

**Basis for Conclusions**  
**Prepared by the Staff of the IAASB**  
*June 2012*

# IAASB Strategy and Work Program, 2012–2014

**IAASB**

International Auditing  
and Assurance  
Standards Board

This document was prepared by the Staff of the International Auditing and Assurance Standards Board (IAASB).

The IAASB develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Consultative Advisory Group, which provides public interest input into the development of the standards and guidance.

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The structures and processes that support the operations of the IAASB are facilitated by the International Federation of Accountants (IFAC).

Copyright © June 2012 by the International Federation of Accountants (IFAC). For copyright, trademark, and permissions information, please see [page 13](#).

## **BASIS FOR CONCLUSIONS: IAASB STRATEGY AND WORK PROGRAM, 2012–2014**

This Basis for Conclusions has been prepared by staff of the International Auditing and Assurance Standards Board (IAASB). It relates to, but does not form part of, the *IAASB Strategy and Work Program, 2012–2014* (Strategy and Work Program), which was approved by the IAASB in March 2012, with the affirmative votes of 17 out of 17 IAASB members.<sup>1</sup>

### **Background**

1. The IAASB commenced the process of developing its Strategy and Work Program in March 2010. This process involved discussion with stakeholders during the IAASB's international outreach activities in 2010 and 2011 and a formal survey in April 2010 of the IAASB's stakeholders to obtain views about issues that they believe should be addressed by the IAASB in the immediate future. The results of this survey formed the preliminary basis for the IAASB's considerations in developing a consultation paper (CP) issued in January 2011. The comment period for this CP closed on April 4, 2011, with 42 letters received from various respondents, including regulators and oversight authorities, national standard setters, IFAC member bodies and other professional bodies, audit firms and public sector audit organizations, and individuals. This Basis for Conclusions explains the more significant issues raised by respondents to the CP and how the IAASB has addressed these issues and other significant environmental developments, in finalizing its Strategy and Work Program.
2. The IAASB has discussed this project with its Consultative Advisory Group (CAG) on four separate occasions during March 2010 – March 2012: prior to the issue of the formal survey, prior to the issue of the CP, and twice prior to the finalization of the Strategy and Work Program.

### **Areas of Strategic Focus**

3. The January 2011 CP asked for respondents' views as to whether the IAASB's three areas of strategic focus remain appropriate, i.e.:
  - (a) Developing (and revising) standards (and pronouncements); with focus on, amongst others, standards that facilitate the effective operation of the world's capital markets, those that address demand for other assurance services, and those that address the needs of small- and medium-sized entities (SMEs) and small and medium practices (SMPs);
  - (b) Monitoring and facilitating adoption of those standards; and
  - (c) Responding to concerns about the implementation of the standards by activities designed to improve the consistency with which they are applied in practice.
4. The overwhelming majority expressed clear support for the three areas of focus, with several emphasizing the importance of:
  - Engaging with stakeholders to influence debates on key topics, and being flexible to respond to stakeholder needs and international developments, particularly audit issues arising from

---

<sup>1</sup> One member was not in attendance at the March 2012 IAASB meeting because of visa problems and was therefore ineligible to vote. See minutes of the March 12–16, 2012 IAASB meeting at [www.ifac.org/auditing-assurance/meetings/50th-meeting-iaasb-march-12-16-2012-toronto-canada](http://www.ifac.org/auditing-assurance/meetings/50th-meeting-iaasb-march-12-16-2012-toronto-canada) under the heading "Minutes."

- the global financial crisis;
- Retaining a focus on SMEs;
  - Recognizing the breadth of the IAASB’s mandate (i.e., audits, SMEs, other assurance services, etc.) as a basis for the Board addressing a broad range of engagement types;
  - Pursuing innovation to maintain the Board’s relevance, but ensuring demonstrably strong demand before pursuing projects in other assurance areas;
  - Setting appropriate stakeholder expectations regarding the balance amongst the three strategic areas, taking into account the resource factor and recognizing the primacy of the Board’s standard-setting role; and
  - Allowing time for the clarified ISAs to be used in practice after initial implementation.
5. More broadly, a few respondents variously suggested that: there should be a fourth area of strategic focus, namely long-term strategic considerations about IAASB’s operations and external developments; the Board should conduct a critical review of the appropriateness of the key assumptions underlying the future strategy, especially in context of the Monitoring Group (MG) report;<sup>2</sup> and the Board should consider whether it has adequately developed its long-term strategy in addition to focusing on meeting short-term stakeholder needs.

