



**International Federation of Accountants**

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## Agenda Item

# 4

**Meeting:** IAASB  
**Meeting Location:** San Francisco  
**Meeting Date:** December 7-10, 2009

### **Auditor's Report**

#### **Objective of Agenda Item**

1. To consider the IAASB Auditor's Reporting Research Working Group's:
  - (a) Summary of key messages concerning user perceptions of the standard unqualified auditor's report identified from the Working Group's analysis of relevant information on that subject; and
  - (b) Views about possible further actions the IAASB may wish to consider concerning auditor's reporting and auditor communications more broadly.

#### **IAASB Working Group**

- Dan Montgomery, Chair, IAASB Member
- Jon Grant, IAASB Member
- Cédric Gélard, IAASB Member
- Tomokazu Sekiguchi, IAASB Member
- Jon Rowden, IAASB Technical Adviser

#### **Background and Activities to Date**

2. See Section II of Agenda Item 4-A.

#### **Material Presented**

Agenda Item 4-A Auditor's Report – IAASB Working Group Report

Agenda Item 4-B Staff Summary of the four IAASB/AICPA ASB Commissioned Research Studies

Supplementary Information      *To access the full research reports follow the links provided below.  
(Note: For reference purposes only.)*

- [“The Unqualified Auditor’s Report: A Study of User Perceptions, Effects on User Decisions and Decision Processes, and Directions for Future Research”](#) (May 2009)
- [“Report on Research Conducted in the United Kingdom and New Zealand in 2008 Investigating the Audit Expectation-Performance Gap and Users’ Understanding Of, and Desired Improvements To, the Audit Report”](#) (September 2009)
- [“Investors’, Auditors’ and Lenders’ Understanding of the Message Conveyed By the Standard Audit Report”](#) (September 2009)
- [“Financial Statement Users’ Perceptions of the IAASB’s ISA 700 Unqualified Auditor’s Report in Germany and the Netherlands”](#) (August 2009)

### **Plan for this Session**

3. The following program is proposed for the December IAASB session on this Agenda Item:
  - (a) Introduction and summary of the Working Group’s consideration of the four commissioned research studies. (It is not intended that there will be a discussion of the details of the four research reports.)
  - (b) Presentations from IAASB members of the Working Group on the auditor reporting models followed in France, Japan and the United Kingdom.
  - (c) Discussion of the key messages identified by the Working Group.
  - (d) Discussion of possible actions to consider, and the Working Group’s recommendations to the IAASB.

### **Action Requested**

4. The IAASB is asked to consider the key messages contained in the Working Group’s report in **Agenda Item 4-A**, and to provide feedback on the recommendations therein about possible actions to consider.