



International Federation of Accountants

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Agenda Item

9

Committee: IAASB
Meeting Location: Lima
Meeting Date: March 7-11, 2005

IAASB 2005-2006 Action Plan

Objectives of Agenda Item

1. To approve the draft IAASB 2005-2006 Action Plan.

Last IAASB Discussion – Project Priorities

2. At its December 2004 meeting, the IAASB discussed possible project priorities for 2005-2006 in addition to those projects presently on the IAASB work plan. The following summarizes the preliminary views expressed by the IAASB:

High Priority

- Revision of ISA 620, *Using the Work of an Expert*
- Revision of ISA 402, *Audit Considerations Relating to Entities Using Service Organizations* (with possible expansion of the scope of the project to include development of standards and guidance on the responsibilities, work and report of the auditor of the service organization (service auditor))

High priority, but with some concern regarding scope or output

- Revision of ISA 505, *External Confirmations*
- Reporting on Internal Control
- Reasonable Assurance

Priority assurance projects, but with mixed views on relative priority

- Reporting on Sustainability Reports
- Reporting on Prospective Financial Information
- Auditor Involvement with Prospectuses, including Pro-forma Financial Information and Comfort Letters

3. Except for the project to revise ISA 620, which was approved by the IAASB in December, the above topics have been included in the draft IAASB 2005-2006 Action Plan as “topics for consideration as possible projects.”

4. The IAASB acknowledged that the overall project plan of the IAASB for 2005-2006 is subject to the effect of the implementation strategy to be adopted in relation to the Clarity project, and by the IAASB's need to consider other activities such as addressing convergence and the needs of small- and medium-sized practices. Further, it was noted that the IAASB's priorities may change in response to circumstances, and that commencement of work on any new project is subject to IAASB approval of a formal project proposal.

Activities Since Last IAASB Discussion

5. Members of the IAASB CAG were asked to submit to staff any additional comments that they may have on the proposed project priorities put forward to the IAASB in December. In February 2005, national auditing standard setters were asked to comment on the proposed project priorities of the IAASB.
6. The IAASB will be briefed on the input received, if any, from CAG members and national auditing standard setters as appropriate during the meeting.

Material Presented

Agenda Item 9-A Draft IAASB 2005-2006 Action Plan
(pages 261 to 270)

Actions Requested

The IAASB is asked to approve the draft IAASB 2005-2006 Action Plan.