Agenda Item
4-A

Audit Quality—Issues and IAASB Task Force Proposals

I.   Background

Outreach Phase Q3-Q4 2011

1.   The IAASB considered a "straw man" of the AQ Framework paper in June 2011. Subsequently, the Task Force developed a draft of the paper ("CAG Draft") for purposes of seeking input from the IAASB CAG in September 2011 and to support wider outreach and collaboration. During Q3 and Q4 2011, in addition to obtaining input from the CAG, discussions were held with a number of groups including:

- World Bank

- International Organization of Securities Commissions (IOSCO)

- International Corporate Governance Network (ICGN)

- Focus group of academics

- Forum of Firms

- IFAC Small and Medium Practices (SMP) Committee

2.   The outreach phase was very successful in providing a wealth of views and demonstrated considerable interest in the project. The Appendix to this paper summarizes the main comments received and how the Task Force has responded to them.

December 2011 IAASB Discussion

3.   At the December 2011 meeting, the IAASB was briefed on the findings from the outreach phase, including input received at the September 2011 CAG meeting.[1] The IAASB also considered:

- The structure of the Framework and, in particular, whether an additional "engagement level" should be added to help avoid the perception that the Framework was not adequately directed at auditors themselves;

- Whether additional introductory material was needed to provide more context as to why the evaluation of AQ is so challenging; and

- Whether more was needed on auditability issues associated with financial reporting frameworks.

July 2012 IAASB CAG AQ Working Group (WG) Discussion

4.   In advance of the July 2012 Task Force meeting, a teleconference was held with the CAG WG to obtain the WG's reactions to, and comments on, a revised draft of the AQ Framework paper. The WG seemed supportive of the revised draft. Amongst other matters, the WG highlighted packaging of the final product as an important matter for further consideration, particularly how to make the material most relevant for specific stakeholder groups. The WG also highlighted the need for closer

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[1]   See the December 2011 issues paper.

linkage between the survey on stakeholder perspectives that the Task Force had undertaken in Q2 2011 and the AQ attributes in the draft Framework. This has now been done in the form of a table in paragraph 8 of Appendix 1.

II.   Main Issues

A.   Proposed Reorganization of Framework

5.   The most important single issue that arose from the outreach phase was the perception that the Framework did not focus sufficiently on factors that auditors can control. In particular, a significant CAG comment had been that the CAG Draft had often sounded defensive and that some of the words or examples used sounded like excuses for auditors.

6.   At the December 2011 IAASB meeting, the Task Force had proposed a reorganization of the Framework into separate engagement, firm and country levels so that it would:

- Focus the Framework on what auditors can influence;

- Help make it easier for stakeholders to use the Framework (especially management and audit committees); and

- Reflect a number of academic studies in this area.

7.   The IAASB agreed with the proposed reorganization, although some IAASB members were concerned that:

- The complexity of the topic and the dynamism of the interactions did not appear to come through sufficiently clearly from the reorganized framework material;

- The separation of the engagement and firm levels may raise questions as to how these relate to ISA 220[2] and ISQC 1;[3] and

- It was not sufficiently clear how the material distinguished between the local and global issues.

8.   The IAASB CAG Chairman noted the CAG's view that these levels are quite useful and that the country level might be the best starting point. This was because if certain elements are not in place at the national level AQ would probably never be achieved.

9.   Some IAASB members, however, were hesitant that the paper should start with the country level, recognizing the difficulties in describing the country issues compared with those at the firm and engagement levels. It was also recognized that there would be a potential for the discussion of the country level to become political, such as the risk of the IAASB being seen to be supporting one country's model over another's. In addition, there would be a risk that starting in this way would result in the IAASB being perceived to be defensive. It was also noted that not everyone would necessarily agree that all elements should be in place at the country level before AQ can be achieved, as there is an expectation that a high quality audit can be performed irrespective of the infrastructure.

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[2]   ISA 220, *Quality Control for an Audit of Financial Statements*

[3]   ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

10. In the light of these comments, a number of structural and editorial changes to the CAG Draft have been made, including the following:

- Reorganizing the chapters to give greater emphasis to the inputs in order to emphasize those aspects of AQ that the auditor can control.

- Within the chapter on inputs, reorganizing the attributes into three separate sections, i.e., at the engagement, firm and national level in that order.

