

**Draft Minutes of the 56th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
Held on February 12–14, 2013 in Brussels, Belgium**

Voting Members

Present: Arnold Schilder (Chairman)
Dan Montgomery (Deputy Chair)
Arch Archambault
Jean Blascos
Jianshen Chen
Valdir Coscodai
Cédric Gélard
Jon Grant
Jonas Hällström
Merran Kelsall
Annette Köhler
Charles Landes
Caithlin Mc Cabe
Brendan Murtagh
Marc Pickeur
Tomokazu Sekiguchi
John Wiersema
Bruce Winter

Technical Advisors

Sue Almond (Mr. Murtagh)
Brantley Blanchard (Ms. Mc Cabe)
Wolf Böhm (Ms. Köhler)
Karin French (Mr. Archambault)
Marek Grabowski (Mr. Grant)
Hiram Hasty (Mr. Landes)
Susan Jones (Mr. Blascos)
Sachiko Kai (Mr. Sekiguchi)
Richard Mifsud (Ms. Kelsall)
Alexandra Popovic (Mr. Hällström)
Jon Rowden (Mr. Winter)
Greg Shields (Mr. Wiersema)
Isabelle Tracq-Sengeissen (Mr. Gélard)
Jacques Vandernoot (Mr. Pickeur)
Denise Weber (Mr. Montgomery)
Ge Zhang (Mr. Chen)

Non-Voting Observers

Present: Linda de Beer, Juan Maria Arteagoitia, Norio Igarashi

Public Interest Oversight Board (PIOB) Observer

Present: Jane Diplock

IAASB Technical Staff

Present: James Gunn (IAASB Technical Director), Beverley Bahlmann, Keesha Campbell, Kathleen Healy, Brett James, Diane Jules

1. Opening Remarks and Minutes

WELCOME AND INTRODUCTIONS

Prof. Schilder welcomed the participants and observers to the meeting, noting that all members and technical advisors were in attendance. He welcomed, in particular, Ms. Diplock, observing on behalf of the PIOB, Ms. de Beer, observing on behalf of the IAASB Consultative Advisory Group (CAG), and Messrs. Arteagoitia and Igarashi, observing on behalf of the European Commission (EC) and Japanese Financial Services Agency, respectively.

Prof. Schilder added that Ms. Hillier, ISA 610 Task Force Chair, would lead the discussion on the material in proposed ISA 610 (Revised 2013).¹ He also thanked Mr. Montgomery, IAASB Deputy Chair, for his efforts in assisting with the proposed final ISA 610 (Revised 2013).

Prof. Schilder thanked members and technical advisors for timely completion of their annual public interest declarations.

Prof. Schilder referred to the topics on the meeting's agenda, and noted that in the executive session the IAASB will receive an update from Ms. Patricia Sucher on the work of the Audit Subgroup of the Basel Committee on Banking Supervision. He explained that the update is being held in executive session only because the Basel Committee's work has not yet been finalized and made public.

Prof. Schilder thanked the Task Forces and staff for their hard work in preparing the meeting papers.

Prof. Schilder acknowledged that the Institut des Réviseurs d'Entreprises-Instituut van de Bedrijfsrevisoren (IBE-IRE) is celebrating their sixtieth anniversary, and also thanked them for hosting a cocktail reception for the IAASB.

RECENT DEVELOPMENTS

Prof. Schilder highlighted that there were now eighty-seven jurisdictions using, or committed to using, the clarified ISAs. He noted that recent additions included Spain (now in public consultation) and Argentina. He also noted that Russia, Saudi Arabia, Poland and Italy are continuing to move forward in their efforts regarding use of the clarified ISAs.

Prof. Schilder noted the publication in January 2013 of the IAASB's consultation paper (CP) on an Audit Quality Framework, which is open for comment until May 15, 2013. He added that already there is much interest in the draft Audit Quality Framework by groups such as the International Corporate Governance Network (ICGN) and the US Center for Audit Quality (CAQ). In this regard, the ICGN and CAQ are hosting breakfast roundtables in March and June 2013, in which Prof. Schilder will participate, which will focus on the "interactions" element of audit quality.

Prof. Schilder highlighted recent meetings held with representatives of the EC and European Parliament, the International Organization of Securities Commissions (IOSCO), and of the US Public Company Accounting Oversight Board (PCAOB), regarding auditor reporting and other current projects.² He also noted the upcoming joint outreach with the International Accounting Standards Board (IASB) in May 2013 with representatives from the former Soviet Republics in Europe and Central Asia.

¹ Proposed International Standard on Auditing (ISA) 610 (Revised 2013), *Using the Work of Internal Auditors*

² A full list of outreach activities since the December 2012 IAASB meeting was presented as an appendix to **Agenda Item 1** of the February 2013 IAASB meeting materials.

Prof. Schilder also noted that Mr. Montgomery's speech, *The Auditor's Role Relating to Information Communicated to Financial Statement Users*, which he presented at the New York Society of Securities Analysts' 18th Annual International Financial Reporting Conference earlier in February, is now available on the IAASB's website.

MINUTES OF THE PREVIOUS MEETING

The minutes of the public session of the December 2012 IAASB meeting were approved as presented.

2. Auditor Reporting

Mr. Montgomery introduced the topic, briefing the IAASB on the revised structure of the Auditor Reporting Task Force (now two principal Drafting Teams (DTs)) that has been put into place to continue to progress the project rapidly towards a June 2013 exposure draft (ED). He explained the role of the DTs and the standards that each would address. Mr. Montgomery thanked the DTs and Staff for their significant efforts to date. He noted that IAASB leadership and Staff continued to engage with representatives from both the EC and the US PCAOB about the proposals, so as to build awareness of the feedback received on the IAASB's June 2012 Invitation to Comment (ITC) and the IAASB's direction forward.

AUDITOR COMMENTARY

Starting Point for Auditor Commentary

Mr. Montgomery introduced the topic, highlighting the IAASB's view at its December 2012 meeting that a focus on key audit areas and significant auditor judgment may be a useful way forward for auditor commentary (AC). He explained that the concept of "significant matters arising during the audit" is a theme throughout the ISAs, and the proposed term "matters of audit significance" (MAS) was intended to be a proxy for that term, to build on the work effort in an audit conducted in accordance with ISAs. The IAASB agreed that the determination of key audit matters for the purpose of external reporting is not intended to be a separate assessment or identification process for purposes of planning and performing the audit. Rather, it provides transparency about the auditor's risk assessment and response under ISA 315³ and ISA 330⁴ in forming the opinion on the financial statements as a whole.

