

# IAASB CAG PAPER



**International Federation of Accountants**

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## Agenda Item

# G

**Committee:** IAASB Consultative Advisory Groups

**Meeting Location:** London

**Meeting Date:** September 14-15, 2010

## IAASB Strategy and Work Program for 2012-2014

### Objectives of Agenda Item

1. To discuss a draft consultation paper (CP), *IAASB Proposed Strategy and Work Program for 2012-2014*.
2. To discuss the proposed comment period.

### Task Force

3. The IAASB Steering Committee serves as the Task Force for this project. Members:
  - Prof. Arnold Schilder, IAASB Chairman
  - Diana Hillier, IAASB Deputy Chair
  - Phil Cowperthwaite, IAASB Member
  - Craig Crawford, IAASB Member
  - Cedric Gélard, IAASB Member
  - Tomokazu Sekiguchi, IAASB Member

Observer to the Steering Committee is David Damant, IAASB CAG Chairman. Ex-officio members are Jim Sylph, IFAC Executive Director, Professional Standards, and James Gunn, IAASB Technical Director.

### Background and Activities since Last IAASB Discussions

4. The Task Force met via teleconference on two occasions in July 2010 to discuss the results of the strategy survey issued in April 2010 and the draft CP. Consultation was also undertaken with the International Organization of Securities Commissions (IOSCO) Standing Committee No. 1 on Multinational Accounting and Disclosure and representatives of the Financial Stability Board (FSB).
5. In addition to discussion with the IAASB CAG, further consultation is planned with, among others, the IFAC Small and Medium Practices (SMP) Committee, the Financial Audit Subcommittee of the International Organization of Supreme Audit Institutions (INTOSAI), the International Forum of Independent Audit Regulators (IFIAR), and the

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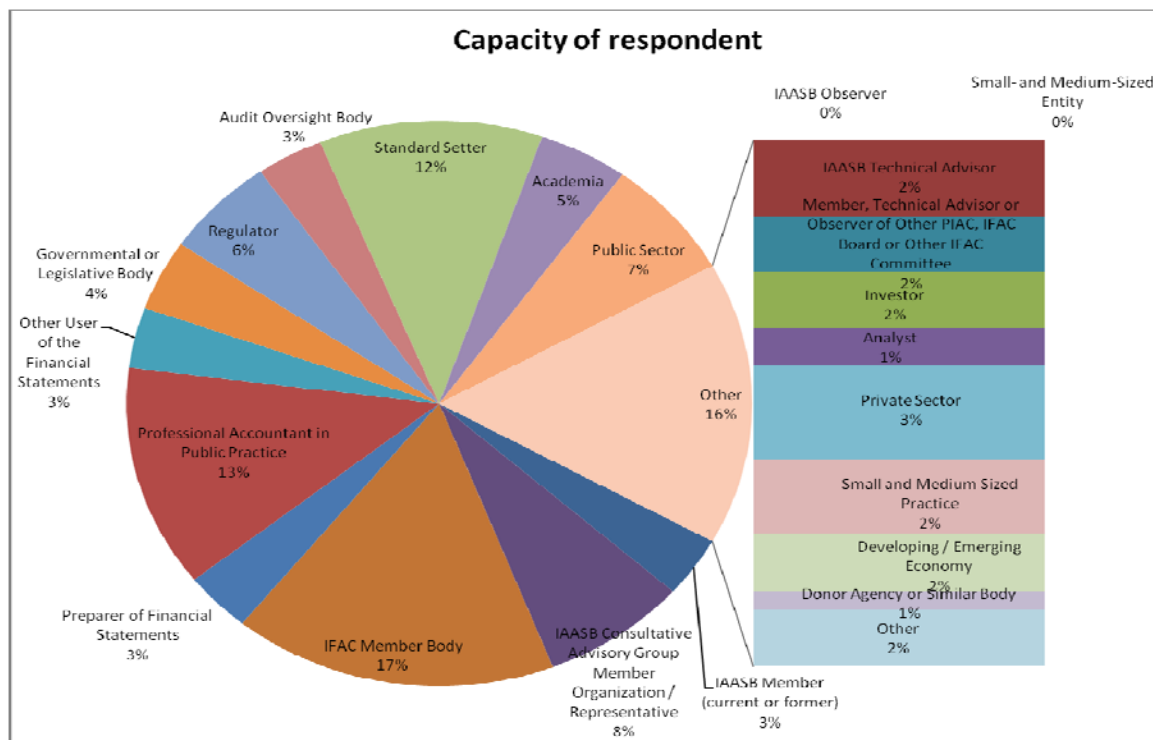
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#### IAASB Future Strategy and Work Program, 2012-2014

