



International Federation of Accountants

IAASB eNews

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1. IAASB Meetings

The most recent IAASB meeting was held on December 6-10, 2010 in Orlando, Florida. In addition to the projects discussed in this eNews, the IAASB deliberated issues relating to the following projects:

- Revision of International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Statements*
- Auditor reporting

The IAASB will meet in Paris, France, on March 14-18, 2011. All IAASB meeting agenda materials are publicly available and posted on the IAASB's website in advance of meetings. In addition, audio recordings are posted after the meetings. Visit www.iaasb.org/Meetings.php.

2. IAASB Invites Comment on Its Future Strategy and Work Program

The IAASB has released for comment its [Proposed Strategy and Work Program for 2012-2014](#). The IAASB is proposing to remain focused on three strategic areas:

- Developing and revising standards and pronouncements;
- Monitoring and facilitating adoption of those standards; and
- Responding to implementation concerns and improving the consistency of the standards' practical application.

The IAASB invites all stakeholders to comment on its proposed strategy and possible actions to implement the proposed strategy. Comments on the Consultation Paper are requested by **April 4, 2011**.

3. Of Special Interest to SMPs - Open for Comment - Exposure Drafts of International Standards on Review and Compilation Engagements; SMP Quick Poll

The IAASB has released for public exposure proposed ISRE 2400 (Revised), [Engagements to Review Historical Financial Statements](#). This revised standard is the second IAASB proposal that addresses the growing international need for robust standards for services that can be used by entities that are either not required or do not elect to be audited to meet their business reporting needs. Comments on the Exposure Draft of ISRE 2400 (Revised) are requested by **May 20, 2011**.

In October, the IAASB released for public exposure proposed ISRS 4410 (Revised), [Compilation Engagements](#). Through a compilation engagement, practitioners can provide significant benefit by applying their expertise in accounting and financial reporting. This expertise is applied to assist the management of an entity in preparing and presenting historical financial information for use by the entity's internal or external stakeholders. Comments on the Exposure Draft of ISRS 4410 (Revised) are requested by **March 31, 2011**.

SMP Quick Poll

Are you a practitioner in a small- or medium-sized practice? Take the SMP Committee's short survey! The survey should take only 3-5 minutes to complete, and the results will be highlighted in the next SMP eNews. Join the dialogue on current challenges and issues faced by SMPs by taking the survey now: [SMP Quick Poll](#) The survey will close on Monday, February 7, 2011.

To learn more about the SMP Committee's activities to support SMPs, see the recently issued [SMP eNews](#).

4. Open for Comment - Exposure Draft of International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*

In response to a strong and growing need for mechanisms to enhance the reliability of the underlying information used in carbon trading transactions, the IAASB has released for comment a new International Standard on Assurance Engagements (ISAE) 3410, [Assurance Engagements on Greenhouse Gas Statements](#). The proposed standard addresses the practitioner's responsibilities in identifying, assessing, and responding to risks of material misstatement, and

contains illustrative assurance reports on greenhouse gas statements. The proposed requirements and guidance also recognize that most engagements will be undertaken by a multidisciplinary team, so they address the need for the assurance practitioner to integrate experts--in engineering or environmental science, for example--into various stages of the engagement. Comments on the Exposure Draft are requested by **June 10, 2011**.

5. Open for Comment - Discussion Paper, *The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications*

In order to better understand different viewpoints on a range of issues about financial statement disclosure practices, as well as the implications from an auditing perspective, the IAASB has released for public comment a discussion paper titled [The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications](#). The paper highlights recent trends in the range, volume, and complexity of financial statement disclosures, and explores practical challenges in preparing, auditing, and using them. It also addresses critical issues, such as the nature and extent of evidence for different types of disclosures, and the application of the concept of materiality to disclosures. Views from all stakeholders are sought, and the discussion paper asks specific questions of preparers; investors, lenders, and other creditors; regulators; and auditors. Comments on the discussion paper are requested by **June 1, 2011**.

6. IAASB Issues Audit Quality Publication to Stimulate Debate

In its continuing efforts to facilitate robust audits in the public interest and to stimulate further debate on audit quality, the IAASB has released a publication titled [Audit Quality: An IAASB Perspective](#). The paper highlights several important perspectives on audit quality, as a means to stimulate thoughts and discussions among stakeholders in the financial reporting process. It also provides an indication of the IAASB's plans to consider pursuing a future project on audit quality. Perspectives on audit quality and views on key audit quality issues are welcomed by the IAASB at any time. They may be submitted in writing to one or more of the key IAASB contacts identified in the publication.

7. IAASB Responds to European Commission (EC) Green Paper on Auditing

The IAASB has [provided comments](#) on matters raised in the European Commission's [Green Paper](#) on auditing that are directly within the remit of the IAASB. The IAASB will follow the progress of the EC's Green Paper consultation with interest, in particular as the IAASB works to develop its 2012-2014 strategy and work program.