IAASB members, while recognizing the rationale for starting with "significant matters arising during the audit," were of the view that introducing a new term was cumbersome and unnecessary. Rather, they suggested that it would be more appropriate to simply consider the matters that had been communicated with those charged with governance (TCWG) as the basis for AC, as these matters would typically be the significant matters arising during the audit.

It was noted that matters communicated to TCWG in accordance with ISA 260⁵ are typically a subset of those matters discussed with the engagement quality control reviewer (EQCR) in accordance with ISA 220.⁶ The IAASB was of the view that, from the matters communicated with TCWG, the auditor could determine the most significant matters to be communicated in the auditor's report. The IAASB agreed that it would not be appropriate for the auditor to communicate about any matter in the auditor's report that had not been discussed with TCWG and the EQCR.

³ ISA 315, *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

⁴ ISA 330, *The Auditor's Responses to Assessed Risks*

⁵ ISA 260, *Communication with Those Charged with Governance*

⁶ ISA 220, *Quality Control for an Audit of Financial Statements*

Mr. Montgomery noted this was consistent with the DT's discussions to date. Mr. Montgomery explained, however, that the DT was of the view that the broader population of what had been communicated to TCWG was appropriate, because it often included matters that are not required to be communicated to TCWG. He also noted that, because of the principles-based nature of ISA 260, some matters that may be important to consider for external reporting may not always be communicated with TCWG. For example, it was noted that the auditor is not required to communicate significant risks with TCWG or the EQCR. Accordingly, the IAASB asked the DT to further consider whether any clarifications are needed to the requirements or guidance in ISA 260 to underpin auditor reporting.

Process for Determining What to Include in the Auditor's Report

Mr. Montgomery explained the DT's recommendation that the MAS would then be filtered through the use of factors to arrive at the most important matters in the audit, referred to in the agenda material as "key matters of audit significance" or KMAS. Two IAASB members were of the view that using the concepts of both "key" and "significance" to describe what would be communicated externally could be difficult to translate.

After considering a number of options, the IAASB agreed the term "key audit matters" (KAM) could be used to describe the matters on which the auditor would report, and could also be used as the heading in the auditor's report. The IAASB supported the DT's recommendation that KAM should be presented in a separate section of the auditor's report, rather than as part of the Basis for Opinion paragraph.

Mr. Montgomery explained that the DT had sought to establish filters for the auditor's decision-making, to appropriately narrow down all the matters discussed with TCWG, including the critical accounting policies and critical accounting estimates, and arrive at those matters that would be considered most important in the audit. In his view, this would likely be the matters that were most complex or difficult, for example due to the management judgment involved, and which were the subject of the most discussion with TCWG, which would not be expected to be a long list of matters.

The IAASB considered the initial list of factors proposed by the DT and asked the DT to further consider the following:

- Whether the list of factors could be further streamlined. IAASB members supported the focus on significant risks, difficulty in obtaining sufficient appropriate audit evidence, and the difficulty of the judgment, as the nature and extent of communications with TCWG were likely influenced by these factors and these are the areas that investors have said would be of interest.
- How the auditor's identification of a significant deficiency relating to a matter may be a factor in determining KAM, for example, when a material misstatement was identified.
- Whether it was necessary to include a factor relating to whether disclosures would enhance users' understanding of the audit, as this was the overarching aim of the discussion of KAM.
- Whether the involvement of internal auditors was a necessary factor, in light of the limitations placed on using the work of internal auditors in ISA 610 (Revised).⁷
- Whether it was appropriate to have a factor relating to the use of an auditor's expert.

The IAASB also asked the DT to consider whether guidance could be included in ISA 260 to ensure TCWG are aware of the auditor's responsibilities to report on KAM and what matters the auditor plans to

⁷ ISA 610 (Revised), *Using the Work of Internal Auditors*

discuss in the auditor's report. In this regard, it was noted in the public sector that this type of supplemental reporting was discussed with TCWG throughout the audit, and often the auditor may know which matters are likely to be included in the auditor's report at the planning stage of the audit. Finally, it was suggested it may be appropriate in ISA 260 to draw a closer link to matters discussed with the EQCR as matters that may be of interest to TCWG.

The IAASB reiterated the need for robust application material to guide the auditor's decision-making process. One IAASB member specifically noted concerns from regulators that there should be a basis against which the auditor's judgments in determining KAM could be inspected.

The IAASB asked the DT to further consider the following:

- Whether further emphasis should be placed on the auditor's identification of, and responses to, risks of material misstatement, given investors' interest in the auditor's perception of risk.
- How the introductory language in the illustrative example of the new section in the auditor's report could be drafted to clearly explain to users that the matters discussed in the auditor's report is not intended to be a comprehensive list of all matters discussed with TCWG.

Objective of Auditor Commentary

Mr. Montgomery explained the basis on which the DT had developed the proposed objective. He explained that respondents to the ITC had indicated it was important that AC not be seen as "piecemeal opinions" or "hidden qualifications"; as a result, the objective made explicit reference to the need for the auditor to have formed the opinion on the financial statements as a whole. He noted that DT had removed reference to professional judgment in the proposed objective for a new ISA, as it was of the view that the concept was appropriately covered in the requirements. The IAASB did not agree, and was of the view that the proposed objective should move away from the concept of the auditor "identifying" KAM and be based more on the auditor's professional judgment as to what should be communicated in the auditor's report.

After some deliberation, the IAASB agreed a revised objective of the auditor for purposes of determining additional information to be included in the auditor's report, as follows: "The objective of the auditor, having formed an opinion on the financial statements, is to communicate in the auditor's report those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements."

The objective would be included in a proposed new ISA, tentatively labeled ISA 701. One IAASB member noted that including proposed requirements and guidance relating to KAM in a separate auditing standard would assist in explaining that such requirements were only applicable to auditors of listed entities.

In agreeing this revised objective, the IAASB noted that it is not intended to signal a shift away from significant matters in the financial statements. Rather, it is intended to articulate a focus in the auditor's thought process of selecting matters to report based on the audit performed, with reference to the disclosures in the financial statements as appropriate, thereby enhancing users' understanding of the entity based on insights from further information about the audit. One IAASB member was of the view that reporting about the audit complemented the auditor's assurance role by illustrating the relevance of the audit.