#### **IAASB Decisions**

6. The IAASB acknowledged and supported the areas indicated above as broadly important, and believed its Strategy and Work Program could be oriented in a way that is more relevant and progressive in line with respondents’ comments. In thinking through the Work Program, the IAASB agreed that its efforts could be characterized around three main themes:
- *Supporting global financial stability* – The IAASB concluded that it is both timely and necessary to draw lessons for audit from the global financial crisis with a view to enhancing the utility of the audit as a safeguard for financial stability. The final Strategy therefore more clearly explains that the Board is already responding to current policy debates in various jurisdictions through its current projects on disclosures, auditor reporting, and audit quality, as well as other activities, and these projects will continue to be prioritized.
  - *Enhancing the role, relevance and quality of assurance and related services in an evolving world* – The IAASB remains committed to focusing on the needs of SMEs, by supporting the proportionality of the application of the ISAs to SMEs, and in circumstances where an audit is not required or requested, by providing SMPs and auditors generally with high-quality standards to support review, compilation and agreed-upon procedures engagements. The IAASB also has agreed to form a new working group to explore evolving assurance needs (This group will be referred to as the Innovation, Needs and Future Opportunities (INFO) Working Group and is discussed in paragraphs 21–23 below).
  - *Facilitating adoption and implementation of the standards* – The IAASB recognized it needs to continue to devote attention to facilitating adoption and implementation of its standards, in particular the clarified ISAs, and has included particular activities within its Work Program to

---

<sup>2</sup> November 2010 Monitoring Group report, [Review of the IFAC Reforms](#)

ensure that its efforts on the Clarity Project are realized through successful implementation of the standards.

7. The Chairman's Statement (see paragraphs 1–20)<sup>3</sup> has been developed in such a way as to communicate both the IAASB's medium-term strategy, and note the IAASB's view that both the work on the ISA Implementation Monitoring project and its continued monitoring of external developments will inform its long-term strategic perspective. Appendix 1 of the final Strategy and Work Program was developed to track the outcomes the IAASB intends to achieve during the strategic period, and will be updated periodically on the IAASB's website. Finally, the IAASB concluded that, while its operating assumptions are subject to change based on external developments, including actions arising from the recommendations of the MG, for purposes of setting its Work Program the assumptions in Appendix 3 of the final Strategy and Work Program remained relevant.

## Auditor Reporting

8. One project cited frequently by respondents to the formal survey as being fundamental to the IAASB's strategic priorities was auditor reporting. The project had been included in the *Strategy and Work Program, 2009–2011*, and the IAASB had issued a CP on the topic in May 2011. Based on feedback received from the auditor reporting CP, the strategy consultation and ongoing outreach activities, at its December 2011 meeting, the IAASB approved the commencement of a project on auditor reporting on a priority basis. In doing so, the IAASB agreed that auditor reporting is – and must be seen to be – IAASB's no. 1 priority, in the public interest. The extent of resources throughout the period 2012–2014 to achieve completion of the Auditor Reporting project, including revisions to the related ISAs, is significant, and the IAASB agreed that all necessary Board and staff resources needed to be made available for this project. Accordingly, in finalizing the Work Program, the Board considered the effects on prioritization and timing of new projects, as well as number of projects that could be undertaken in the strategic period.<sup>4</sup> The Board also agreed to defer most of its current projects by at least two quarters to allow for the IAASB to focus on developing a meaningful consultation on auditor reporting by June 2012.
9. The prioritization of the auditor reporting project resulted in the postponement of substantial activity commencing on most of the IAASB's new projects until mid-2013 at the earliest. The IAASB believes these decisions will enable the Board to make the necessary progress on auditor reporting, while at the same time addressing other needs of a wide range of stakeholders, and maintaining flexibility to respond to new developments as they may emerge. The IAASB also agreed that before commencing work on new projects, and at a minimum annually, the IAASB should consider whether its priorities and planned activities remain appropriate in light of emerging developments and available resources.

## Other Projects in the IAASB's Work Program

10. This section is intended to provide a roadmap for the anticipated and possible projects highlighted in the January 2011 CP, as well as other new projects identified on consultation. Where the IAASB decided to include the project or activity in its final Work Program, reference to the applicable

---

<sup>3</sup> Unless otherwise noted, all paragraph references are to the final *IAASB Strategy and Work Program, 2012–2014*.