8. IAASB Welcomes INCOSAI's Declaration on International Standards of Supreme Audit Institutions

In December, the IAASB welcomed the issuance of the South African Declaration on International Standards of Supreme Audit Institutions (ISSAIs) (the Declaration), resulting from the 20th INCOSAI, the triennial Congress of the International Organization of Supreme Audit Institutions (INTOSAI). The Declaration represents INTOSAI's endorsement of a framework

comprised of a comprehensive set of ISSAIs and INTOSAI guidance on good governance (INTOSAI GOVs). The ISSAIs and INTOSAI GOVs provide guidance to public sector auditors responsible for financial audit, performance audit, and compliance audit, and also address transparency and accountability, quality control, peer review, and internal audit. The Declaration also calls upon INTOSAI members to use the ISSAI framework as a common frame of reference for public sector auditing by implementing the ISSAIs in accordance with their mandate and national legislation and regulations.

The ISSAIs for financial audits include the clarified International Standards on Auditing (ISAs), as issued by the IAASB, along with supplemental guidance referred to as Practice Notes for each of the 36 clarified ISAs, as developed by INTOSAI's Financial Audit Subcommittee of the Professional Standards Committee (PSC). The IAASB has observer status at INTOSAI's PSC meetings and assisted in the development of the Practice Notes.

9. Chinese Auditing Standards Board and IAASB Issue Joint Statement Regarding Convergence of International Standards

In November, the Chinese Auditing Standards Board (CASB) and the IAASB met to discuss convergence of international standards. In accordance with the principle of continuous and comprehensive convergence, the CASB has completed the revision of Chinese Standards of Audit (CSAs), and achieved full convergence with the clarified ISAs. The revised CSAs were officially released in early November 2010, and are effective for audits of financial statements for periods beginning on or after January 1, 2011. During the process of international convergence, the CASB made limited additions it considered necessary and maintained some standards dealing with matters that are not specially covered in ISAs to reflect China's unique circumstances and business requirements, such as standards for the verification of capital contributions and communication between predecessor and successor auditors. The IAASB recognizes that such additional requirements may be necessary and are acceptable where they do not conflict with the ISAs.

10. New Members Appointed to the IAASB

The Public Interest Oversight Board (PIOB) has confirmed a number of new and reappointed members of the IAASB, effective January 1, 2011. The new members of the IAASB are:

- Jean Blascos (France), a practitioner in a transnational firm;
- Jianshen Chen (China), a practitioner in a large national firm; and,
- Merran Kelsall (Australia), a non-practitioner and chair of a national auditing standard setter.

The following members were reappointed for an additional term:

- John Archambault (United States), a practitioner in a transnational firm;
- Jon Grant (United Kingdom), a non-practitioner and staff member of a national audit regulator; and,
- Caithlin McCabe (Australia), a practitioner in a transnational firm.

In addition, Diana Hillier was reappointed as deputy chair of the IAASB.

These six new and re-appointed members will work alongside the chairman, Prof. Arnold Schilder, the deputy chair, and the other 10 board members in setting high-quality auditing and assurance standards. These appointments maintain the balance of nine practitioners and nine non-practitioners on the board, and enhance the diversity of the board in terms of gender, regional, and professional balance.

11. IAASB Seeks Technical Managers; Other IFAC Positions Also Available

The IAASB is currently seeking technical managers to support its standard-setting, outreach, and liaison activities. Among other responsibilities, technical managers:

- Plan, coordinate, and support IAASB project task forces, including preparation of meeting agenda papers for relevant projects;
- Conduct project research, including liaison with national and international standard setters, and IFAC member bodies around the world; and
- Draft standards and guidance (exposure drafts and final versions) in consultation with the IAASB and relevant task forces, and oversee their publication and release.

The International Ethics Standards Board for Accountants (IESBA) is also seeking to fill a technical manager position, and other positions are currently open within IFAC. For more information on the technical manager positions, as well as other open positions at IFAC, please visit www.ifac.org/JobsAtIFAC/.

12. Other Relevant IFAC Initiatives

Initiatives of other IFAC committees and independent standard-setting boards supported by IFAC may be of interest to those who follow the work of the IAASB, including the following:

- [IFAC Posts 2012 Call for Nominations for Boards and Committees](#)
 - [International Accounting Education Standards Board Proposes Clarified Standard on Continuing Professional Development](#)
 - [IFAC Addresses the Concept of the Public Interest](#)
 - [IFAC Small and Medium Practices Committee Releases Second Editions of the *Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities* and the *Guide to Quality Control for Small- and Medium-Sized Practices*](#)
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13. Share IAASB eNews with Your Colleagues

The IAASB issues regular eNews updates to keep you apprised of the board's activities and recent publications. Please forward this eNews to any interested colleagues and let them know they can subscribe to this and other eNews bulletins at www.ifac.org/e-news.

The IAASB invites all stakeholders to comment on its proposals. To access the exposure drafts, consultation papers, and discussion papers discussed in this eNews or submit a comment, visit www.iaasb.org/ExposureDrafts.php. For more information about any of the items mentioned above or other information about IFAC, please contact communications@ifac.org.

About the IAASB

The IAASB (www.iaasb.org) develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the IOB, which oversees the activities of the IAASB, and the IAASB CAG, which provides public interest input into the development of the standards and guidance. The structures and processes that support the operations of the IAASB are facilitated by IFAC.

About IFAC

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 164 members and associates in 125 countries and jurisdictions, representing approximately 2.5 million accountants in public practice, education, government service, industry, and commerce. Through its standard-setting boards, IFAC sets international ethics, auditing and assurance, education, and public sector accounting standards. It also issues guidance to encourage high-quality performance by professional accountants in business.