The IAASB considered whether to articulate the reasons why the discussion of KAM would be provided in the auditor's report in the objective but, on balance, agreed it would be more appropriate to do so in the

scope section of the ISA or in the context of the individual requirements. It was also noted that there may be merit in explaining why such information is provided in the body of the auditor's report.

The IAASB asked the DT to further consider the following:

- How the ISA could address the fact that users would likely want to know how the auditor had addressed the KAM in the audit, rather than having these matters simply identified.
- How DT proposes to address any potential overlap between the objective of proposed ISA 701 and ISA 706.⁸

Description of Key Matters in the Auditor's Report

The IAASB considered a proposed requirement addressing the nature and extent of information to be included in the auditor's report about those matters determined to be KMAS (now referred to as "KAM"). One IAASB member suggested that a stronger link to the proposed objective is needed and suggested the auditor needs to consider the sufficiency and appropriateness of the description of the matter so that users' understanding about it will be enhanced. This member suggested there may be useful guidance in ISAE 3000⁹ in relation to the nature and extent of the description of the practitioner's procedures in the practitioner's report. One IAASB member was of the view that guidance as to whether it would be anticipated that the auditor would describe procedures or include a conclusion would be useful.

Statement of "Nothing to Report" and Documentation Requirement

The IAASB considered a proposed requirement for the auditor to explicitly include a statement that the auditor had "nothing to report" when the auditor concluded, using the factors required by the proposed ISA, that there were no key matters to report. IAASB members had mixed views, ranging from support for an explicit statement to questions as to whether such a circumstance would ever occur in practice for a listed entity, given the premise of the auditor reporting the "most important" matters based on what had been communicated with TCWG. One IAASB member cautioned that such a statement may cause confusion among users, who may believe that because the auditor had nothing to report that there had been a "cleaner" or less difficult audit. It was also suggested that, while discussion with the EQCR or TCWG that the auditor had concluded there were no KAM may be useful, it should not be read as requiring either to make a decision on the appropriateness of the auditor's conclusion.

With regard to a documentation requirement, it was noted that documentation about the auditor's decision not to include particular matters in the auditor's report may be appropriate, in particular in light of the factors to be applied in the decision-making process.

Matters of Audit Scope and Strategy

Mr. Montgomery explained that respondents to the ITC had mixed views about whether KAM should include discussion of matters of audit scope and strategy.

Some IAASB members were of the view that further outreach was necessary before concluding on whether KAM should address matters of audit scope and strategy. A few of these members were of the view that a discussion of matters such as materiality or planning, without the benefit of two-way communication as is the case when the auditor is discussing these matters with TCWG, could increase

⁸ ISA 706, *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*

⁹ ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

the expectations gap or confuse users. These members also noted that such information was directly relevant to TCWG, in their role to engage the auditors and assess audit quality, but may not be as relevant to users.

Specific to the UK Financial Reporting Council (UK FRC) example on materiality included in its response to the ITC, some IAASB members did not believe that this information would be useful to investors, in part because they were of the view that it was inappropriate to focus only on the quantitative aspects of materiality and not the qualitative aspects, although the latter are likely difficult to describe concisely. Some IAASB members also did not support the example disclosure relating to the scope of the audit, noting the use of technical terms such as “partial audit” would not be clear to users.

It was also noted, however, that because communicating KAM is left to the auditor's judgment, there may be merit in retaining flexibility to allow auditors to include a discussion about materiality if considered important in the context of the specific engagement. A few IAASB members were of the view that, if such information is to be disclosed, it would be preferable to present it as an Other Matter paragraph or separate disclosure, rather than in the KAM section of the auditor's report.

Specifically in relation to including disclosure about the use of other auditors, the IAASB agreed with the DT's recommendation that such disclosure may be appropriate in certain circumstances but should not be required in all circumstances when other auditors had been used. A few members acknowledged the requirement in ISA 600¹⁰ for the auditor to discuss matters relating to the group audit with TCWG, and suggested that ensuring this communication was sufficient was likely more important than establishing new requirements for the auditor to communicate about other auditors in the auditor's report, as discussion in the auditor's report could be misunderstood in light of the sole responsibility principle in ISA 600.

IAASB CAG Chairman's Remarks

Ms. de Beer noted the view that users are ultimately not primarily interested in understanding the audit, but they recognize that auditors can provide insight into the entity by explaining where the auditor had placed focus in the audit. In users' view, because of the knowledge the auditor possesses about the entity, this insight is valuable. Therefore, users are looking to the auditor to assist them better understand the company. She supported the IAASB developing a sufficiently broad objective for proposed ISA 701 to ensure auditors had a mechanism to explain what they viewed as important to users. She noted that the CAG was of the view that users do not want to know about audit procedures, but rather explain the areas that were most difficult to audit, which in turn are likely the areas of most management judgment in preparing the financial statements. Ms. de Beer noted that this part of the auditor reporting project should be aimed at addressing the information gap, rather than mitigating the expectations gap, to provide greater context about areas of importance in a particular audit under the existing scope of the ISAs.

Ms. de Beer suggested the CAG may have specific views on the relevance of including a discussion of matters of audit scope and strategy in the auditor's report. The message has always been that users want to know less about the input, thus audit procedures, scope and strategy. These are not KMAS (now KAM). Users want to know more about risk areas and focus areas, thus the output. Based on previous CAG discussions, she was of the view that the CAG would likely find the UK FRC examples to be less valuable, as they were largely standardized disclosures that resulted in boilerplate language and did not provide insight into the entity.

¹⁰ ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

PIOB Observer's Remarks

Ms. Diplock agreed with the points raised by Ms. de Beer. She was of the view that the discussion of KMAS (now KAM) should not be seen to be merely a roadmap to the financial statements, and that the IAASB should provide auditors with sufficient guidance to ensure they are including information in the auditor's report that users will perceive as valuable. Ms. Diplock was also of the view that it is appropriate to give greater transparency to those matters about which the auditor had the most robust dialogue with TCWG.

FEEDBACK ON OTHER SUGGESTED IMPROVEMENTS IN THE ITC¹¹

Other Information

Mr. Winter summarized respondents' views with respect to other information (OI) noting that, while there was a view from some investors and analysts that additional assurance directed specifically to the OI would be more meaningful, on balance, respondents to the ITC from all stakeholder groups were supportive of having an explicit statement in the auditor's report about OI. He indicated that, in determining a way forward with respect to OI, the ISA 700¹² Drafting Team (DT-700) planned to liaise with the ISA 720 Task Force.