<sup>4</sup> The January 2011 CP suggested a total of 20 projects, including current projects, could be undertaken in the three-year period.

paragraph(s) in the *IAASB Strategy and Work Program, 2012–2014* is made in the tables below.<sup>5</sup> The timing of these projects has been considered in view of the priority placed on auditor reporting, with emphasis placed on first completing those other projects continuing from 2011. Where the IAASB determined not to include the project or activity in its final Work Program, additional discussion is included in the section *Projects Considered but Not Included in the Final Work Program*.

**IAASB Decisions – Projects Continuing from 2011**

11. The CP highlighted a number of projects that were in progress, or slated to commence, at the time the IAASB was consulting on the Work Program which were anticipated to continue into 2012 and beyond. The majority of respondents, as well as IAASB CAG members, supported the IAASB’s view that its public interest mandate would be best served by continuing those projects on its current agenda that had not yet been completed. Respondents in particular were focused on the IAASB’s projects on audit quality, disclosures, and the revision of ISA 720<sup>6</sup> (see paragraph 27 of the final Strategy and Work Program).

**IAASB Decisions – New Projects Labeled as “Likely” In the CP**

12. In addition to the current projects the IAASB proposed to continue, the January 2011 CP included lists of projects labeled as “likely” to be undertaken in the strategy period. These were projects identified through consultation which the IAASB initially believed should be added to its work program. Some of these projects were anticipated in the current Work Program and had not yet commenced. Broadly speaking, these projects received a significant amount of support from a wide base of stakeholders, who supported the IAASB’s rationale as explained in the CP for undertaking these projects. In general, these respondents agreed both with the relevance of the topic and the IAASB’s approach to prioritizing these projects.
13. The likely new projects included in the CP, and their treatment in the final Work Program, is explained as follows:

<b>Projects Indicated in the CP as Likely to Be Undertaken</b>	<b>Retained in Final Work Program</b>	<b>Para. Ref. in Final Work Program</b>
Undertake new project(s) to respond to findings of the ISA Implementation Monitoring project, in consultation with the IAASB CAG.	Yes	28 (labeled “New Project 2”)
Revise ISRS 4400, <i>Engagements to Perform Agreed-upon Procedures Regarding Financial Information</i> .	Yes	40
Seek feedback from service organizations, service auditors, user entities, user auditors, and others on their experiences	Yes	52

<sup>5</sup> Paragraphs 24–53 of the final Strategy and Work Program provide the IAASB’s rationale for why particular projects were selected for inclusion in its Work Program.

<sup>6</sup> ISA 720, *The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*

with the implementation of ISAE 3402, <i>Assurance Reports on Controls at a Service Organization</i> .		
Develop a publication explaining the benefits of adopting the ISAs, and consider whether other publications should be developed to further promote adoption and implementation of the IAASB's standards.	Yes, in part (see paras. 14–19 below.)	46–50
Through the ISA Implementation Monitoring project and other outreach activities, take a proactive role in identifying implementation challenges and seek to develop materials aimed at addressing these challenges, working with [national standard setters] NSS, IFAC member bodies and others.	Yes, in part (see paras. 14–19 below.)	51
Determine whether to revise or withdraw ISAE 3400, <i>The Examination of Prospective Financial Information</i> .	No, see para. 28–30 below.	

*Adoption and Implementation of the IAASB's Standards*

14. The final Strategy and Work Program gives greater prominence to the IAASB's commitment to learn from implementation experiences with the clarified ISAs through the ISA Implementation Monitoring Project – it is now included as a discrete project with findings expected to be presented to the IAASB at its June 2013 meeting (see paragraph 26 of the final Strategy and Work Program). In addition to a new project to develop an auditing or quality control standard or guidance in response to these findings, the IAASB initially proposed that it (i) take a proactive role in identifying implementation challenges and seek to develop materials aimed at addressing these challenges, working with NSS, IFAC member bodies and others, and (ii) develop a publication explaining the benefits of adopting the ISAs, and consider whether other publications should be developed to further promote adoption and implementation of the IAASB's standards.
15. While many respondents supported a focus on monitoring and responding to implementation challenges, they suggested, among other things:
  - Working with oversight bodies as well as IFAC Member Bodies and NSS to understand how the ISAs are working in practice, to ensure consistency of implementation, and to identify areas for improvement. The role of IFAC Member Bodies and the importance of collaborating with them were emphasized in particular as they are the ones who face the implementation challenges.
  - Revising ISAs only where there is a clear need.
  - The need for a cautious approach as it would be better for national bodies if the Board explains its aims clearly in new or revised standards and guidance as opposed to actively providing implementation support.<sup>7</sup>
  - Distinguishing, wherever possible, consistency issues arising from poor application from those arising from a lack of clarity in the ISAs.