- Placing the discussion of key interactions between participants in the financial reporting supply chain before the discussion of contextual factors. This recognizes that the interactions are closer to the audit engagement level and have a direct link with outputs.

- Moving the discussion of stakeholder perspectives to an appendix to the consultation draft, as these are not part of the Framework as such. The Task Force thinks the appendix will assist in obtaining views on the consultation draft but would likely not be part of the final Framework.

- Softening references to contextual factors directly influencing AQ.

- Adding material in Section 1.3 to more clearly bring out the distinction between AQ and a high quality audit.

Matters for IAASB Consideration

1. Does the IAASB support the action taken to address the perception that the CAG Draft did not focus sufficiently on factors that auditors can control? Is the draft Framework successful in illustrating the contribution that other stakeholders can make to improving AQ without appearing to dilute the responsibilities of auditors themselves?

B. Introduction

11. Given input received both from a number of groups that commented on the CAG Draft, the Task Force concluded that the CAG Draft did not sufficiently explain the complexities associated with AQ. At the December 2011 IAASB meeting, the Task Force had therefore proposed adding material to the introduction to the AQ Framework paper to describe some of the characteristics of audit that make evaluating AQ difficult. While IAASB members agreed that there would be value in material of this nature, some expressed concern that the proposed material may appear defensive.

12. In response, the Task Force has revised the material in the introduction to be more neutral in tone.

Matters for IAASB Consideration

2. Is the IAASB comfortable with the revised Introduction to the Framework? Are there other characteristics to an audit that can usefully be described?

C. Areas to Explore Where Actions Could be Taken to Enhance Audit Quality

13. In developing the Framework, the Task Force has identified a number of areas to explore where potential action by auditors and other stakeholders may benefit overall audit quality. Although these areas are not part of the Framework, the Task Force has highlighted them at various points in the

Framework and listed them in the Chairman's Foreword with a view to stimulating international debate about whether action would be appropriate.

14. The consultation draft does not include any areas for exploration in relation to audit regulators. However, some members of the Task Force believe that audit regulators could do more to promote AQ through, for example:

- Sharing with stakeholders a balanced view on AQ, including the strengths that have been identified;

- Sharing with audit committees key findings from inspections to assist in enhancing the effectiveness of audit committees' interactions with auditors;

- Helping the profession understand how best to address weaknesses identified and communicating views on effective audit practices, including the need for greater consistency in such practices amongst firms;

- Helping audit firms, particularly smaller practices, understand and implement auditing standards; and

- Analyzing the effectiveness of auditing standards in the light of the findings from audit inspections.

15. The Task Force recognizes that some national audit regulators have been able to make progress in some of these areas and hopes that these and other good practices can be applied with greater consistency internationally.

16. The Task Force also believes that there is likely to be value in greater international coordination of those aspects of audit regulation dealing with disciplinary matters (see paragraphs 138-139 of the draft Framework).

17. The Task Force invites the IAASB's views on these matters and hopes that these topics will be further discussed with the International Forum of Independent Audit Regulators (IFIAR) at its annual meeting in October 2012.

Matters for IAASB Consideration

3. Are the areas for exploration that have been identified an appropriate output from this project? Is the IAASB comfortable with those identified by the Task Force? Are there others? In particular:

- How might the IAASB work with audit regulators to explore how best to promote AQ?

- Might it be useful to explore the benefits of international co-ordination of action in the area of enforcement and disciplinary action?

D.   Contextual Factors

18. The Contextual Factors section of the Framework has been one of the most challenging for the Task Force. These factors impact the quality of financial reporting and corporate governance as well as, indirectly, audit quality. The material in the draft Framework has been prepared drawing upon the experience of the Task Force members as well as from a number of papers but this topic does not seem to have been fully explored before.

19. In response to input received during the outreach phase, the Task Force had proposed at the December 2011 IAASB meeting that the AQ Framework paper elaborate on the impact on audit quality of the requirements of the applicable financial reporting framework from an "auditability/verifiability" perspective. The IAASB broadly supported the Task Force's proposal but asked that the Task Force aim for a more concise discussion of the issues. In response, the Task Force has further refined the material within the Contextual Factors section.

Matters for IAASB Consideration

4. Does the IAASB have any suggestions as to how the Contextual Factors section of the draft Framework can be further improved? Does the IAASB agree with the revised material addressing the impact of the applicable financial reporting framework from an auditability perspective?