Mr. Winter noted that the wording relating to OI in the illustrative auditor's report included in Appendix 1 to Agenda Item 2-D mirrored the wording presented in ED of proposed ISA 720 (ED-ISA 720).¹³ He highlighted that the ITC suggested that the wording relating to OI was subject to change based on responses to ED-ISA 720.

In light of responses to the ITC, the IAASB supported the inclusion of an explicit statement in the auditor's report with respect to OI. In this regard, the IAASB acknowledged the need to take into account feedback from respondents to ED-ISA 720 (expected to be discussed at the June 2013 IAASB meeting). The IAASB noted the importance of signaling in the ED of proposed ISA 700 (Revised) that reporting on OI will be required, but asked DT-700 and Staff to further consider whether to either include the updated wording included in ED-ISA 720 or a placeholder to signal that the wording would be finalized after responses to ED-ISA 720 have been considered.

Enhanced Descriptions of the Responsibilities of Management, TCWG, and the Auditor

Mr. Winter summarized respondents' views about whether the enhanced descriptions of the responsibilities of management, TCWG and the auditor are helpful to users' understanding of the nature and scope of an audit. Notwithstanding concerns about the increased length and the lack of entity-specific information contained in the responsibility sections of the ITC's illustrative auditor's report, Mr. Winter noted that there was support from all stakeholder groups for the enhanced description of responsibilities.

The majority of IAASB members agreed with DT-700's recommendation that, rather than allow flexibility, it would be preferable to mandate the specific words to be used in the auditor's report to describe the auditor's responsibilities for the audit of the financial statements, with guidance in proposed ISA 700 (Revised) to explain why such an approach was preferred. The IAASB asked DT-700 to further consider

¹¹ The IAASB discussed feedback on certain sections of the ITC (auditor commentary, going concern and building blocks) at its December 2012 meeting.

¹² ISA 700, *Forming an Opinion and Reporting on Financial Statements*

¹³ Proposed ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon*

whether revisions to the description of the auditor's responsibility are necessary in light of suggestions by respondents to the ITC.

Relocating the Description of the Auditor's Responsibility

Mr. Winter noted the strong support for the IAASB to explicitly allow standardized material describing the auditor's responsibilities to be relocated to a website of an appropriate authority or to an appendix to the auditor's report. The IAASB considered DT-700's recommendation that proposed ISA 700 (Revised) acknowledge that:

- In all circumstances, auditors could be permitted to include the description of the auditor's responsibilities in an appendix that is contiguous to the auditor's report; and
- Law, regulation or national auditing standards may permit auditors to refer to the description of the auditor's responsibilities located on a website of an appropriate authority, rather than in the auditor's report.

The IAASB expressed the following views for consideration by DT-700:

- Some IAASB members did not support permitting reference to a description of the auditor's responsibilities on a website. These members preferred to have the description of the auditor's responsibility section positioned in the body of the auditor's report, or in an appendix thereto, because, in their view, in order for users to rely on the auditor's report, it is necessary for them to read and understand this material. It was suggested that the auditor's report should explicitly state that users must read the description of the auditor's responsibility because it provides useful context for their understanding of the opinion. It was also argued that allowing standardized material to be excluded from the auditor's report may inadvertently signal that such material was unimportant.
- Other IAASB members were of the view that permitting the relocation of this standardized material could potentially address respondents' concerns about the length of the revised auditor's report. It was noted that investors had responded favorably when a national standard setter (NSS) had permitted reference to this material on a website.

On balance, subject to views to be provided by the IAASB CAG at its April 2013 meeting, the IAASB agreed that auditors could be permitted to include the description of the auditor's responsibility in an appendix to the auditor's report. The IAASB also acknowledged that law, regulation or national auditing standards may explicitly permit the auditor to exclude this material from the auditor's report and instead refer to a website of an appropriate authority. The IAASB asked DT-700 to consider how best to develop the requirements and possibly an illustrative auditor's report to ensure it is clear where such material can be obtained.

Disclosing the Name of the Engagement Partner

Mr. Winter summarized respondents' views about the potential value and impediments of disclosing the engagement partner's name in the auditor's report. He noted strong support, in particular from investors, analysts, regulators and oversight bodies, for the disclosure. The IAASB expressed the following views in relation to DT-700's recommendation that the name of the engagement partner should be made available for listed entities, either in the auditor's report or by some other public means:

- Some IAASB members were of the view that the public interest benefit to be derived from having the name of the engagement partner disclosed in the auditor's report is best handled at the national

level because many jurisdictions already have in place law, regulation or national auditing standards that require this information to be disclosed in a manner that is compatible with their legal environment (e.g., signature of engagement partner name only or disclosure of the engagement partner's name with a signature in the name of the firm). Some of these IAASB members acknowledged the concerns raised by respondents about increased liability exposure in certain jurisdictions. Some IAASB members also noted the possible existence of personal threats to the engagement partner in certain situations and suggested that DT-700 consider the implications of including a "personal safety" clause in the revised ISA in response to those concerns.

- Other IAASB members supported requiring disclosure of the engagement partner's name for audits of all entities in all circumstances, citing the potential benefit of global transparency. These members were of the view that DT-700's recommendation was not appropriate. At a minimum, some IAASB members were of the view that clarification was needed as to the term "public mechanism," and suggested the phrase "unless otherwise publicly available" should be avoided.
- Some IAASB members questioned the value that having the name of the engagement partner disclosed in the auditor's report would provide to capital market participants (i.e., how users would utilize the information).
- Other IAASB members indicated that they were uncertain as to whether having transparency about the name of the engagement partner in the auditor's report increases the personal responsibility and accountability of the engagement partner in light of the fact that the audit is conducted by an audit firm.

Before concluding discussions on the topic of disclosing the name of the engagement partner, the IAASB agreed that further research and outreach, through consultation with the IAASB-NSS Liaison Group and the IAASB CAG, is necessary.

It was noted that the US PCAOB is considering this matter separately from its work on auditor reporting, and suggested it may be appropriate for the IAASB to do the same so as not to compromise the timing of the ED of proposed ISA 700 (Revised) if a conclusion could not be reached.

