

**Meeting:** IAASB  
**Meeting Location:** Orlando  
**Meeting Date:** December 6-10, 2010

## Agenda Item

# 5

### IAASB Strategy and Work Program for 2012–2014

#### Objective of Agenda Item

1. To approve a revised draft consultation paper (CP), *IAASB Proposed Strategy and Work Program for 2012–2014* for issuance with a 90-day comment period.

#### Task Force

2. The IAASB Steering Committee serves as the Task Force for this project. Members:
  - Prof. Arnold Schilder, IAASB Chairman
  - Diana Hillier, IAASB Deputy Chair
  - Phil Cowperthwaite, IAASB Member
  - Craig Crawford, IAASB Member
  - Cedric Gélard, IAASB Member
  - Tomokazu Sekiguchi, IAASB Member

Observer to the Steering Committee is Linda de Beer, IAASB CAG Chair. Ex-officio members are Jim Sylph, IFAC Executive Director, Professional Standards, and James Gunn, IAASB Technical Director.

#### Background and Activities since Last IAASB Discussions

3. Revisions were made to the draft CP presented at the September 2010 meeting based on comments received from the IAASB and the Consultative Advisory Group (CAG). The Task Force met via teleconference on two occasions in October and November 2010 to discuss the revised draft CP. Discussion was also undertaken with the International Forum of Independent Audit Regulators (IFIAR) and the Forum of Firms.

#### Matters for IAASB Consideration

4. There are three matters for the IAASB to consider:
  - (i) Is the presentation approach to identifying potential new projects within the CP clear?

- (ii) Are the questions to respondents sufficiently clear to solicit views on prioritization of new projects and assist the IAASB in determining its future work program?
- (iii) Does the CP adequately describe the IAASB's views as to the key messages, including how the IAASB's current agenda is seen as responding to issues facing the accounting profession?

Each of the above are further discussed below.

(i) *Presentation Approach to Identifying New Projects*

- 5. Paragraph 12 of **Agenda Item 5-A** explains how the different types of projects have been categorized, and assumes the IAASB already will pursue certain new activities based on Board discussions to date (referred to in the table on page 11 as Column B projects). The Task Force believes that outlining current projects as well as those that are reasonably likely to be undertaken appropriately acknowledges the IAASB's discussions during its public meetings and more realistically highlights why the capacity for other suggested new projects (listed in Column C) is constrained. The rationale for including these projects is included in *Further Discussion on Key Elements of This Paper – Section III of Agenda Item 5-A*.
- 6. The projects included in Column C of the table on page 11 relate to those projects for which mixed support has been expressed by the Task Force and IAASB. *Further Discussion on Key Elements of This Paper – Section IV of Agenda Item 5-A* explains some of the practical considerations important to whether to undertake these projects. The Task Force considered that it is necessary to give a steer as to the projects that could potentially be on the IAASB's likely future work program, while avoiding including a lengthy list of projects (that is, the approach taken in the September 2010 draft) that may mistakenly suggest the IAASB could undertake all those activities.
- 7. A table has been added on page 15 to highlight supplementary information to the overview of possible actions, including the discussion of the balance of resources between the IAASB, its Chairman, and Staff, and key assumptions. Changes also have been made within the key assumptions to respond to the IAASB's concerns that a number of its current projects have demonstrated the need for additional overall time in their development, and the potential need for educational sessions as part of the consideration of project proposals for new areas.

(ii) *Questions to Respondents*

- 8. The *Guide for Respondents* on page 17 of **Agenda Item 5-A** include questions for respondents regarding the appropriateness of the IAASB's planned activities and their respective prioritizations, and also solicit views as to what additional new projects respondents believe should be prioritized. It also includes a statement that the IAASB currently believes that 3 of these new projects could be commenced. The Task Force believes this is a fair characterization of the IAASB's capacity in light of its review of current and proposed new initiatives. This assumes the IAASB would undertake all of the activities in Column B of the table.

9. Specific questions have also been included for small- and medium-sized entities (SMEs), small and medium practices (SMPs) and those in developing nations. These are intended to allow the IAASB to better understand the continuing requests for implementation guidance and explore how partnership with others may be an appropriate way forward to facilitate implementation.

*(iii) Key Messages in the CP*

10. A Chairman’s Statement has been added to the draft. Amongst other key messages, this statement serves to acknowledge issues raised in the European Commission’s (EC) Green Paper, and clarify how the IAASB’s current projects respond to certain of the concerns raised by the EC and others.
11. In response to the September 2010 discussions, new material has been included in the CP to highlight the IAASB’s work to respond to the needs of SMEs and SMPs (see paragraphs 43–47).
12. Other background material has been repositioned within Appendix 1 to enhance the readability of the document, while continuing to provide information relevant to how the CP was developed.

**Material Presented**

Agenda Item 5-A      Revised Draft Consultation Paper, *Proposed Strategy and Work Program for 2012–2014*, dated December 2010

**Action Requested**

13. The IAASB is asked to consider and comment on the matters presented in **Agenda Item 5-A**, including the Guide for Respondents, and approve the revised draft CP.