Meeting:	IAASB Consultative Advisory Group	**Agenda Item**
Meeting Location:	New York	**G**
Meeting Date:	April 8-9, 2013	

IAASB Future Strategy and Priorities

Objective of the Agenda Item

1. To obtain views on matters of relevance to the IAASB's future strategy and priorities.

Developing IAASB's Future Strategy

2. The IAASB is now undertaking consultations relating to the development of its strategy for the period commencing 2015. The input the IAASB receives will be used in developing its proposed Strategy and Work Program, which the IAASB plans to release for public consultation at the end of 2013.

3. In addition to outreach with individual stakeholder groups, the IAASB's future strategy and priorities will be informed by a number of input streams, including in particular:

    *   The findings from the IAASB's ISA Implementation Monitoring project.

    *   The proposed IAASB Innovation, Needs and Future Opportunities (INFO) Working Group.

    *   IAASB's formal strategy consultation process, which commences with the Stakeholder Survey released in February 2013 to seek views to help identify key issues for consideration by the IAASB in developing its future strategy.

4. Sections I and II of this Agenda Item update the IAASB CAG on the first two of the above items, including their intended interactions with the development of the IAASB's future strategy and priorities.

5. With that context provided, Section III provides the opportunity for the CAG to provide views on key issues that may be influential in shaping the direction of the IAASB's future strategy, or which may help identify emerging developments or trends that are likely to be important in the public interest in the future. Although the Stakeholder Survey is open for comment until May 7, 2013, the IAASB would find it helpful to hear the Representatives' initial views on the questions posed.

I. Update on ISA Implementation Monitoring

6. The findings from the IAASB's ISA Implementation Monitoring project will be an important input to the IAASB's selection and prioritization of proposed future projects relating to individual ISAs in its Strategy and Work Program starting 2015.

7. **Agenda Item G.1** contains the Task Force's preliminary report, including background to the project and findings. This report will be discussed at the April 2013 IAASB meeting.

8. The IAASB CAG will be provided a brief overview of the work and findings of the ISA Implementation Monitoring Task Force. (**See Agenda Item G.2**)

9. At this stage, the IAASB will not be discussing the actions that it should take in respect of the findings. Rather, the findings will be considered, along with feedback from the Stakeholder Survey,

in developing the draft Consultation Paper on the IAASB future Strategy and Work Plan that will be discussed at the September 2013 IAASB meeting.

Matter for CAG Consideration

1. CAG Representatives are asked to raise any comments or questions about the preliminary findings of the ISA Monitoring project as well as any observations about the preliminary report (**Agenda Item G.1**)?

II. Update on INFO Working Group

10. A key message from the IAASB's past strategy consultation was the need for the IAASB to pro-actively identify and monitor significant and innovative developments relevant to future assurance services, and thereby maintain the role and relevance of such services and related standards in an evolving world. At the same time, the IAASB recognized the need to research and analyze the issues and related developments thoroughly to ensure that any resources devoted to pursuing standard-setting projects in these fields will lead to relevant and effective outcomes.

11. Accordingly, the IAASB committed itself to establishing a working group (referred to as the Innovation, Needs, and Future Opportunities (INFO) Working Group) to explore emerging areas more fully and identify potential actions.

12. The activities of the IAASB's INFO Working Group are anticipated to include identifying and exploring issues and actively monitor relevant developments that may provide input to specific work streams for the IAASB to pursue. In conjunction with input from the CAG and from the IAASB's ongoing outreach activities, this initiative will serve to keep the IAASB informed of strategic and emerging issues of relevance throughout the period of its strategy.

13. As a development of strategic and long-term relevance, Integrated Reporting will be a topic given priority attention by the Working Group, ahead (at least initially) of other possible areas of focus.[1]

14. The IAASB will be asked to approve the Terms of Reference for the INFO Working Group at its April 2013 Meeting (**see Agenda Item G.3**).

Matter for CAG Consideration

2. Do the Representatives have any observations in respect to proposed Terms of Reference for the INFO Working Group (**Agenda Item G.3**)?

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[1] The Strategy and Work Program 2012-2014 identified other possible areas of focus for the Working Group, including: Sustainability reporting; Corporate governance statements; Internal control; Information technology such as XBRL, continuous auditing and cloud computing.

These other areas will be considered, and as appropriate further explored, by the Working Group in due course. Other topics or issues may also be identified, for example by respondents to the current strategy survey, for consideration by the INFO Working Group.

III. IAASB Future Strategy and Work Plan

15.   As part of its strategy consultation process, the IAASB released in in February 2013 a Stakeholder Survey to seek views to help identify key issues for consideration by the IAASB in developing its future strategy. For information, the Stakeholder Survey is presented in **Agenda Item G.4**.