IAASB CAG Chairman's Remarks

Ms. de Beer noted the CAG had previously been supportive of repositioning the description of the auditor's responsibility outside of the body of the auditor's report, but suggested further dialogue with the CAG at its April 2013 meeting to discuss the specific options was necessary. A view was held to avoid "noise" in the auditor's report by focusing too much on the input into the audit process, thus procedures, as this deflects from the important messages that the auditor is giving to the users.

In response to IAASB members' comments that the enhanced description of the auditor's responsibility was intended to reduce the expectations gap, Ms. de Beer suggested that the focus of the auditor reporting project should be on addressing the information gap rather than the expectations gap. Ms. de Beer also noted the unanimous view of the CAG that the engagement partner's name should be disclosed, and suggested that, in light of the responses to the ITC, DT-700's recommendation should be presented to the CAG at its upcoming meeting.

PIOB Observer's Remarks

Ms. Diplock agreed with Ms. de Beer's suggestion that the IAASB should seek CAG input on DT-700's recommendations with respect to the enhanced description of the auditor's responsibilities. In her view,

the CAG's interest in current initiatives aimed at uncluttering financial reporting and integrated reporting suggests that they may be open to an option that allows standardized material describing the auditor's responsibilities to be located on a website of an appropriate authority. Ms. Diplock also emphasized that there has been a continued request by many investors to have the name of the engagement partner be made available in the auditor's report. She was therefore of the view that outreach initiatives aimed at having users explain how they would use the information were unnecessary. Additionally, she suggested that the IAASB as a global standard setter consider whether a global requirement is in the public interest, even if some jurisdictions are unable to comply at the present time. Some global standards will be aspirational for some jurisdictions.

ISSUES RELATING TO PROPOSED REVISIONS TO ISA 700

Mr. Winter presented proposed revisions to paragraphs 20–42 of extant ISA 700, pointing out that paragraphs 43 and 44 of extant ISA 700 would be dealt with at a future IAASB meeting once the core requirements for the new auditor's report have been determined. He added that finding the right balance between consistency and flexibility correlates directly to the level of prescription applied by the IAASB in drafting the requirements in proposed ISA 700 (Revised). The IAASB was generally supportive of DT-700's recommendations and provided suggestions to improve the proposed revisions in the following areas.

Ordering of Reporting Elements, Including the Positioning of Auditor's Opinion

Mr. Winter noted that the IAASB previously had concluded it would not mandate the ordering of elements within the auditor's report. He explained that DT-700 had proposed to structure the requirements and present a revised illustrative auditor's report in a manner that encourages the IAASB's preferred presentation (e.g., having the auditor's opinion positioned first).

The IAASB expressed the following views for consideration by DT-700:

- Certain IAASB members were of the view that it was important to retain the flexibility that exists in extant ISA 700 so as to accommodate jurisdictions' need to tailor the ordering of elements based on specific local preferences. One IAASB member suggested that the IAASB make it clear that the flexibility with respect to the positioning of the elements of the auditor's report is available only to NSS and policymakers and not individual auditors. Accordingly, it was suggested that DT-700 continue to encourage a preferred presentation, but allow for further tailoring by law, regulation or national auditing standards based on jurisdictional needs.
- It was suggested that more than one illustrative auditor's report could be provided as part of the application material to proposed ISA 700 (Revised) to demonstrate how flexibility could be appropriately applied by jurisdictions.
- An IAASB member asked that DT-700 consider clarifying that the auditor's opinion can be either positioned first or last in the auditor's report (i.e., it cannot be positioned in the middle of the auditor's report).
- It was noted positioning the AC section before the auditor's opinion (e.g., in situations where the auditor's opinion is positioned at the end of the auditor's report) could be misread as a qualification of the auditor's opinion.

Responsibility for the Preparation of the Financial Statements

A few members expressed a preference for the wording in extant ISA 700 that explicitly mentioned the term “management” in describing the responsibility for preparing the financial statements, although they recognized the need for tailoring based on the respective roles of management and TCWG in particular jurisdictions. Specific to the proposed revised heading for the section, one IAASB member indicated that it was very important to explicitly state that someone other than the auditor was responsible for the preparation of the financial statements. Mr. Winter clarified that the revised heading for the preparation of the financial statements was intended to mirror the revised heading for the auditor’s responsibility section, “Responsibility for the Audit of the Financial Statements.”

An IAASB member suggested that further consideration be given to permitting the relocation of the description of management’s responsibilities to an appendix or website in a manner similar to what is being considered for the description of the auditor’s responsibilities. It was also noted that, in some jurisdictions, reference may be made to a more fulsome director’s responsibility statement included in the annual report.

Other Reporting Responsibilities (ORR)

Some IAASB members were not supportive of DT-700’s recommendation to allow combining ORR with reporting on the financial statement audit. Those members argued that such an approach would not allow the clear distinction between the reporting on national requirements and ISA reporting responsibilities. However, other IAASB members were of the view that the flexibility provided by DT-700’s recommendation allows for the further tailoring of the overall wording of auditor’s report, including the auditor’s responsibilities for ORR, in a succinct manner, in particular in relation to additional reporting responsibilities on going concern (GC) and OI.

Auditor’s Address

The IAASB asked DT-700 to further consider how the requirement to include the auditor’s address in the auditor’s report could be articulated, including whether application material may be necessary to highlight circumstances encountered in practice relating to this disclosure.

Revised Illustrative Auditor’s Report

The IAASB also asked DT-700 to further consider its proposed changes to the illustrative report, including:

- Whether changing the phrase “We have audited” to “We conducted our audit” was appropriate.
- Whether removing reference to the dates in the paragraph that describes the financial statements was appropriate, in particular when comparative financial statements are presented.
- Whether the bullet in the Responsibility for the Audit of the Financial Statements section about the auditor’s responsibilities to communicate with TCWG could be repositioned to distinguish it from other bullets that relate to how the audit was performed.

IAASB CAG Chairman’s Remarks

Relating to the issue of ordering of elements within the auditor’s report, including the positioning of auditor’s opinion, Ms. de Beer noted that the CAG had a strong view that the auditor’s opinion paragraph should come first in a revised auditor’s report. She also noted that the CAG was generally supportive of

mandating the ordering of the elements, not only for the sake of consistency in global auditor reporting, but also to promote an ISA brand.

