

Innovation, Needs and Future Opportunities (INFO) Working Group

Terms of Reference

Background

1. One of the key messages from the IAASB's consultations for its *Strategy and Work Program, 2012–2014* (Strategy) was the need for the IAASB to embrace innovation in its consideration of future standard-setting projects and initiatives addressing audit, assurance and related services, and thereby maintain the role and relevance of such services in an evolving world.
2. At the same time, the IAASB recognized the need to consider relevant emerging developments in these fields thoroughly to ensure that any resources devoted to pursuing standard-setting projects or related initiatives will lead to relevant and effective outcomes.

Working Group Objective

3. The objective of the INFO Working Group is to explore emerging developments in the audit, assurance and related services fields for the purpose of assisting the IAASB in identifying opportunities for relevant and effective standard setting, or determining other potential actions, in a timely and informed manner.

Working Group Responsibilities

4. In fulfilling its Objective, the Working Group is responsible for:
 - Identifying areas of focus within the audit, assurance and related services fields that have particular relevance to users' information or assurance needs; and
 - Insofar as necessary in order to make recommendations to the IAASB on specific topics for the IAASB to pursue, exploring those areas of focus by:
 - Undertaking further study or deliberation, as appropriate;
 - Acting as a focal point for liaison regarding research or input from external parties, as appropriate; and
 - Considering whether, in the public interest, audit, assurance, or related service needs should be addressed through high quality standards developed by the IAASB or related initiatives.
5. In identifying areas of focus¹, relevant factors include:
 - The degree of alignment of the topic with the IAASB's Strategy;
 - The degree of relevance of the topic to the broader international marketplace;
 - Whether there is or is anticipated to be a significant demand for the audit, assurance or related service in the public interest; and
 - Whether diversity in quality and consistency in practice may suggest the need for global standards, guidance, or related initiative in that area.

The inclusion of any topic in the Working Group's areas of focus, however, does not imply that a project or other output will necessarily follow.

6. As and when the Working Group makes recommendations to the IAASB on specific topics for the IAASB to pursue, such recommendations are expected to include an explanation of the relevance of the topic to the IAASB's Strategy, identification of key standard setting issues and

¹ Given its global and longer-term relevance, Integrated Reporting has been identified as a specific area of focus for the INFO Working Group to explore.

Other possible areas of focus identified in the IAASB Strategy and Work Program 2012-2014 for consideration included: Sustainability reporting; Corporate governance statements; Internal control; and XBRL. These and other areas will be considered, and as appropriate further explored, by the Working Group in due course.

challenges, and the potential implications and urgency of those issues. Recommendations may also include, amongst other matters, whether the IAASB should consider and approve a project proposal, avenues of cooperation with interested stakeholders, how best to gather input at earlier stages of any potential project to develop topic-specific assurance standards, and whether to develop discussion papers or thought pieces with a view to stimulate debate and collaboration. The Working Group is not required to provide possible solutions to topics recommended to the IAASB.

Working Group Composition and Operating Procedures

7. The Working Group is to be chaired by a member of the IAASB, the appointment of which is made by the IAASB Chairman in consultation with the Technical Director. The IAASB Chairman shall appoint an additional 4–6 members to the Working Group in consultation with the Technical Director.
8. Working Group members should be prepared to undertake responsibility for exploring an area(s) of focus, with staff support as appropriate, if and as requested by the Working Group Chair.
9. The detailed operating procedures for the Working Group are a matter for the Working Group Chair to determine in consultation with staff.
10. The Working Group is able to add new areas of focus as it considers appropriate, and may also remove areas of focus if it determines they do not warrant further attention.
11. The Chair of the Working Group will seek the Steering Committee's approval prior to establishing any formal relationship with relevant external parties, including member or observer status in external task forces, which may arise from the activities of the Working Group.

Reporting

12. The Chair of the Working Group will:
 - a. Report periodically to the IAASB Steering Committee on strategic opportunities and other developments identified by the Working Group relevant to standards or related initiatives for audit, assurance and related services engagements; and
 - b. Report at least annually to the IAASB on the status of the Work Group's activities on the identified areas of focus.

Other

13. The IAASB Steering Committee will review the Terms of Reference for the Working Group every two years.