E.   Completeness

20. The Task Force has endeavored to develop as comprehensive a Framework as possible, recognizing the need to adequately capture its holistic nature. The Task Force believes that the input it has received from various stakeholders during the outreach phase has been very helpful in this regard. Nevertheless, the Task Force acknowledges that further discussion with the Board and consultation with stakeholders may help further improve the Framework.

Matter for IAASB Consideration

5. Are there other attributes or other aspects of AQ not in the draft Framework that should be included?

F.   Summarization and Packaging

21. The Framework draft is relatively lengthy at 55 pages (excluding appendices). The IAASB has already discussed the need for the Framework to be more concise and made usable by different stakeholder groups. The importance of this has been reinforced by a number of commentators during the outreach phase.

22. The Task Force has debated this topic and has three suggestions that could be applied individually or in combination:

- The Framework has been summarized in section 2.

- Checklists have been developed for two possible user groups – audit firms (Appendix 2) and audit committees (Appendix 3). The checklists illustrate how relevant attributes in the Framework can be used to help those stakeholders explore whether they need to do more to assist audit quality. Other checklists could be developed, for example, at the national level.

- Developing abridged versions for individual user groups. Doing so could help its flexibility and practical application, and communicate its broad appeal to a varied audience. If there was support for this approach, separate papers drawing from the IAASB Framework could be developed for different stakeholders, either by IAASB or probably better by other international groups themselves, possibly in collaboration with the IAASB. **Agenda Item 4-C** provides an illustration of how this can be achieved for audit committees.

23. Different views exist in the Task Force about the idea of abridged versions for different stakeholders. While some see benefit in the IAASB actively working with different stakeholders, others are concerned about the maintenance challenge this might cause. Also while shorter versions could contain material of more direct relevance to the stakeholder groups at which they are aimed, there is a danger that they might not retain sufficient context to convey the IAASB's views about the holistic nature of AQ and its complexity.

Matters for IAASB Consideration

6. What are the IAASB's reactions to the Task Force's ideas on how best to package the Framework so that it is of practical benefit to, and has maximum impact for, stakeholders? Are there other suggestions?

G. Status and Placement of the Framework

24. The Task Force believes that the Framework should be:

- Non-prescriptive in nature;

- Given sufficient profile to ensure that it is considered, and used, by a range of stakeholders; and

- Readily accessible to auditors and other stakeholders.

In view of this, the Task Force has asked staff to consider how it might be classified as an IAASB publication.

25. The Board's *Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* (Preface) indicates that, in addition to the authoritative pronouncements (i.e., the International Standards), the Board may publish non-authoritative material. The Preface makes clear that non-authoritative material is not part of the International Standards.

26. Given that the Framework is not intended to, and does not, impose new obligations on auditors or audit firms, it is non-authoritative. The questions that then arise are:

(a) What type of document should the Board call the Framework?

(b) Where should it reside?

Type of Document

27. The Board has published a number of different non-authoritative documents in the past, including:

- The Preface

- *International Framework for Assurance Engagements* (Assurance Framework)

- *International Auditing Practice Note (IAPN) 1000*[4]

- Discussion papers and related feedback statements

- Staff publications

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[4]   IAPN 1000, *Special Considerations in Auditing Financial Instruments*

- Surveys

- Comment letters

- Board communications such as project updates and reports

- The policy position *Modifications to International Standards of the IAASB: A Guide to National Standard Setters that Adopt IAASB's International Standards but Find it Necessary to Make Limited Modifications* (Modifications Policy)

- The January 2011 thought piece, *Audit Quality: An IAASB Perspective*

From these, two possibilities would appear to be a policy position and a thought piece. A third possibility would be to introduce a new category such as a "guide."

Policy Position

28.   Unlike the Modifications Policy, which sets out guiding principles for national standard setters to assert compliance with the IAASB's standards when adopting them, the Framework is not anchored to the Board's standards nor is it aimed at specifying parameters by which a matter of compliance can or should be measured.