---

<sup>7</sup> This may be done, for example, in the overview publication that is planned to be issued with each final standard.

16. While a number of IFAC member bodies, firms, and the IFAC SMP Committee supported the development of a publication explaining the benefits of adopting ISAs, and some of these respondents suggested combining it with the possible development of a publication on the meaning of an audit,<sup>8</sup> others were of the view that the objective of such a publication could be achieved through the IAASB's regular outreach activities.
17. Accordingly, in finalizing its Work Program and considering the extensive outreach and liaison activities that could be further leveraged to promote adoption and effective implementation, the IAASB re-characterized its activities related to adoption and implementation into three ongoing initiatives:
  - Actively discuss with NSS, public authorities, oversight bodies, and international regulators to identify and seek to reduce barriers to the further adoption of ISAs, whether as a whole in those jurisdictions that have not yet chosen to adopt international standards or in respect of specific standards or certain sizes of entities, and ensure that the content and breadth of proposed new standards facilitate their global acceptance and adoption;
  - Continue outreach and liaison activities with NSS, audit oversight bodies, IFAC member bodies, and others to understand implementation challenges that may arise in practice, including proportionality of application to SMEs, and consider appropriate actions to facilitate implementation of IAASB standards; and
  - Consider how best to share what is learned from the IAASB's various outreach and liaison activities with stakeholders regarding how the benefits of adoption of IAASB standards are being experienced around the world, and how the associated challenges, including proportionality of application to SMEs, are being addressed.
18. The final Work Program notes that the planned 2013 report on findings from Phase 2 of the ISA Implementation Monitoring project will be particularly relevant to these activities. In addition, Appendix 2 of the final Strategy and Work Program describes communication vehicles that could be used in relation to adoption and implementation activities.
19. In finalizing the Work Program, the IAASB also agreed there was merit in continuing to explore the idea of a publication on the meaning of an audit, which is now described as a possible communication that compares and contrasts the value and benefits of the audit, review and compilation services addressed by its standards (see paragraph 50 of the final Strategy and Work Program).

---

<sup>8</sup> The proposed Work Program included a project carried over from the *Strategy and Work Program, 2009–2011* to develop a publication on the "Meaning of an Audit" as a means of better explaining the role of an audit in accordance with the clarified ISAs. The CP explained that the proposed publication could be tailored to further address the expectations gap and communicate on the nature and purpose of an audit, and that the timing of this publication was linked to the finalization of the IAASB's projects to revise the review and compilation standards in order to more clearly differentiate the various services and their related levels of assurance.



**IAASB Decisions – New Projects Labeled as “Suggested” in the CP**

20. A number of new projects were suggested by respondents to the strategy survey or had been raised by others during outreach and liaison activities prior to the CP. The suggested projects included in the CP, and their treatment in the final Work Program, is explained as follows:

<b>Projects Indicated in the CP as Suggested</b>	<b>Retained in Final Work Program</b>	<b>Para. Ref. in Final Work Program</b>
In consultation with banking regulators and supervisors, consider undertaking a project with regard to IAPS 1004, <i>The Relationship between Banking Supervisors and Banks’ External Auditors</i> , and IAPS 1006, <i>Audits of the Financial Statements of Banks</i> , for the audit of banks.	Yes	32
Consider whether a new standard or guidance is necessary to address the auditor’s responsibilities relating to preliminary announcements.	Yes	34–35
Monitor the impact of developments in integrated reporting (linking financial, environmental, social and governance information) and participate, as necessary, in any audit- or assurance-related outcomes.	Yes, as part of INFO Working Group	43–44
Evaluate whether to develop a new ISAE addressing assurance on sustainability reporting.	Yes, as part of INFO Working Group	43–44
Evaluate whether to develop a new ISAE addressing assurance on corporate governance statements.	Yes, as part of INFO Working Group	43–44
Evaluate whether to develop a new ISAE addressing assurance on internal control.	Yes, as part of INFO Working Group	43–44
In connection with interested parties, consider what further actions can be taken to assist in the implementation of International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> , for smaller firms.	Yes, as a Staff Questions & Answers publication on ISQC 1	53
Redraft ISRE 2410, <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i> , in the Clarity format.	No, see paras. 31–33 below.	

