

Meeting: IAASB Consultative Advisory Group
Meeting Location: New York
Meeting Date: March 11–12, 2014

Agenda Item

D

INFO Working Group, Including Integrated Reporting

Objectives of Agenda Item

1. To receive an update on the current developments and activities of the International Integrated Reporting Council (IIRC).
2. To obtain Representatives' views on the activities of the Innovation, Needs, and Future Opportunities (INFO) Working Group (WG), in particular its plans in relation to Integrated Reporting <IR>.

Papers to Be Referred to during Discussion

3. The discussion on this topic will be as follows:
 - Overview of the INFO WG – Dan Montgomery, IAASB Deputy Chair and INFO WG Chair (see **Agenda Item D.1**)
 - Presentation on the International <IR> Framework – Lisa French, IIRC Technical Director – Guidance and Practice (see **Agenda Items D.2 and D.3**)

The International <IR> Framework was released in December 2013, and is provided as a CAG Reference Paper.

Project Status and Timeline

4. The CAG discussed the Terms of Reference (ToR) for the INFO WG at its April 2013 meeting, and the ToR were subsequently approved at the April 2013 IAASB meeting. The IAASB will receive an update on the INFO WG's activities at its March 2014 meeting, and will receive an initial briefing on <IR>. The Appendix to this paper provides a project history, including links to the relevant CAG documentation.
5. The IAASB's proposed Strategy for 2015–2019 (see **page 14 of Agenda Item J.1**) explains that the INFO WG will play an important role in exploring emerging developments beyond those affecting the financial statement audit to assist the IAASB in identifying opportunities for standard setting or other potential actions to fulfill this strategic objective. This will enable the IAASB to consider whether to develop new or revise existing assurance standards for engagements other than audits or reviews of historical financial information that support high-quality engagements relevant to both large and smaller entities. At present, the emergence of Integrated Reporting is likely to be a

significant assurance issue of public interest that will be explored by the INFO Working Group as a matter of priority.

6. The IAASB's INFO Working Group has the remit to monitor developments in emerging areas of assurance and make recommendations to the IAASB on specific topics for the IAASB to pursue, including whether there is a need for a standard-setting response. These recommendations will take into account whether there is a visible market demand for assurance in the public interest, including the potential need for the IAASB to enhance the quality of engagements that are currently conducted on a widespread basis internationally or are expected to be in the near future. In particular, the INFO Working Group will continue to monitor the developments relating to The International <IR> Framework with a view to determining the most appropriate time for IAASB action.
7. The IAASB's proposed Work Program for 2015–2016 therefore contemplates monitoring by the INFO Working Group of emerging developments related to assurance and related services, including in relation to The International Integrated Reporting (<IR>) Framework through observation of the IIRC's Assurance Working Group (*see page 28 of Agenda Item J.1*).
8. This initial work will help inform the IAASB's work program in 2017 and beyond, in particular its plans to develop an assurance or related services standard addressing Integrated Reporting, using ISAE 3000 (Revised)¹ as a basis for doing so (*see page 40 of Agenda Item J.1*). Timing of this initiative will ultimately depend on the IAASB's determination as to when the market demand for assurance on integrated reporting is sufficient to warrant the IAASB devoting significant Board and staff resources to it and the feasibility of developing a standard on a global basis, which will be informed by:
 - o The progress of the development of the Integrated Reporting Framework;
 - o The discussions of the INFO Working Group; and
 - o Outreach with key stakeholders, in particular the CAG and national auditing standard setters (NSS).
9. The IAASB may also consider it necessary to undertake standard-setting activities in relation to other topics arising from the recommendations of the INFO WG in 2017 and beyond.

Matters for CAG Consideration

1. Do Representatives have any questions or comments on the topics (other than <IR>) preliminarily identified by the INFO Working Group?
2. In your view, should any of these topics be prioritized by INFO for additional monitoring or follow-up actions?
3. What are, in your opinion, key trigger points to move a topic from monitoring to a recommendation for standard setting?
4. Representatives are invited to share views on <IR> in light of the materials presented in **Agenda Items D.2 and D.3**.

¹ ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

Material Presented – IAASB CAG PAPERS

Agenda Item D.1 Slide Deck – Presentation by Dan Montgomery, Chair of INFO WG

Agenda Item D.2 *INFO Working Group Briefing Paper – Integrated Reporting and Assurance*

Agenda Item D.3 Slide Deck – Presentation by Lisa French, Representative of IIRC

Material Presented – For IAASB CAG Reference Purposes ONLY

IIRC's International <IR> Framework www.theiirc.org/international-ir-framework/

Project History

Project: INFO

Summary

	CAG Meeting	IAASB Meeting
Preliminary Discussions	March 2012	March 2012
Approval of Terms of Reference of WG	April 2013	April 2013
Updates / Briefings	March 2014	March 2014

CAG Discussions: Detailed References

Preliminary Discussions	<p><u>March 2012</u></p> <p>See IAASB CAG meeting material: http://www.ifac.org/sites/default/files/meetings/files/20120306-IAASBCAG-Agenda_Item_D-Strategy_Report_Back-v1-02.pdf</p> <p>See CAG meeting minutes (in Agenda Item D of the following): http://www.ifac.org/sites/default/files/meetings/files/20120911-IAASBCAG-Agenda_Item_A_March%202012_Public%20Minutes-APPROVED.pdf</p>
Approval of Terms of Reference	<p><u>April 2013</u></p> <p>See IAASB CAG meeting material: http://www.ifac.org/sites/default/files/meetings/files/20130403-IAASB-CAG-Agenda_Item_G-3-INFO_TOR-final.pdf</p> <p>See CAG meeting minutes (in Agenda Item G of the following): http://www.ifac.org/sites/default/files/meetings/files/April%202013%20IAASB%20CAG%20Public%20Minutes%20a%20Approved.pdf</p> <p>See report back on April 2013 CAG meeting at Agenda Item J.2: http://www.ifac.org/sites/default/files/meetings/files/20130909-IAASB-CAG-Agenda_Item_J2-Strategy_Report_Back-Final.pdf</p>