

Meeting: IAASB
Meeting Location: New York
Meeting Date: April 15–19, 2013

Agenda Item

6

Innovation, Needs and Future Opportunities (INFO) Working Group Proposed Terms of Reference

Objective of Agenda Item

1. To approve the proposed Terms of Reference for the INFO Working Group.

Proposed Terms of Reference

2. Agenda Item 6-A contains the proposed Terms of Reference, which have been developed with input from the Steering Committee.

Action Requested

The IAASB is asked to consider and approve the proposed Terms of Reference set out in Agenda Item 6-A.

Other Matters

Areas of Focus

3. Given its global and longer-term relevance, Integrated Reporting (<IR>) has been identified as a specific area of focus for the Working Group to explore.
4. The IAASB *Strategy and Work Program, 2012-2014* also identified other possible areas of focus for the INFO Working Group, including:
 - Sustainability reporting
 - Corporate governance statements
 - Internal control
 - XBRL.

These and other focus areas will be considered, and as appropriate further explored, by the Working Group in due course. Other focus areas could be identified, for example, from the current stakeholder survey on IAASB's future (2015-2019) strategy.

Approach to Activities

5. As this is a new initiative, the Working Group will need to be flexible in its approach and processes. Accordingly, the proposed Terms of Reference note that the detailed operating procedures for the Working Group are to be considered by the Working Group Chair in consultation with staff. The Terms of Reference also call for the Steering Committee's review of the Terms of Reference every two years, the purpose of which is to facilitate timely review of the effectiveness of this initiative.

6. A concern has been raised as to whether the activities of the Working Group might inadvertently consume a disproportionate amount of member and staff resources. That is not the intention, and it is believed that the proposed Terms of Reference provide the appropriate context in describing the Working Group's responsibilities while allowing sufficient flexibility in terms of how it achieves its objective.
7. While the activities of the Working Group may vary depending on the area of focus, the steps to date taken by IAASB leadership in approaching the topic of <IR> may serve to illustrate how the Working Group might approach potential focus areas in an effective manner. These steps to date, in summary, include:
 - Identification of <IR> as being of broad international relevance and having unique assurance issues and potential user demand for assurance
 - Identifying and liaising with key contacts in IIRC (or other organizations) with respect to <IR> to further understand and monitor efforts in relation to identifying and evaluating reporting and assurance issues and implications
 - Assisting in coordinating opportunities for periodic briefings (e.g., with or through key IAASB consultative groups such as the IAASB CAG, the IAASB-National Standard Setters meeting, etc.
 - Identifying an IAASB member based on background, experience, interest and capacity to lead the Working Group's efforts in this area, including carrying out further liaison

From there, it is anticipated that the next steps may include

- A synthesis of key assurance issues (based on efforts of the IIRC as well as input from the INFO Working Group) and, at an appropriate stage, update the IAASB on <IR> developments and relevant actions for consideration (e.g., consideration of a formal letter of comment).
- Recommendations to the IAASB on actions for the IAASB to pursue

Composition of the Working Group

8. The initial INFO Working Group Chair will be the IAASB Deputy Chair, Mr. Montgomery, as has been previously announced. Ms. Kelsall has also been asked to be a member of the Working Group with specific focus on Integrated Reporting.
9. Expressions of interest and Steering Committee discussions have identified other possible members. The Technical Director will approach these possible members on an initial basis in April 2013.
10. It is noted that members of the Working Group need to be willing and able to take a leadership role in exploring one or more areas of focus identified by the Working Group.

Matter for IAASB Consideration

The IAASB is asked for its views on the above matters, and any other relevant matters it believes should be taken into account in moving forward on this initiative.

Material Presented

Agenda Item 6-A INFO Working Group – Proposed Terms of Reference