

Meeting: IAASB Consultative Advisory Group (CAG)

Meeting Location: New York

Meeting Date: September 12–13, 2016

Agenda Item

G

High-Level Summary of the Responses to the Invitation to Comment and Possible Options for the Way Forward

Objective of Agenda Item

1. The objectives of the agenda item is to provide a high-level summary of the responses to the Invitation to Comment (ITC), *Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits* and obtain Cag Representatives and Observers input on the Audit Quality Enhancements Coordination Group's (Enhancements Group) considerations of possible options for the way forward in advance of these matters being discussed with the IAASB.

Project Status and Timeline

2. The IAASB published the ITC in December 2015, with a comment deadline in May 2016. The ITC included the topics of professional skepticism, quality control and group audits. The ITC set out issues that had been identified relating to these topics, as well as possible actions to address the issues that the IAASB was looking for views on.
3. Eighty seven responses were received – the names of the respondents have been presented in Appendix 1 of **Agenda Item G.1**.
4. The IAASB received a high-level summary at its June 2016 meeting about what was heard from outreach activities related to the ITC. This related to roundtables held in Amsterdam, Paris and Kuala Lumpur held in March and April 2016 respectively. In addition, IAASB leadership met with a variety of stakeholders in both the United Kingdom and the United States, among other outreach globally by various Board members and Staff.
5. Once the responses had been received, the three individual working groups (Quality Control, Group Audits and the joint Professional Skepticism Working Group) and subsequently the Enhancements Group met to consider the responses to the ITC. **Agenda item G.1** sets out a high-level summary of the responses, together with the Enhancement Group's views on options for a way forward (these options have only been briefly discussed by the individual working groups). The options for the way forward presented in **Agenda Item G.1** have not yet been considered by the IAASB and may therefore change before a final decision is made. CAG Representatives and Observers' views on the options for the way forward that have been presented will help inform the IAASB's discussions on these matters.
6. The input from CAG Representatives and Observers, and the IAASB, will help inform the development of project proposals for Quality Control and Group Audits, which will be presented to the IAASB in December 2016 and discussed in a CAG teleconference on November 29, 2016.

7. More detail about possible timelines for the projects and their interactions with other IAASB projects underway are set out in **Agenda Item G.1**. Appendix 2 to that paper sets out a possible forward timetable for progressing the various IAASB projects.
8. The way forward on Professional Skepticism is set out separately in **Agenda Item J.3**.
9. At the same time as considerations about the way forward more holistically, the Quality Control and Group Audits working groups have also been considering discrete issues, which will also be discussed with CAG Representatives and Observers for their input in order to be able to move forward on these matters. **Agenda Item G.2** sets out the Quality Control Working Group's views and possible actions relating to aspects of the engagement quality control review, and **Agenda Item G.3** sets out the views of the Group Audits Working Group on a way forward relating to the approach to scoping a group audit.

Format of the Session and Papers to Be Referred to During the Discussion

10. The CAG's initial discussion on September 13 will follow the format of the paper on the high-level feedback from the ITC and the Enhancement Group's views on a possible options for the way forward (**Agenda Item G.1**). The Chair of the Enhancements Group will provide a summary of the feedback, and then explain the views of the Enhancements Group on possible options for the way forward. Matters for CAG Consideration related to this are contained in **Agenda Item G.1**.
11. The CAG will then discuss the discrete matters set out in **Agenda Items G.2** and **G.3**, with the discussions led by Chairs of the relevant working groups.

Matters for CAG Consideration

12. Specific Matters for CAG Consideration are set out in **Agenda Items G.1, G.2 and G.3**.

Material Presented – IAASB CAG Papers

Agenda Item G.1	<i>High-Level Summary of the Responses to the Invitation to Comment and Possible Options for the Way Forward</i>
Agenda Item G.2	<i>Quality Control: Engagement Quality Control Review – Issues and Working Group Views</i>
Agenda Item G.3	<i>Group Audits: The Approach to Scoping a Group Audit – Issues and Working Group Views</i>