29.   A related type of policy position in the IFAC family is that which IFAC itself issues from time to time in the form of a Policy Position Paper, for example, IFAC's recent papers *A Definition of the Public Interest* and *A Single Set of Auditing Standards: Audits of Small- and Medium-Sized Entities*. IFAC describes its Policy Position Papers as "dynamic" documents that it issues and that are subject to review and revisions as thinking on topics evolves, as circumstances change, and as feedback is received. A view could be that the Framework would fit into this mold by virtue of setting out the Board's position on what it believes are the critical matters that drive AQ, and by the fact that the Framework is dynamic and subject to revision as AQ evolves. Another view, however, could be that although the Framework as a policy position would provide a platform for the Board to engage with stakeholders and communicate on matters pertaining to AQ, it is not designed, nor is it intended, to be a set of benchmarks by which the Board would guide and measure its own standard setting actions and by which others would guide and measure their own actions.

Thought Piece

30.   The Board's January 2011 paper on AQ was considered a "thought piece" although the document was not formally described as such.[5] The term "thought piece" may appear to be rather insubstantial and transitory for a project that has, in fact, taken up a sizable amount to the IAASB's time and been the subject of considerable consultation and dialogue with stakeholders. These difficulties may not be so acute if the document were to be called "a perspective" and replaced the January 2011 paper. The term "thought piece" may also imply more innovation than is justified as the Framework is more explanatory than exploratory in nature.

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[5]   It stated "This publication introduces a specific initiative of the IAASB to evaluate how it can best contribute to the debate on audit quality. It highlights several important perspectives on audit quality, as a means to stimulate thoughts and discussions amongst stakeholders in the financial reporting process. It also provides an indication of substantive work that the IAASB plans to undertake in the near future on the topic of audit quality."

Guide

31. The Framework is intended to crystallize thinking about those matters which stakeholders should understand have a bearing on AQ and how their actions, or lack thereof, can impact directly on AQ and on others' perceptions of it. The Framework is designed not as a rigid set of policies or positions but as a collection of ideas that circumscribe the topic of AQ and which stakeholders will find *helpful* when thinking about the topic and actions they may take to enhance AQ.

32. Staff therefore believes another option could be to refer to the Framework as a *guide*. Indeed, while a large part of its content will be familiar to, and resonate with, many stakeholders, it has the chief benefit of pulling together relevant thinking on the topic that will assist all stakeholders in better understanding the complexities of the topic and what factors or attributes play a role in influencing it.

33. Treating the Framework as a guide would have the benefit of allowing the Board flexibility in how it may use the Framework for its work and how it may encourage others such as policy makers, regulators, investors, national standard setters, auditors and firms, and academics to use it. This would be consistent with one of the primary objectives of the project which is to develop a framework that would be used by a wide variety of stakeholders to better understand AQ and to seek to enhance it.

34. The Task Force took note of staff's analysis above regarding options for the type of document into which the Framework might fit but did not conclude on the matter pending further discussion with the Board at the September 2012 meeting.

Where Should the Framework Reside?

35. The Framework would be made accessible on the IAASB website as a standalone public document. There is also a question of whether it should be included in the *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* (Handbook).

36. There are a number of pros and cons to incorporating the Framework into the Handbook. The pros include the following:

- It would have a greater profile and attract greater visibility. In particular:
  o Auditors and audit firms would more likely pay attention to it.
  o National standard setters would more likely translate it and disseminate it in their jurisdictions.
  o Students would more likely study it.
- There may be a greater incentive for the Board to seek to continually improve it.
- Its existence would less likely be forgotten with the passage of time.

37. Equally, there are a number of cons:

- Some may question whether the AQ Framework is another layer of principles or requirements with which auditors and audit firms have to comply.
- Juxtaposing the AQ Framework with the Assurance Framework in the Handbook could create some confusion as to the status of the AQ Framework and its relationship to the Assurance

Framework and the Board's standards. The Task Force considered whether calling the Framework by another term might circumvent this potential difficulty but did not identify better terminology.

- The intended audience of the Framework might be seen as being broader than that for the Handbook.

38. Some TF members were not convinced that incorporating the Framework into the Handbook would create uncertainty as to its status, provided the appropriate caveats were provided (e.g., although approved by the Board, it is a non-authoritative document, it does not establish new requirements for auditors and firms, following it is not a substitute for complying with the ISAs, etc). There was also a view within the Task Force that not incorporating the Framework into the Handbook would do a disservice to the Board's work on the topic, given the substantial investment of the Board's efforts, time and resources into the project.

