

Meeting: IAASB
Meeting Location: Malta
Meeting Date: September 20-24, 2010

Agenda Item

7

IAASB Strategy and Work Program for 2012-2014

Objectives of Agenda Item

1. To discuss a draft consultation paper (CP), *IAASB Proposed Strategy and Work Program for 2012-2014*.
2. To discuss the proposed comment period.

Task Force

3. The IAASB Steering Committee serves as the Task Force for this project. Members:
 - Prof. Arnold Schilder, IAASB Chairman
 - Diana Hillier, IAASB Deputy Chair
 - Phil Cowperthwaite, IAASB Member
 - Craig Crawford, IAASB Member
 - Cedric Gélard, IAASB Member
 - Tomokazu Sekiguchi, IAASB Member

Observer to the Steering Committee is David Damant, IAASB CAG Chairman. Ex-officio members are Jim Sylph, IFAC Executive Director, Professional Standards, and James Gunn, IAASB Technical Director.

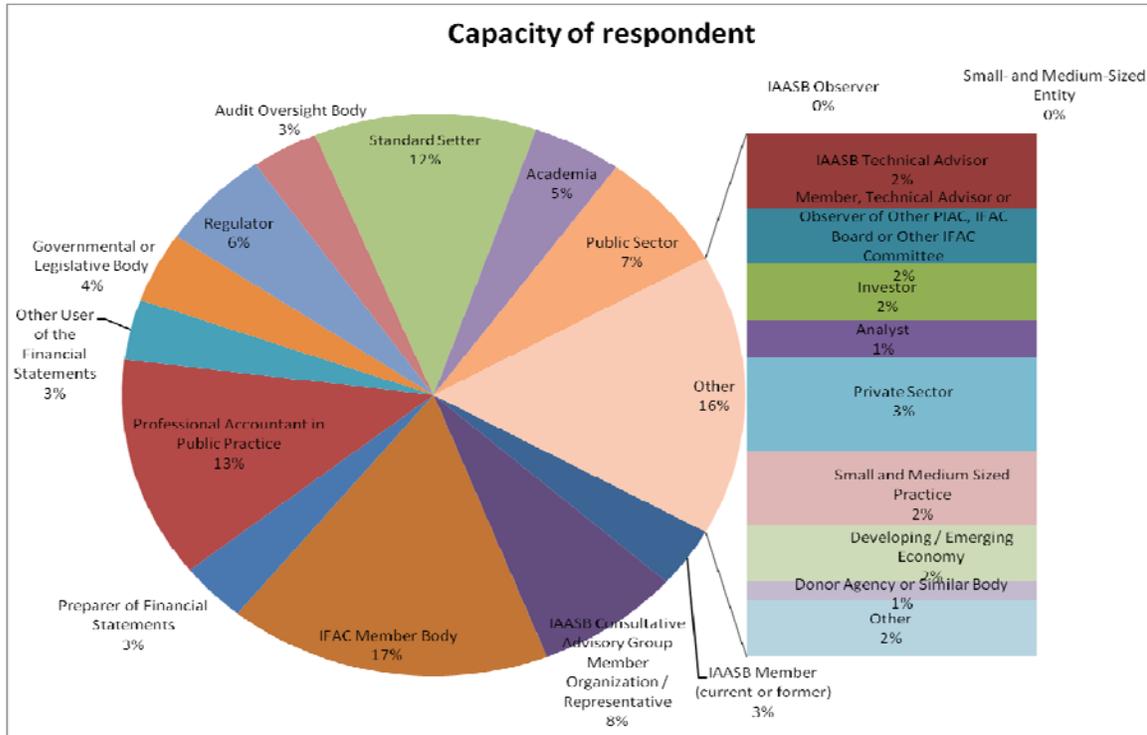
Background and Activities since Last IAASB Discussions

4. The Task Force met via teleconference on two occasions in July 2010 to discuss the results of the strategy survey issued in April 2010 and the draft CP. Consultation was also undertaken with the International Organization of Securities Commissions (IOSCO) Standing Committee No. 1 on Multinational Accounting and Disclosure and representatives of the Financial Stability Board (FSB).
5. The draft CP will form the basis for the IAASB Consultative Advisory Group's (CAG) discussions at its September 2010 meeting. Further consultation is planned with, among others, the IFAC Small and Medium Practices (SMP) Committee, the Financial Audit Subcommittee of the International Organization of Supreme Audit Institutions (INTOSAI),

the International Forum of Independent Audit Regulators (IFIAR), and the Forum of Firms before the final CP is approved by the IAASB at its December 2010 meeting.

Results of the Strategy Survey

6. A total of 101 responses to the strategy survey were received from IFAC member bodies, regional professional accountancy organizations, organizations representing preparers of financial statements, audit firms and public sector audit organizations, and public



authorities and international regulators, as outlined below:

7. Based on the response to the survey, the Task Force proposes the three main areas of strategic focus remain appropriate (see paragraphs 26-30¹ of **Agenda Item 7-A**). The Task Force considered the responses received to the survey and formulated a list of possible actions to respond to the proposed strategy, based on the recommendations from respondents, an analysis of the projects on the IAASB’s current agenda that are expected to continue into 2012, and the results of broader discussion with stakeholders that were held during 2010.
8. Of particular note for the IAASB’s consideration are the following:
 - The discussions of the current projects on audit quality, auditor communications, and ISA Implementation Monitoring (see paragraphs 31-40);

¹ All paragraph references are to **Agenda Item 7-A**, unless otherwise noted.

- Outreach and communication activities, and the proposals to enhance these activities (see paragraphs 42-51). It would be helpful for the Task Force to understand whether, in light of the requests for increased outreach, IAASB members believe there is a greater role for them to play individually in this regard;
- Key assumptions used in formulating the proposed future work program (see paragraphs 52-61); and
- Possible actions to implement the proposed strategy, distributed among the three areas of strategic focus, and the rationale for their inclusion (see paragraphs 65-83). As noted in paragraphs 62-63, the IAASB will not be able to undertake all of the possible actions in light of resource constraints, so respondents to the CP will be asked to prioritize three projects that best meet the IAASB's public interest mandate.

Proposed Comment Period

9. The IAASB will be asked to approve the CP for issuance at its December 2010 meeting. The PIAC Process for Developing Action Plans and Work Programs developed by the Public Interest Oversight Board (PIOB) guides the Public Interest Activity Committees (PIACs) of IFAC to expose their draft action plans and work programs for public comment for a period of ordinarily no less than 60 days.
10. The Task Force recommends that the IAASB consider a 90-day comment period. The Task Force wishes to ensure that all relevant parties have sufficient time to comment on the proposals, but notes that responses must be received no later than **March 31, 2011** to allow adequate time for its discussion of the summary of comments received on consultation and preparation of the materials to be discussed by the IAASB at its June 2011 meeting.
11. The intent is that the final *Strategy and Work Program for 2012-2014* will be discussed with the IAASB CAG and finalized by the IAASB at their respective September 2011 meetings. The approved document will be sent to the PIOB for approval from a public interest perspective. It will be issued when approved by the PIOB.

Material Presented

Agenda Item 7-A Draft Consultation Paper, *Proposed Strategy and Work Program for 2012-2014*, dated September 2010

Action Requested

12. The IAASB is asked to consider and comment on the matters presented in **Agenda Item 7-A**, including the possible actions to implement the proposed strategy, and discuss the proposed comment period.