

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

FACT SHEET

An overview of the IAASB'S role and standard-setting process

Objective

The IAASB's objective is to serve the public interest by setting high-quality international standards for auditing, quality control, review, other assurance, and related services, and by facilitating the convergence of international and national standards. In doing so, the IAASB enhances the quality and uniformity of practice throughout the world and strengthens public confidence in the global auditing and assurance profession.

Over [113 jurisdictions](#) (listed on the IAASB's website) are using or are in the process of adopting or incorporating the clarified International Standards on Auditing (ISAs), issued by the IAASB, into their national auditing standards or using them as a basis for preparing national auditing standards. The European Union Audit Directive, while also noting that an assessment of the ISAs remains to be completed by the European Commission prior to adoption, makes specific reference to the use of clarified ISAs and other relevant IAASB standards in the performance of statutory audits. This is another significant step towards global adoption and implementation of high-quality international standards that facilitate transparency, consistency, economic growth, and financial stability. While the manner in which jurisdictions are adopting, or converging to, ISAs may differ due to national circumstances, there is strong momentum of global adoption and implementation efforts in all parts of the world.

Due Process

A rigorous due process followed by the IAASB is critical to ensure that the views of those affected by its standards are thoroughly considered. The process outlined below is applicable to the development of all IAASB standards.

- **Research and consultation**—A project task force is ordinarily established with the responsibility to develop a draft standard. The task force develops its positions based on appropriate research and consultation.
- **Transparent debate**—A proposed standard is presented as an agenda paper for discussion and debate at an IAASB meeting, which is open to the public.
- **Exposure for public comment**—Exposure drafts are placed on the IAASB's website and are widely distributed for public comment. The exposure period is ordinarily 120 days.
- **Consideration of comments received on exposure**—The comments and suggestions received as a result of exposure are considered at an IAASB meeting, which is open to the public, and the exposure draft is revised as appropriate. If the changes made after exposure are viewed by the IAASB to be substantive so as to require re-exposure, the revised document will be reissued for further comment.
- **Affirmative approval**—Approval of exposure drafts, re-exposure drafts, and final international standards is made by the affirmative vote of at least two-thirds of the IAASB members. [These and a wide range of other publications](#) may be downloaded at no charge from the IAASB website.

IAASB Standards

- International Standards on Auditing (ISAs)
- International Standards on Assurance Engagements (ISAEs)
- International Standards on Related Services (ISRSs)
- International Standards on Quality Control (ISQCs)

Public Interest Oversight

The [Public Interest Oversight Board](#) (PIOB) oversees the public interest activities of the IAASB. The objective of the PIOB is to increase confidence of investors and others that the IAASB's standard-setting process is properly responsive to the public interest. PIOB members are nominated by international institutions and regulatory bodies.

IAASB members undertake to develop standards in the public interest

Role of the IAASB CAG

The IAASB [Consultative Advisory Group](#) (CAG) is comprised of representatives of regulators, business and international organizations, and users and preparers of financial statements who are interested in the development and maintenance of high-quality international standards for auditing, quality control, review, other assurance, and related services. Through active consultation, the IAASB receives valuable public interest input from the CAG on its agenda, project timetable, priorities and technical issues.

IAASB Members

The IAASB consists of a full-time chairman and 17 volunteers from around the world. The [18 board members](#) comprise nine practitioners with significant experience in the field of auditing and other assurance services and nine non-practitioners (including the chairman) who are not members or employees of an audit firm. At least three of the non-practitioners are public members: individuals who are expected to reflect, and are seen to reflect, the wider public interest. Members are appointed by the International Federation of Accountants (IFAC) Board based on recommendations from the IFAC Nominating Committee and are approved by the PIOB. All board members and their technical advisors are required to sign an annual statement declaring that they will act in the public interest and with integrity in discharging their responsibilities.

In addition, there is a small number of observer members who have speaking rights at IAASB meetings but no voting rights.

The IAASB is supported by a technical staff that has a wide range of standard-setting experience. The structures and processes that support the operations of the IAASB are facilitated by IFAC.

Strategy and Work Plan

[The IAASB's Strategy for 2015-2019](#) sets out the Board's strategic objectives. These strategic objectives illustrate how the IAASB focusses its activities, taking into account the strong platform of standards the IAASB has developed over the last 10 years, the current environment, and feedback from stakeholders.

The [Work Plan for 2015-2016](#) identifies the Board's current priorities, most notably quality control, special considerations related to audits of financial institutions, group audits and professional skepticism. The Work Plan for 2017-2018 was approved by the IAASB at its December 2016 meeting and will be published in February 2017, subject to PIOB approval of its developmental due process.

Achieving Transparency

Through its website (www.iaasb.org), the IAASB provides the following information to the public:

- [List of current projects and project histories](#)
- [Outstanding exposure drafts and consultation papers](#)
- [Meeting agendas, background papers, minutes and audio recordings](#)

Contact Information

For more information about the IAASB and its current projects, please visit its website at www.iaasb.org or contact [Matthew Waldron](#), Technical Director, by telephone +1 (212) 471-8713 or email mattwaldron@iaasb.org