16.   Of relevance to thinking about future priorities in 2015 and beyond:

- **Section II** of the Stakeholder Survey describes the anticipated stage of completion of current IAASB projects by the beginning of 2015.

- **Section III** of the document includes the specific questions asked of respondents.

    The Stakeholder Survey is open for comment through 7 May 2013.

17.   While CAG Representatives are not asked for comments on the content of the Survey, which is now available on the IAASB website[2], CAG Representatives are asked to consider the following matters in inputting the IAASB about its future Strategy and Work program.

Period Covered by the Strategy and Work Plan

18.   The IAASB is considering a five-year period (2015—2019) for purposes of its future strategy, instead of a three-year period as it has done in the past. The IAASB believes that extending its strategy period will facilitate the IAASB being able to take a longer term view on priorities and provide a suitable context for purposes of the IAASB's decisions on specific initiatives. Based on its experience and feedback received on past strategy consultations, the IAASB also believes that three years may be too short for purposes of setting the IAASB's strategy, taking into account the time necessary to develop standards with due process and the frequency with which the IAASB undertakes strategy consultations with stakeholders. Further, a longer strategy period will also enable a better understanding by stakeholders of IAASB's medium- to- longer term priorities.

19.   The intention is that the IAASB's Work Program would then cover a two-year period (2015—2016), updated annually based on input from, among others, the CAG, the INFO Working Group and monitoring of relevant developments. This two-year cycle will enable the IAASB to better forecast its shorter-term deliverables and to be more responsive to emerging needs, within the context of its longer-term strategy.

Matter for CAG Consideration

3.   Do the Representatives support the proposal that the IAASB's future Strategy should cover a five-year period, and the Work Program a two-year period?

Global Issues and Developments, and Specific Areas of Potential Focus

20.   The IAASB understands the importance of the international context in which it operates and its standards are used, and the importance of addressing matters of global and long-term relevance across the broad range of services covered by its standards. Accordingly, through the Stakeholder Survey, the IAASB is seeking views on emerging developments and trends that are likely to be important in the public interest, as well as on possible specific high-priority topic(s).

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2   The IAASB Strategy Survey can be found at: http://www.ifac.org/news-events/2013-03/iaasb-seeks-input-strategic-review

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Matter for CAG Consideration

4. Representatives are asked for their views on key issues, trends or developments in the current global environment they believe should significantly influence the IAASB's strategy for the period 2015—2019.

Achieving IAASB Objectives

21. The IAASB recognizes the need to strike a balance between developing new and revised standards to further enhance practice, and take steps to support further global implementation of existing standards, including by small- and medium-sized practices (SMPs). Accordingly, the IAASB is also seeking views on areas of focus across the range of its standards, as well as the appropriate balance between setting new and revised standards and facilitating their adoption and effective implementation.

Matters for CAG Consideration

5. Representatives are asked for their views in general on the balance that the IAASB should strive for in the period 2015—2019:

    a) In relation to setting standards between i) audits of historical financial information, ii) reviews of historical financial information, iii) other assurance engagements, and iv) related services engagements? **(See Section II of Agenda Item G.4 which explains these different types of standards, and Question 3 on page 8 of Agenda Item G.4).**

    b) Between setting new and revised standards, and facilitating their adoption and effective implementation? **(See Question 4 on pages 9–10 of Agenda Item G.4)**

6. Representatives are also invited to share their views on any other matters of relevance that they feel the IAASB should consider when developing its future (2015-2019) Strategy and Work Program.

CAG Representatives are encouraged to remind and support their MOs in responding to the IAASB Stakeholder Survey which is available on the IAASB website until May 7, 2013.

The input from the Stakeholder Survey and other outreach by the IAASB will be used in developing a draft consultation paper on IAASB's future Strategy and Work Program. The IAASB CAG will be asked to further input to the IAASB's proposed future Strategy and Work Program at the September 2013 CAG meeting.

Material Presented – IAASB CAG PAPERS

Agenda Item G.1   Clarified ISAs Post-Implementation Review—Preliminary Report on Findings

Agenda Item G.2   ISA Implementation Monitoring Preliminary Findings Presentation (Slides)

Agenda Item G.3   Proposed INFO Working Group Terms of Reference

Agenda Item G.4   IAASB Future Strategy Survey

Material Presented – FOR IAASB CAG REFERENCE PURPOSES ONLY

Appendix 2 of Agenda Item 3-A of the April 2013 IAASB Meeting – Summary of Comments on Individual ISAs from ISA Implementation Monitoring Project   http://www.ifac.org/sites/default/files/meetings/files/20130415-IAASB_Agenda_Item_3-A-ISA_Implementation_Monitoring-Preliminary_Report-FINAL.pdf