



International Federation of Accountants

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Agenda Item

10

Committee: IAASB

Meeting Location: New York

Meeting Date: May 22-26, 2006

INTOSAI PSC / IAASB Memorandum of Understanding

Objectives of Agenda Item

To approve the Memorandum of Understanding between the International Organization of Supreme Audit Institutions' Professional Standards Committee (INTOSAI PSC) and the IAASB.

The Memorandum was approved by the INTOSAI PSC at its May 4-5, 2006 meeting.

Background

In January 2004, the IAASB approved a Memorandum of Understanding with INTOSAI that formalized a project structure and cooperation process enabling INTOSAI to use ISAs as a basis for its proposed Guidelines for Financial Audit. The Memorandum also provided for INTOSAI to designate experts in the field of public sector auditing to work with the IAASB to facilitate the incorporation of public sector perspectives into the body of ISAs.

The IAASB's cooperative efforts with the INTOSAI PSC and its Financial Audit Guidelines Subcommittee represent an important contribution to the development of standards that in the future will be capable of application in both the private and public sectors. At present, the IAASB has observer status on the INTOSAI PSC. Mr. Kjell Larsson, IAASB public member since 2006, was nominated by INTOSAI. Eight representatives of INTOSAI currently participate on IAASB projects.

The January 2004 Memorandum stipulated that it should be renewed after a two-year period. Amendments to the January 2004 Memorandum are limited to those necessary to reflect changes in the structure of INTOSAI. It is also proposed that the project structure and cooperation process do not form part of the Memorandum, but form part of a separate document. This will facilitate changes to the structure and process, which may become necessary as the project develops, without having to go through the formal approval process required for amendments to the Memorandum.

Material Presented

Agenda Item 10-A
(Pages 1209 – 1210)

INTOSAI PSC / IAASB Memorandum of Understanding

Agenda Item 10-B
(Pages 1211 – 1214)

INTOSAI PSC Project Structure and Co-operation Process
(Included for Information Purposes Only)

Action Requested

The IAASB is asked to approve the INTOSAI PSC / IAASB Memorandum of Understanding.