UPDATE ON GOING CONCERN (GC)

Mr. Winter provided an update on the work of the accounting standard setters (i.e., the International Financial Reporting Interpretations Committee (IFRIC); the IASB; and the US Financial Accounting Standards Board (FASB)) in the area of GC. He also confirmed that DT-700 would continue to explore having explicit statements in the auditor's report about GC and material uncertainties as suggested in the ITC, and a recommendation would be presented to the IAASB at its April 2013 meeting. The IAASB asked DT-700 to consider the following:

- How best to provide input to the IASB's anticipated consultation on amendments to IAS 1,¹⁴ including whether a written comment letter would be appropriate. In this regard, it was noted that further IAASB input to the accounting standard setters might be helpful in facilitating alignment of the proposed changes to accounting standards with the auditor's work effort in ISA 570.¹⁵
- Whether there is a need to reconsider the definition of material uncertainty in ISA 570, in order to establish consistency in reporting on GC (both by management and the auditor) across jurisdictions. In this regard, some IAASB members referenced the different approaches being undertaken by the IASB and the US FASB, for example in relation to when disclosure of material uncertainties would be required and how the effects of remedial actions may be considered.

IAASB CAG Chairman's Remarks

Ms. de Beer noted that GC was a key aspect of the EC presentation to the CAG at its March 2012 meeting. She urged the IAASB to move forward with suggested improvements with respect to reporting on GC in the auditor's report, not waiting for the outcome of the developments of accounting standard setters in the area of GC, which could take a very long time.

3. Assurance Engagements Other than Audits or Reviews of Historical Financial Information – ISAE 3000

Ms. Mc Cabe introduced the topic, noting that the scope of the project is to revise ISAE 3000 but not to revisit conceptual matters that were settled at the time ISAE 3000 was approved. She highlighted that members indicated that, in view of the differences between attestation and direct engagements, further education on the topic of direct engagements would benefit the IAASB's future deliberations. She noted that the Task Force had benefitted from interactions with organizations in several jurisdictions, including public sector auditors and an IFAC member body. She also noted that the completion of proposed ISAE 3000 (Revised) is central to the IAASB's future work program, as it is the overarching standard for all of the IAASB's assurance standards other than those involving historical financial information.

SIMILARITIES WITH OTHER TYPES OF ENGAGEMENTS

The IAASB discussed the similarities between direct engagements, compilation engagements and valuation engagements. Ms. Mc Cabe contrasted direct engagements with compilation engagements by noting that, in a compilation engagement, the practitioner does not obtain any evidence that, for example,

¹⁴ International Accounting Standard (IAS) 1, *Presentation of Financial Statements*

¹⁵ ISA 570, *Going Concern*

the bank reconciliation is accurate, whereas in a direct engagement the practitioner obtains evidence on the reliability of the underlying data. She also noted that practitioners obtain evidence over the underlying data in a direct engagement, whereas the extent of evidence gathering in valuation engagement may vary.

SUITABLE CRITERIA

The IAASB discussed how practitioners select or develop criteria, including to what extent guidance is available on materiality and other key assurance concepts. Members also questioned whether the criteria in the examples were adequate, or could be improved if more quantitative criteria were used to improve objectivity. Some members noted that the suitable criteria for a direct engagement are often obtained from law, regulation, best practice guides, and other official sources, but that practitioners still have to use judgment when applying criteria. Ms. Mc Cabe added that the practitioner needs to decide if a deviation from a criterion is enough to lead to a qualified conclusion – a problem similar to that encountered when assessing disclosure misstatements in financial statement audits. She noted that many public sector direct engagement reports do not reference ISAE 3000, which indicates that adoption of a revised ISAE 3000 provides an opportunity to improve consistency. She added that the Task Force would further consider the requirements regarding the communication of the suitable criteria.

The IAASB also discussed whether developing the criteria reduced the independence of the practitioner. Ms. Mc Cabe responded by noting that in some cases the criteria are clear, such as when performing an engagement addressing compliance with law or regulation. She highlighted that the practitioner must ensure that the selection or development of criteria is transparent to users by communicating the criteria in the report if it is not publicly available.

IMPLIED ASSERTIONS

A member asked whether implicit assertions could play a role in determining whether an engagement is a direct engagement. He gave the example of a hospital being required by regulation to be run in an efficient manner giving rise to an implied assertion by management, meaning that a value for money engagement could be an attestation engagement. Ms. Mc Cabe noted that some financial statement audits only have an implied assertion by management. However, she added that any implied assertion is not relevant to a direct engagement as the distinguishing feature is that the practitioner both prepares the subject matter information and obtains assurance.

INDEPENDENCE OF THE PRACTITIONER

Members expressed concern about the independence of practitioners in direct engagements, as it may appear that direct engagement practitioners are assuring their own work, that is, they both prepare and provide assurance on the subject matter information. However, other members disagreed, noting that the practitioner is independent of both the underlying subject and the responsible party. A Task Force member noted that, in his opinion, the perception of a lack of independence is created by the term “subject matter information” whereas he believes that this is the practitioner’s findings. Ms. Mc Cabe responded by noting that independence concerns are a matter for the International Ethics Standards Board for Accountants (IESBA) and that the Task Force would pass on the concerns to the IESBA. Prof. Schilder noted that, while the further liaison is needed with the IESBA, the Task Force should consider the matter at a general level to address the IAASB’s concerns.

OTHER COMMENTS

The IAASB also discussed the following matters:

- Whether the distinction between the underlying subject matter and the subject matter information was well-understood by practitioners. Ms. Mc Cabe noted that the Task Force is developing application material to aid practitioners in understanding the concepts of underlying subject matter and subject matter information, but that the basic concept of subject matter information is in the framework and, accordingly, is outside of the scope of the project.
- Whether limited assurance direct engagements exist in practice. Ms. Mc Cabe noted that the Task Force has not yet located a suitable example, but that it would explore the matter further.
- The level of complexity in ISAE 3000, particularly that the proposed terminology such as “subject matter information” and “misstatement.”

A board member commented that direct engagements are important to public sectors auditors, most of whom do not follow any standard, whether ISAE 3000 or a national standard, for their direct engagements. He added that the terminology used in ISAE 3000 does not conform to existing public sector guidance material on direct engagements. He further explained that the Canadian assurance standard had an impact on rigor and quality of direct engagements in that jurisdiction, but was of the view that both extant ISAE 3000 and proposed ISAE 3000 (Revised) will not be useful to Canadian practitioners. He noted that the current project proposal and time frame for the project limits the Task Force’s ability to better address direct engagements.

