

**Meeting:** IAASB  
**Meeting Location:** Toronto  
**Meeting Date:** March 12-16, 2012

## Agenda Item

# 6

### Due Process

#### Objective of Agenda Item

1. To advise the IAASB of the status of due process for the following documents scheduled for approval at the March 2012 IAASB meeting:
  - Proposed International Standard on Assurance Engagements (ISAE) 3410.<sup>1</sup>
  - Proposed *IAASB Strategy and Work Program, 2012-2014*.

#### Background

2. The IAASB Technical Director is responsible for advising the IAASB as to whether due process has been followed effectively and with proper regard for the public interest before a final Standard is approved for issue. The same provisions apply for the approval of the IAASB's strategy and work program.
3. The following outlines the Technical Director's conclusion and basis thereof with respect to actions up to the March 2012 IAASB meeting for the above documents. Before final approval of the documents, the IAASB Technical Director will advise on whether due process has been followed during the course of the March 2012 meeting.

#### Due Process Up to the Date of the March 2012 IAASB Meeting

4. The Technical Director confirms to the IAASB that, up to the March 2012 IAASB meeting, the above documents have been developed in accordance with the IAASB's due process.
5. Appendices I and II to this Agenda Item respectively summarize the due process steps for each of these documents up to the March 2012 IAASB meeting.

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<sup>1</sup> Proposed ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

## Appendix I

### Proposed ISAE 3410

1. For proposed ISAE 3410, the IAASB:

- Approved the project proposal for the commencement of work on a new assurance standard.
- Formed a Project Advisory Panel to advise it on the project, and held four roundtables in Oceania (Sydney and Melbourne), North America (Toronto), and Europe (Brussels) to solicit views on scope and other issues relating to the project.
- Issued a consultation paper to solicit further input on matters under consideration.
- Approved and issued an exposure draft of the proposed ISAE for public comment, together with an explanatory memorandum highlighting, amongst other matters, the significant proposals of the IAASB.
- Considered an analysis of the significant issues raised by respondents on the exposure draft, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters, the IAASB members:
  - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Project Task Force, that they considered should be discussed; and
  - Amended the proposed ISAE accordingly.
- Consulted with the IAASB Consultative Advisory Group (IAASB CAG) during the development of the proposed ISAE. In particular, the IAASB CAG was consulted on:
  - The proposal to start the project;
  - Significant issues relating to the development of the exposure draft for the ISAE; and
  - Significant issues raised in comment letters on the exposure draft of the proposed ISAE and the IAASB's related responses.

Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Project Task Force has reported back to the IAASB CAG the results of the IAASB's deliberations.

### Proposed IAASB Strategy and Work Program, 2012-2014

1. IFAC's Standard-Setting Public Interest Activity Committees' (PIAC) [Due Process and Working Procedures](#) outlines what is required of the IAASB when setting its strategy and work program. Given that this project does not involve the revision or development of a Standard, a formal project proposal was not developed.
2. In summary, for the proposed IAASB Strategy and Work Program, 2012-2014, the IAASB:
  - Approved and issued a survey questionnaire for public comment.
  - Approved and issued a consultation paper for public comment, highlighting, amongst other matters, the significant proposals of the IAASB.
  - Considered an analysis of the significant issues raised by respondents on the consultation paper, including the prioritization of projects identified in the consultation paper and respondents' suggestions for new projects.
  - Having familiarized themselves with the issues raised in comment letters, the IAASB members:
    - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the IAASB Steering Committee, that they considered should be discussed; and
    - Amended the proposed Strategy and Work Program accordingly.
  - Consulted with the IAASB CAG during the development of the proposals. In particular, the IAASB CAG was consulted on:
    - The proposed survey questionnaire and plans for consultation;
    - Significant issues relating to the development of the proposals included in the consultation paper; and
    - Significant issues raised in comment letters on the consultation paper and the IAASB's related response, including the proposed projects to be included in the work program.
  - Considered the prioritization of current and new projects and initiatives in light of the IAASB's decision to accelerate work on its Auditor Reporting project.