Forum of Firms before the final CP is approved by the IAASB at its December 2010 meeting.

#### *Results of the Strategy Survey*

6. A total of 101 responses to the strategy survey were received from IFAC member bodies, regional professional accountancy organizations, organizations representing preparers of financial statements, audit firms and public sector audit organizations, and public authorities and international regulators, as outlined below:



7. Based on the response to the survey, the Task Force proposes the three main areas of strategic focus remain appropriate (**see paragraphs 26-30 of Agenda Item G.1**). The Task Force considered the responses received to the survey and formulated a list of possible actions to respond to the proposed strategy, based on the recommendations from respondents, an analysis of the projects on the IAASB's current agenda that are expected to continue into 2012, and the results of broader discussion with stakeholders that were held during 2010.
8. Of particular note for the CAG's consideration are the following:
- The discussions of the current projects on audit quality, auditor communications, and ISA Implementation Monitoring (see paragraphs 31-40);
  - Outreach and communication activities, and the proposals to enhance these activities

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## IAASB CAG Agenda (September 2010)

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#### IAASB Future Strategy and Work Program, 2012-2014

(see paragraphs 42-51 of Agenda Item G.1);

- Key assumptions used in formulating the proposed future work program (see paragraphs 52-61 of Agenda Item G.1); and
- Possible actions to implement the proposed strategy, distributed among the three areas of strategic focus, and the rationale for their inclusion (see paragraphs 65-83 of Agenda Item G.1). As noted in paragraphs 62-63 of Agenda Item G.1, the IAASB will not be able to undertake all of the possible actions in light of resource constraints, so respondents to the CP will be asked to prioritize three projects that best meet the IAASB's public interest mandate.

#### Proposed Comment Period

9. The IAASB will be asked to approve the CP for issuance at its December 2010 meeting. The PIAC Process for Developing Action Plans and Work Programs developed by the Public Interest Oversight Board (PIOB) guides the Public Interest Activity Committees (PIACs) of IFAC to expose their draft action plans and work programs for public comment for a period of ordinarily no less than 60 days.
10. The Task Force recommends that the IAASB consider a 90-day comment period. The Task Force wishes to ensure that all relevant parties have sufficient time to comment on the proposals, but notes that responses must be received no later than **March 31, 2011** to allow adequate time for its discussion of the summary of comments received on consultation and preparation of the materials to be discussed by the IAASB at its June 2011 meeting.
11. The intent is that the final *Strategy and Work Program for 2012-2014* will be discussed with the IAASB CAG and finalized by the IAASB at their respective September 2011 meetings. The approved document will be sent to the PIOB for approval from a public interest perspective. It will be issued when approved by the PIOB.

#### Action Requested

12. Representatives are invited to comments on any aspect of the proposed strategy and possible actions included in **Agenda Item G.1**. In particular, it would be helpful if Representatives' comments could include the following:
  - (a) Whether the list of possible actions is consistent with the IAASB's three areas of strategic focus and whether it responds to issues facing the accounting profession;
  - (b) Whether Representatives have any items to add to the list; and
  - (c) How additional actions identified by Representatives, if any, should be prioritized.Where possible, and in consultation with their respective Member Organizations, Representatives are asked to select the top three projects either from, or in addition to, the list of possible actions which they believe would best meet the IAASB's public interest

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mandate.

### **Material Presented – IAASB CAG PAPERS**

Agenda Item G.1	Draft Consultation Paper, <i>Proposed Strategy and Work Program for 2012-2014</i> , dated September 2010
Agenda Item G.2	Report Back