WAY FORWARD

Prof. Schilder noted that the IAASB had previously expressed the view that both attestation and direct engagements should be kept within a single ISAE, and that the presentation had illustrated where differences exist between the two engagements. He added that the Task Force would need to consider members’ comments in light of the time available for the project. Ms. Mc Cabe thanked the Board.

IAASB CAG CHAIRMAN REMARKS

Ms. de Beer noted that some of the CAG members also had concerns with the independence of direct engagement practitioners. She questioned whether the proposed standard can and will draw the line where independence of the practitioner is overstepped in gathering subject matter information. Ms. Mc Cabe responded by noting that direct engagement practitioners should be independent of underlying subject matter and the responsible party, as required by the IESBA *Code of Ethics for Professional Accountants* (IESBA Code). Ms. Mc Cabe also noted that the IESBA is responsible for independence matters, and that the Task Force would liaise with the IESBA on these concerns.

4. Using the Work of Internal Auditors: Direct Assistance – ISA 610 (Revised 2013)

Ms. Hillier introduced the topic, providing a summary of the IAASB’s and IESBA’s deliberations at their respective meetings in December 2012. In this regard, she explained that the IAASB and IESBA agreed to defer final voting on material on direct assistance for inclusion in ISA 610 (Revised) and the revised definition of “engagement team” in the IESBA Code, respectively, until the IESBA had the opportunity to consult its CAG on the latter.

Ms. Hillier reported that the IESBA CAG was supportive of the changes proposed by IESBA and, pursuant to that, the IESBA unanimously approved its final revised definition of “engagement team” in January 2013.

Ms. Diplock asked if there had been any further communications with the group of national regulators who had expressed concern with the proposal to address direct assistance in ISA 610. Ms. Hillier responded by noting that IAASB and IESBA representatives presented an update on developments to the group prior to the December 2012 IAASB meeting and that, while some regulators support the amendments to address direct assistance, others specifically from this group fundamentally oppose them – a situation that has not changed since the IAASB’s assessment of the comments received on exposure.

Ms. Hillier then drew the Board’s attention to final editorial changes for proposed ISA 610 (Revised 2013) and related conforming amendments. In reviewing the proposed changes, IAASB members identified a few minor editorial changes required to the proposed ISA and related conforming amendments.

APPROVAL AND RELATED CONSIDERATIONS

After agreeing editorial changes, the IAASB unanimously approved ISA 610 (Revised 2013) together with related conforming amendments to other IAASB standards.

The IAASB concurred with the Task Force’s observation that the limited changes to the final ISA wording are responsive to matters raised by respondents to the IESBA’s ED on the definition of “engagement team” and do not represent substantive changes to the final ISA wording agreed at the December 2011 IAASB meeting. It was noted that the IAASB had already considered at its December 2011 meeting the matter of re-exposure in light of respondents’ comments on the ISA 610 ED, and accordingly, the IAASB concluded that that re-exposure at this stage is not necessary.

While agreeing that ISA 610 (Revised 2013) should be finalized at this time, an IAASB member suggested that some form of post-implementation review relating to the use of direct assistance might be beneficial in further informing the IAASB about the application of the new provisions. The IAASB acknowledged that this suggestion may be worth further consideration when developing its future work program.

The IAASB noted the Task Force’s recommendation regarding the effective date for the material on direct assistance in ISA 610 (Revised 2013) and agreed that the effective date for it and related conforming amendments should be for audits of financial statements for periods ending on or after December 15, 2014.

Mr. Gunn advised the IAASB that it had adhered to its stated due process in finalizing the revised ISA.

5. **ISA Implementation Monitoring**

Mr. Grant provided a status update on the activities to date in relation to the post-implementation review of the clarified ISAs. By way of introduction he noted that the plan for the review was developed with the benefit of extensive input from the CAG, NSS and Forum of Firms. He noted that:

- The preliminary findings, as presented, were still subject to further change as the Task Force continued their work;
- Discussions had been held with the European Audit Inspection Group (EAIG) to further understand their input, and that a further discussion with IOSCO was scheduled to take place; and

- The survey of small and medium practices (SMP) on the implementation of the clarified ISAs on small- and medium-sized entities (SMEs) was still in process.

Mr. Grant noted that to date thirty written responses had been received, including seven responses from audit inspection bodies and other regulators, with an international balance of responses. However, Mr. Grant noted responses had been received from those that had already implemented the clarified ISAs, mainly in line with the original implementation date,¹⁶ and that there were still many countries that were either in the very early stages of implementation, or had not implemented the clarified ISAs, and had therefore not provided input.

In general terms, Mr. Grant observed that:

- Some respondents had noted that the IAASB had largely achieved their goals in revising and clarifying the ISAs, and were of the view that the standards were clear and understandable;
- Audit firms generally thought that the ISAs were being consistently applied, although many firms had provided additional guidance and training to achieve this;
- Training was also needed to achieve a consistent understanding between audit firms nationally; and
- Some countries, through the NSS or International Federation of Accountants (IFAC) member bodies in those jurisdictions, had also issued guidance.

Mr. Grant explained the process that the Task Force had undertaken to collate and evaluate the comments and issues that had been raised, including the criteria used to analyze the comments and prioritize these. He briefed the Board on the main issues that had been identified to date including those associated with ISA 220 (in respect of engagement quality control reviews), ISA 315 and ISA 600, and also noted that professional skepticism had been noted by many as an area that required further consideration by the IAASB. He advised the IAASB that a draft of a written report summarizing the findings from this project would be discussed at the April 2013 IAASB meeting, with a view to it being approved at the June 2013 IAASB meeting. The written report would be used as input into the consultation about the IAASB's strategy and work program for 2015–2019.

Mr. Grant reminded the IAASB that many of the respondents had submitted their views on a confidential basis and requested views on how best to provide the Board with the detailed comments. It was agreed that the spreadsheet used by the Task Force to collate the comments would be provided to the IAASB to assist with understanding the Task Force's evaluation process, however the respondents' names would be removed to protect the confidential nature of the responses received.

6. Future Strategy and Stakeholder Survey

Prof. Schilder introduced the topic. He noted that Staff had prepared the draft Stakeholder Survey with preliminary input from the Steering Committee (SC). However, in the interest of time Staff was asked to submit its revised version to the IAASB for consideration without a second review by the SC. Accordingly, Staff will take on board at this time any additional comments SC members may have along with comments from other Board members.

