters	Asmelash De Beer Diomeda Hegarty	Not applicable	
List of Clarity Objectives	Hegarty Johnson Koski-Grafer	Not applicable	
Corporate Governance and Investor Matters	[Membership to this Working Group will be arranged shortly]	Not applicable	

A working group will not be established for the Clarity project. In the case of the Clarity project, all CAG Representatives act as the working group.