*Innovation, Needs and Future Opportunities (INFO) Working Group*

21. A number of respondents to the January 2011 CP supported to varying degrees individual projects relating to developing assurance standards for sustainability, corporate governance statements, and internal control. Respondents also suggested the IAASB monitor developments related to integrated reporting as a means of bringing these individual areas together. However, significant challenges were identified in relation to prioritizing them, including: lack of clear global demand; diversity of national legal and regulatory requirements; and the need to monitor developments, in addition to the IAASB's limited resources.
22. Importantly, respondents also acknowledged the need for the IAASB to finalize its revision of ISAE 3000<sup>9</sup> before undertaking to develop additional topic-specific assurance standards. A revised ISAE 3000 will provide a robust framework for a broad range of reasonable and limited assurance engagements, including areas where the demand for assurance, and suitable criteria on which to conduct an assurance engagement, continues to emerge.
23. Notwithstanding these challenges, the IAASB, supported by the IAASB CAG, believed there was a need to remain abreast of issues in these areas in order to be in a position to enhance the role, relevance and quality of assurance and related services as demand for such services evolves. The IAASB agreed to establish on a priority basis a working group to explore certain of these emerging areas (integrated reporting, sustainability reporting, corporate governance statements, internal control, and eXtensible Business Reporting Language),<sup>10</sup> more fully and identify potential actions, in an effort to inform its longer-term strategy as it relates to meeting future assurance needs. Doing so will enable the IAASB to prioritize its resources, and allow for adequate study of the developments, issues, challenges and market needs before embarking on standard-setting activities that would be relevant globally.

**IAASB Decisions – Additional New Projects Suggested By Respondents**

*Possible Enhancements to ISA 540*

24. The January 2011 CP asked for respondents' views on whether there are additional actions or projects that should be addressed in the IAASB's Work Program and, if so, how these should be prioritized relative to the anticipated and suggested projects. While there was a wide variety of responses, regulators and members of the MG stressed the need for the IAASB to consider how the ISAs could be strengthened in light of the financial crisis and whether guidance was needed relating to recent changes in financial reporting standards (e.g., loan loss provisioning, hedging, and insurance contracts). These developments, findings from regulatory inspections and the ISA Implementation Monitoring project, may suggest possible further enhancements to the ISAs, including ISA 540,<sup>11</sup> or the need to develop additional implementation guidance.
25. In tandem with this input, the IAASB was finalizing IAPN 1000.<sup>12</sup> This input, and the nature of the IAASB's deliberations on IAPN 1000, signaled to the IAASB the need to explore authoritative

---

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

<sup>10</sup> As noted in the final Strategy and Work Program, the Board had agreed that its current project on XBRL would be supplanted by the broader considerations of the INFO Working Group.

<sup>11</sup> ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

<sup>12</sup> IAPN 1000, *Special Considerations in Auditing Financial Instruments*

guidance relating specifically to third-party pricing sources, while being aware of the potential need for additional enhancements to ISA 540.

26. Accordingly, the IAASB determined the need to further explore the topic and agreed to establish a working group in 2012 to further consider issues related to fair value accounting estimates and related considerations, which will closely follow relevant developments and assist it in considering whether there is a need for further enhancements to ISA 540 or the development of additional implementation guidance. This new project has been included in the final Work Program (see paragraphs 29–31 of the final Strategy and Work Program).

#### *Professional Skepticism*

27. A few respondents to the CP suggested the IAASB should develop guidance addressing professional skepticism, a point that was reiterated by the IAASB CAG. In response to public interest calls for a renewed focus on professional skepticism, the IAASB commissioned a Staff publication to highlight important considerations within the clarified ISAs regarding professional skepticism and remind auditors of their responsibilities during the audit. The publication was issued in February 2012 (see paragraph 25 of the final Strategy and Work Program).

## **Projects Considered but Not Included in the Final Work Program**

### **IAASB Decisions**

#### *Revision or Withdrawal of ISAE 3400, The Examination of Prospective Financial Information*

28. Many respondents did not support a revision of ISAE 3400, with some arguing for its outright withdrawal, for a number of reasons, including the following:
- It would not be practicable to develop an international standard because of the diversity in national legal and regulatory requirements in this area.
  - Clear global demand must first be established.
  - It would be important to first establish the conceptual basis for reporting on prospective financial information given the limited use of standard and the expectation gap regarding the level of assurance provided.
  - Revisions to the European Union (EU) Prospectus Directive are anticipated in the short term.
29. A few respondents argued that the standard should not be withdrawn as it is still in use in practice. A few respondents who expressed support for a revision of the standard acknowledged that a decision to undertake such a project would need to be subject to research into regulatory practice and international demand.
30. Based on these comments, the IAASB decided not to include a revision of ISAE 3400 in its future work program, but also agreed not to withdraw the standard.