¹⁶ The clarified ISAs became effective for audits of financial statements for periods beginning on or after December 15, 2009.

PERIOD COVERED BY THE FUTURE STRATEGY AND WORK PLAN, AND APPROACH TO THE STAKEHOLDER SURVEY

Prof. Schilder noted that in light of input to previous strategy consultations, in particular from the World Bank, the SC agreed that extending the strategy period beyond three years would facilitate a longer-term view on priorities and provide suitable context for decisions on specific initiatives. He also noted that the IFAC SMP Committee was supportive of changing to a longer period, but had added that consideration should be given to a four-year period, which would be consistent with the time frame used by IFAC.

In relation to the proposed Stakeholder Survey, Prof. Schilder explained that it has been drafted to solicit responses at a more strategic level, and is less specific about individual projects than previous surveys. He noted that at this stage of the consultation process the SC supported the view that it is more appropriate to ask stakeholders for insights relevant to formulating a longer-term strategy. He also noted that this approach would better differentiate the Stakeholder Survey from the formal CP to be issued later in 2013, which stakeholders had previously noted were largely duplicative.

The IAASB:

- Supported the proposal to adopt a five-year period for the future strategy, with a two-year specific work program, updated annually, and agreed that the Stakeholder Survey should solicit views on this proposal.
- Supported the overall approach to the proposed Stakeholder Survey.

PROPOSED STAKEHOLDER SURVEY

Amongst other matters, the IAASB asked the SC to further consider the following in relation to the various sections of the proposed Stakeholder Survey:

Section I – Information about Respondents

- Whether the list of respondent categories is complete, and whether it could be further organized to facilitate ease of use by respondents
- Inclusion of a request for information about the geographical region of the respondents

Section II – Context on the IAASB's 2015–2019 Strategy

- Whether a general description of the engagements covered by IAASB's standards could be included to provide further explanation of terms such as "other assurance" and "related services" for the benefit of those respondents who may not be that familiar with the IAASB pronouncements
- For completeness, reference should also be made to recently completed and other current projects underway identified in the current Strategy and Work Program (SWP)
- Further reference to IAASB's consideration of the needs of SMEs and SMPs

Section III – Questions for Respondents

- Further clarification of the question pertaining to the balance of the IAASB's standard-setting efforts between the various categories of standards, and the question pertaining to the balance of the IAASB's efforts between standard setting and supporting adoption and implementation

- In regard to the question to respondents about the project/topic they would see as being the IAASB's principal focus for the period 2015–2019:
 - Further clarifying whether respondents are asked for a single topic overall or a topic for each area addressed by IAASB's standards
 - Further clarifying whether it is intended to be limited only to standards or to include areas where guidance may be developed
 - Further refining the question to solicit information about whether respondents view the topic as having particular relevance mainly for engagements for listed entities, SMEs, or for entities of all sizes, and for views in relation to matters of relevance to developing nations and the public sector

The IAASB also considered whether a question should be asked about the themes identified by the IAASB in the current SWP and whether they remain relevant. It was explained that these themes are developed based on the responses to the Stakeholder Survey.

An IAASB member expressed concern about absence of a rapid response process to address emerging or urgent issues, and queried whether a question about the need for a rapid response mechanism should be included in the strategy survey. Ms. de Beer noted that the CAG had also expressed this concern in the past, but added that respondents would likely raise this matter in the open-ended question included in the survey if it was still a concern.

Prof. Schilder reminded the IAASB that this matter had been previously considered but not finalized, including discussion with the PIOB. Mr. Gunn noted that there are differences of views in relation to what is acceptable in changing the international standards without full due process or, if there is to be an abbreviated due process, what that should entail. Nevertheless, the IAASB may wish to identify revisiting this matter as part of its future strategy.

WAY FORWARD

The IAASB asked the SC to amend and finalize the survey, for posting to the IAASB website for a comment period of sixty days. The IAASB also asked staff to consider the most appropriate way of collating the responses to facilitate review and analysis.

IAASB CAG CHAIRMAN'S REMARKS

Ms. de Beer noted that a more strategic approach to the survey to solicit responses at a higher level, with detailed questions at a later stage, was consistent with the general advice of the CAG.

7. **PIOB Observer's Remarks**

Ms. Diplock noted that the discussions during the meeting had highlighted a number of challenges to the international standard-setting process, including:

- How international standards should best be developed to address national differences, including varying laws and regulations. She noted that this was particularly relevant in the discussions on ISA 610 (Revised 2013).
- How best to balance the needs of various stakeholders, including investors, regulators, preparers, the profession, and others. She noted that this was particularly relevant to auditor reporting, where

there is the challenge of the investor community looking for greater transparency while the profession must consider liability issues in light of this greater transparency.

Ms. Diplock congratulated the IAASB on the progress they had made in light of these challenges, in particular in balancing jurisdictional interests.

8. IAASB CAG Chairman Remarks

Ms. de Beer noted that she was encouraged with the progress on the auditor reporting project, and in particular added that the more fundamental comments from the CAG had been addressed. She noted that a few other areas worth exploring with CAG Member Organizations had been highlighted during the meeting, and that she had started discussion on an informal basis regarding some of these matters in preparation for the upcoming CAG meeting in April 2013.

9. Next Meeting

The next meeting of the IAASB is scheduled for April 15–19, 2013 in New York, USA.

10. Closing Remarks

Prof. Schilder briefed the IAASB on the discussions of the SC at its meeting during the week. Amongst other matters, the SC was pleased with the presentations on various projects during the week, and noted that the upcoming NSS meeting would provide an opportunity for the IAASB to receive input on some of the more significant projects currently underway. Amongst other topics, discussions also included:

- Support for the longer-term strategy period of five years, with a two-year Work Program. It was noted that this proposal would be discussed with the PIOB at its next meeting.
- The arrangement for a SC meeting in June 2013 to discuss responses to the Stakeholder Survey and other developments, and to begin development of the IAASB's SWP CP.
- The importance of moving forward on establishing the INFO Working Group, particularly in relation to considering developments in integrated reporting. Mr. Gunn noted that the INFO Working Group was not yet constituted, but that the Terms of Reference for this group would be presented to the IAASB at its April 2013 meeting.
- Staffing and project prioritizations.

Prof. Schilder thanked the IAASB members, technical advisors, observers and staff for their contributions to the meeting. He then closed the meeting.