

A Framework for Audit Quality: Considerations for Roll-out Plan

Background

1. To ensure an effective roll-out of the Framework it is important to give consideration now to a number of key points.
 - (a) Ultimate objectives
 - (b) Actions needed in relation to the Consultation Paper
 - (c) Actions needed on finalization of the Framework in late 2013

Ultimate objectives

2. The key objectives of a roll-out plan would likely be to:
 - (a) Promote better understanding of the importance of examining ways in which to enhance audit quality;
 - (b) Encourage audit firms, professional accountancy organizations (PAOs), audit committees, managements, regulators, and others to consider how the framework may be considered, used, and/or conveyed in their own work and that of others (e.g., educating PAO members);
 - (c) Increase awareness of the IAASB's efforts to promote audit quality at a broader level than just standards; and
 - (d) Encourage greater debate and academic research to be undertaken on a practical level, and encourage use of the Framework as a learning tool.

Actions needed in relation to the Consultation Paper

3. Typical strategies employed when a pronouncement is issued for consultation:
 - (a) Employ normal process with respect to exposure drafts (for this consultation in terms of communications – on website, IFAC eNews, press releases, communication directly to: regulatory bodies, audit firms, and IFAC member bodies etc.
 - (b) Communicate with important stakeholder through CAG to ensure that they respond to the Consultation Paper
 - (c) Position IAASB and its spokespeople on the topic to ensure clear messaging, at all opportunities

Actions needed in relation to the Final Pronouncement

4. Typical strategies employed when a final pronouncement is issued:
 - (a) Employ normal process with respect to exposure documents – on website, IFAC eNews, press releases, communication directly to: regulatory bodies, audit firms, and IFAC member bodies etc.; and

- (b) Position IAASB and its spokespeople on the topic to ensure clear messaging, at all opportunities.
5. Additional actions may be needed in order to maximize the value of the initiative, including:
- (a) Working with key stakeholders to assist them in using the Framework to maximum advantage; for example, developing tools and questionnaires;
 - (b) Monitoring the manner and extent of usage of the Framework to help determine what changes to the Framework may be needed to maximize its value. In this context, consideration should be given to how the IAASB – members and technical staff – can best promote and monitor the use of the Framework;
 - (c) Monitoring external developments and keeping the Framework ‘alive’;
 - (d) Developing an area of the IAASB website to provide a resource to tools that have been developed and additional material issues by NSS and others; and
 - (e) Depending on the response to the consultation, determining whether IAASB should support work on any of the Areas of Explore.

Actions needed on finalization of the Framework in late 2013

- 6. Which of the additional actions in paragraph 5 are likely to represent the best value for money?
- 7. Should the primary responsibilities for the promotion of the Framework be left to IAASB members and the technical staff?
- 8. What are the resources required, including financial, to ensure a successful roll-out?