39. The Task Force took note of the above pros and cons regarding placement of the Framework in the Handbook but also did not conclude on the matter pending further discussion with the Board at the September 2012 meeting.

Matter for IAASB Consideration

7. The Task Force believes it is important for the Board to agree on the matters of status and placement of the Framework prior to issuing the consultation paper to avoid respondents raising questions because of uncertainty about such matters. What are the Board's views regarding these matters?

APPENDIX

Main Comments Received from Stakeholders During the Outreach Phase

Purpose / Value / Structure

#	Main Comments	Source	Proposed Action(s)
1.	Gives impression that auditors are not primarily responsible for AQ. Need to make clear that a high quality audit can be performed in adverse circumstances – it's a matter of efficiency. "Focus on what auditors can control."	CAG, IOSCO	Restructured the Framework to: • Include an "audit engagement level." • Start with the inputs section i.e., those matters that the auditors can influence the most.
2.	Uncertainty about whether the AQ Framework paper (and hence the schematic) is the best way of describing AQ. Suggestions: • Delink AQ from financial reporting quality. • Have 3 levels (audit engagement, firm, country). Possible to show AQ as an umbrella with profession, academia, firms and audit teams as the spokes.	Academics INTOSAI	• Restructured the Framework to split inputs among engagement, firm and national levels. Outputs focused on engagement level. Interactions and context not split. • Focused Contextual Factors on broader financial reporting issues. Moved material on audit inspection to inputs.
3.	Why isn't there a definition of AQ? IASB define the characteristics in their Statement of Principles – can a similar approach be followed?	WB, IOSCO	Description of AQ and contrast with quality of an audit engagement added in section 1.3.
4.	Give more emphasis to audit effectiveness (as opposed to audit efficiency).	CAG	• Effectiveness emphasized throughout. However, some links to efficiency needed if we are to keep the Framework "holistic." • Specific references to efficiency considerations, e.g., in paragraph 113, not considered excessive. • Links between interactions and context softened.

#	Main Comments	Source	Proposed Action(s)
5.	Paper rather conceptual – need to add appendices demonstrating how the Framework can be applied in practice.	Canadian stakeholders	See Appendices 2 and 3 in the Consultation Draft – Version 1.
	Suggestion to reorganize Threats and Safeguards as "key issues" for each of the main stakeholders.	Academics	
	Begs the question "so what?" Need for the paper to trigger stakeholder actions.	INTOSAI	
6.	Need to emphasize the importance of the linkages between the AQ elements. Without this there is a danger that too much emphasis will be placed on the context.	Canadian stakeholders	Links described in AQ Framework section of the Introduction.
7.	Length of paper / packaging – will it make a difference?	CAG, ICGN, UK academics	See Issue E.

Additional Elements to AQ Framework

#	Main Comments	Source	Proposed Action(s)
1.	Need to encourage the profession to be more receptive to self-examination/value of research in continuous improvement.	Academics	Added area for potential action in Chairman's Foreword.
2.	Whether more is needed on the auditability of GAAP.	Academics	Section in context expanded. Discussed with IAASB in December 2011.
3.	Add more on role of internal auditors.	CAG	Already in inputs (paragraph 112).
	Not sure internal audit contribute much to AQ – remit usually different.	WB	New paragraph 217 added to Context – corporate governance, plus question in Appendix 3 on interaction between internal and external audit.
4.	Add more on role of experts.	CAG, Canadian	Material added to Inputs – Knowledge and Experience –

#	Main Comments	Source	Proposed Action(s)
		stakeholders, IESBA	engagement level (paragraph 80).
5.	More emphasis needed on professional judgment and skepticism? Professional judgment is the "elephant in the room."	CAG, SMP Committee	• References in "Nature of an Audit" section of the Introduction (paragraph 4). • Material in paragraphs 37-39 expanded.
6.	Culture within a firm critical • No good just having technical resources – culture must be that they are used. • Need to deal with remuneration of partners. Needs to reflect AQ not marketing. • Is it realistic that economic goals should not jeopardize AQ?	IOSCO	Revised material on inputs to give this appropriate emphasis. • Emphasis on importance of consultation • Partner remuneration referred to in paragraph 52. • Bullet points in paragraph 55 to flag financial considerations.
7.	Vocal investors can drive AQ.	IOSCO	Addressed via interactions with users.
8.	How thoroughly do the firms and the profession explore failures and act to remedy systemic failures? Other professions more rigorous, e.g., doctors, air traffic controllers.	FOF	See item 1 immediately above.
9.	Should audit staff have broader business experience?	FOF	Additional material on general business knowledge included in paragraphs 73-74.
10.	Need a better explanation of how auditing standards contribute to AQ.	Canadian stakeholders	• Added material in introduction (paragraph 3). • Strong linkage with Audit Process attributes (at all levels).

