

IAASB Consultation Paper

*The IAASB's Proposed Strategy for 2015–2019*  
*The IAASB's Proposed Work Program for 2015–2016*

# **response to consultation paper**

03 April 2014

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/ 140403 SC0207

James Gunn  
Technical Director  
International Auditing and Assurance Standards Board  
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10017 USA

April 2014

Dear Mr Gunn

## **IAASB Consultation Paper**

### ***The IAASB's Proposed Strategy for 2015–2019***

### ***The IAASB's Proposed Work Program for 2015–2016***

CIPFA is pleased to present its response to this consultation paper, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

#### **General Comments**

CIPFA generally supports the strategy and workplan, which while it may have a central focus on the requirements of auditors and other stakeholders in listed entities, also has regards to the circumstances of smaller audits and audits in other economic sectors including the public sector.

In particular CIPFA supports the strategic objectives which are to develop and maintain ISAs, ensure that they continue to be relevant, and to engage with contributors to the financial reporting supply chain in the interests of audit quality.

#### **Considerations Specific to Public Sector Audits**

In CIPFA's response to the Board's consultation on its 2012-14 Strategy and Workplan we noted that we were pleased that the Strategy explained the helpful interaction between INTOSAI and IAASB. The current Consultation Paper notes that in 2010 INTOSAI endorsed a set of International Standards of Supreme Audit Institutions (ISSAIs) for public sector financial audits which include the clarified ISAs.

CIPFA sees this as a very positive result. ISAs have for a long time included material which helps apply the core requirements of ISAs in the context of the different terminology and different statutory constraints applicable to public sector audits. The inclusion of the ISA material within ISSAIs adds to the credibility of both IAASB and INTOSAI, reflecting the cooperation with INTOSAI and more general engagement with public sector stakeholders and respondents to consultations, particularly during the Clarity Project. It also makes strong sense in situations where auditors who are members of IFAC member bodies might expect to use ISAs, while employees of public sector SAIs might naturally expect to use guidance aligned with that developed by INTOSAI.

We note that the Board also engages with key stakeholders in the development of financial reporting standards, such as the IASB, but that the strategic plan makes no mention of the International Public Sector Accounting Standards Board. This is not a problem per se: the IAASB does not liaise with all accounting standards setters, and INTOSAI may be better placed to consider issues in connection with audit responsibilities which are unique to the public sector. It is also true that many IPSASB standards are closely aligned with or based on standards developed by the IASB. We would note however that the IPSASB has developed a conceptual framework for public sector reporting which is not identical to the IASB framework, and future standard setting may reflect more differences from IFRS,

albeit on a principled basis. We would also note that the IPSASB is also developing broader categories of financial reporting guidance on matters such as long term fiscal sustainability, and in the longer term, there may be an expectation that audit assurance should be provided on this wider reporting. Some of the Board's work relating to ISA 720 on 'other information' and on ISAE 3000 on wider categories of assurance may be relevant. We are inclined therefore to suggest that the IAASB, in conjunction with INTOSAI, should periodically review whether there are audit issues emerging which would warrant discussion with public sector standard setters such as IPSASB.

### **Comments on Questions for Respondents**

CIPFA has no specific points to make on the questions for respondents, except to note our general support and our comments on public sector audits as outlined above.

I hope this is a helpful contribution to the development of the Board's plans. If you have any questions about this response, please contact Steven Cain (e: [steven.cain@cipfa.org](mailto:steven.cain@cipfa.org), t: +44(0)20 7543 5794).

Yours sincerely

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