#### *Revision of ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, in the Clarity Format*

31. This project received limited support from respondents to the January 2011 CP. Those who supported the revision made the following comments:
- It would meet national needs.

- It would be important to ensure consistency with the proposed revised ISRE 2400.<sup>13</sup>
  - It would be important to consider revising ISRE 2410, not just redrafting it.
32. Three respondents who indicated that they did not view a revision of ISRE 2410 as a priority did so mainly because there is no apparent urgency and it would be important to first understand how the standard is working in practice.
33. Given this lack of urgency regarding practical issues in the implementation of ISRE 2410, the IAASB did not believe it would be appropriate to prioritize a redrafting of the standard in the 2012-2014 cycle; however, the IAASB will consider the implications, if any, on ISRE 2410 of the finalization of ISRE 2400.

#### *Other Matters Raised on Consultation*

34. Respondents also suggested variously a wide range of topics on which the IAASB could undertake work, with some suggesting broad actions and others focusing on specific projects. No particular suggestion had significant support among respondents, although there was agreement amongst a few respondents on a small number of the suggested topics, particularly:
- A conceptual framework for assurance
  - Auditor association (beyond auditor association with preliminary announcements)
  - Comfort letters
  - Guidance on auditing in a shared service center environment
  - Revisiting ISQC 1 to strengthen the monitoring element of quality control and the requirements for engagement quality control review in ISQC 1, taking into account PCAOB's AS 7<sup>14</sup>
35. While the IAASB understands the basis of respondents' suggestions for these initiatives, taking into account the complexities of the topics, the degree of relevance in an international context and in the public interest, the IAASB concluded that it would not be appropriate to devote priority attention to any of these projects at this time.
36. In relation to quality control, as an interim step the IAASB has agreed to commission a staff publication addressing the proportionality of application of ISQC 1 (see paragraph 53 of the final Strategy and Work Program) to further facilitate effective adoption and implementation of ISQC 1. The forward Work Program also includes time for a new project to develop an auditing or quality control standard or guidance. This project could be used to revise ISQC 1 if considered necessary, but the IAASB agreed to not allocate a particular topic to this project at this time, pending further understanding of potential issues relating to ISQC 1 through dialogue with oversight bodies and the findings of its ISA Implementation Monitoring project.

---

<sup>13</sup> ISRE 2410, *Engagements to Review Financial Statements*, currently being revised

<sup>14</sup> Auditing Standard 7, *Engagement Quality Control Review*

International Standards on Auditing, International Standards on Assurance Engagements, International Standards on Review Engagements, International Standards on Related Services, International Standards on Quality Control, International Auditing Practice Notes, Exposure Drafts, Consultation Papers, and other IAASB publications are published by, and copyright of, IFAC.

The IAASB and IFAC do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

The IAASB logo, 'International Auditing and Assurance Standards Board', 'IAASB', 'International Standard on Auditing', 'ISA', 'International Standard on Assurance Engagements', 'ISAE', 'International Standards on Review Engagements', 'ISRE', 'International Standards on Related Services', 'ISRS', 'International Standards on Quality Control', 'ISQC', 'International Auditing Practice Note', 'IAPN', the IFAC logo, 'International Federation of Accountants', and 'IFAC' are trademarks and service marks of IFAC.

Copyright © June 2012 by the International Federation of Accountants (IFAC). All rights reserved. Permission is granted to make copies of this work provided that such copies are for use in academic classrooms or for personal use and are not sold or disseminated and provided that each copy bears the following credit line: *"Copyright © June 2012 by the International Federation of Accountants (IFAC). All rights reserved. Used with permission of IFAC. Contact [permissions@ifac.org](mailto:permissions@ifac.org) for permission to reproduce, store or transmit this document."* Otherwise, written permission from IFAC is required to reproduce, store, transmit, or make other similar uses of this document, except as permitted by law. Contact [permissions@ifac.org](mailto:permissions@ifac.org).



International Auditing  
and Assurance  
Standards Board

529 Fifth Avenue, 6th Floor, New York, NY 10017  
T + 1 (212) 286-9344 F +1 (212) 286-9570  
[www.iaasb.org](http://www.iaasb.org)