Insights into the Nature of AQ

#	Main Comments	Source	Proposed Action(s)
1.	Can the same high quality audit be undertaken irrespective of the context? Is AQ a relative or an absolute concept?	FOF	Interactions between inputs, outputs, interactions and context described in introduction.
2.	Further, regulators seem to be expecting "zero failure" − this also seems to be the position with litigation. Is this reasonable?	FOF	No action taken. More of an issue for audit regulators.
3.	Audit has been "industrialized" in recent years. This has probably been beneficial, but has it reached a "tipping point?"	FOF	Material in revised draft reconsidered to ensure appropriate emphasis on the "thinking" audit and the need for senior engagement team members to be active on the field.
4.	Are senior management sufficiently engaged in the audit? Would changes in audit reports encourage greater involvement?	FOF	Importance of auditor-management interaction emphasized. Changes in audit reports may encourage greater management involvement – to be considered under IAASB's Auditor Reporting project.
5.	Audits rejected by one firm's client acceptance systems are accepted by another's. Is there sufficient communication of information within the profession? Would AQ or perceptions of AQ be better if some entities were unable to obtain an auditor?	FOF, IOSCO	Paragraph 69 on information sharing + possible area to explore in Chairman's Introduction.
6.	Needs fuller discussion of the link between AQ and audit fees. More emphasis on tension that exists between management wanting to minimize cost and investors wanting AQ. Fees may warrant greater coverage.	SMPC ICGN IESBA	Added material in paragraphs 15, 83, 176 and 215.
7.	Is competition reducing audit fees to the	FOF	Relationship between AQ and fees discussed in the

#	Main Comments	Source	Proposed Action(s)
	detriment of AQ?		Framework – see paragraphs 83 and 215.
8.	If a fuller disclosure of work done was given in audit reports, would this transparency lead to better differentiation amongst firms, greater competition over AQ, and in turn higher audit fees?	FOF	Added material in paragraph 148.
9.	Better not to use the term culture as many other factors such as business practices. May be other useful information in paper by Nobes and Parker.	UK academics	• Term "Broader cultural Factors" used • Reference to academic studies on the impact of culture on accounting and auditing activities noted in paragraph 224.

Others

#	Main Comments	Source	Proposed Action(s)
1.	Need to deal with role of audit committee in appointing auditors.	Canadian stakeholders	Added material in paragraph 215.
2.	Need to consider how best to present independence – more than just independence from management.	IESBA	Reorganized Input factors to better reflect Ethical Fundamental Principles.
3.	Debate benefits of two tier boards vs. unitary board structure?	CAG	Not the role of this paper.
4.	Make clear that the role of audit is to minimize the likelihood that there are misstatements in the financial statements. Clarify what an audit failure is.	CAG	Addressed by general changes to structure and wording in Introduction.
5.	Danger of mixing AQ and audit risk.	CAG	The Framework distinguishes between AQ and the quality of an audit.
6.	Need to allow for 3 categories of regulators.	CAG	See paragraph 180.
7.	Need to address rotation.	CAG, WB	Long association threat in paragraph 47.

#	Main Comments	Source	Proposed Action(s)
8.	A major problem exists in smaller countries with certifying / licensing audit firms and dealing with complaints.	WB	Material added – paragraph 97.
9.	Helpful to emphasize the role of audit committees in directing internal audit and overseeing external audit. They bring things together.	WB	Paragraph 217 and Question in Appendix 3 on interaction between internal and external audit.
10.	Is there a need to define SMP / SME?	WB	The Framework will be a thought piece and will not impose requirements, hence definition not needed.
11.	Needs more emphasis on global reach of the Big Four.	Academics	Section 7 on group audits has some related material.
12.	More information needed on how survey of Stakeholder Perspectives was conducted, i.e., process followed.	UK academics	Appendix 1, paragraphs 4, 5 and 6.