



Meeting: IAASB
Meeting Location: Toronto, Canada
Meeting Date: March 12–16, 2012

Agenda Item **5**

IAASB Draft IAASB Strategy and Work Program, 2012-2014

Objective of Agenda Item

1. To consider and approve a revised draft of the *IAASB Strategy and Work Program, 2012-2014* (Strategy and Work Program).

Task Force

2. The Task Force comprises members of the IAASB Steering Committee:
 - Prof. Arnold Schilder, Chairman
 - Jean Blascos
 - Jon Grant
 - Caithlin Mc Cabe
 - Dan Montgomery
 - Tomo Sekiguchi
 - Observer: Linda de Beer, IAASB Consultative Advisory Group (CAG) Chair
 - Ex-officio: Jim Sylph, IFAC Executive Director, Professional Standards; and James Gunn, IAASB Technical Director

Activities since Last IAASB Discussions

3. The Steering Committee met physically in December 2011 and by teleconference in February 2012 to consider the comments received from the IAASB at its December 2011 meeting and a revised draft of the Strategy and Work Program.

Matters for IAASB Consideration

Impact of Auditor Reporting Project

4. At its December 2011 meeting, the IAASB approved the commencement of a project on Auditor Reporting on a priority basis. In doing so, the IAASB agreed that Auditor Reporting is – and has to

be seen to be – IAASB’s no. 1 priority, in the public interest.¹ In discussing a further revised Strategy and Work Program at that meeting, notwithstanding the Board’s clear support for the various projects identified therein, the IAASB agreed to finalize the document once the timing of the various items on the future work program were reviewed in light of plans for the Auditor Reporting project.

5. The extent of resources throughout the period 2012-2014 to achieve completion of the Auditor Reporting project, including revisions to the related ISAs, is significant, and all necessary Board and staff resources need to be made available for this project. In considering the effect of the prioritization of the Auditor Reporting project, the need for, and timing of, all current and proposed new projects has been reviewed. This has been reflected in the revised draft Strategy and Work Program, included as **Agenda Item 5-A**. The main changes to the Work Program are as follows:
- Deferral of substantive Task Force and staff work and Board discussions on all current projects through Q3 2013, with the exception of ISAE 3410² and ISRE 2400³ (which are nearing completion);
 - Deferral of commencement dates of new projects for at least two quarters (for example, the formation of the INFO Working Group and the revision of ISRS 4400⁴); and
 - Reassessment of overall capacity, resulting in the removal of “New Project 5”⁵ from the proposed work program and changes to relevant deliverables of other projects.

Consideration by IAASB of Significant Matters Identified by Steering Committee

6. In the Steering Committee’s view, the significant matters the Steering Committee has identified as a result of its deliberations since it started work on developing the Strategy and Work Program, and the Steering Committee’s considerations thereon, have all been reflected in the issues papers, draft consultation paper, and draft Strategy and Work Program presented at the IAASB meetings in March 2010, September 2010, December 2010, September 2011, December 2011, and this meeting. In the Steering Committee’s view, there are no significant matters discussed within the Steering Committee in developing the Strategy and Work Program that have not been brought to the IAASB’s attention.

¹ See **Agenda Item 4** for further description of the planned milestones, including the June 2012 consultation and June 2013 exposure draft.

² Proposed International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*

³ Proposed International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Information*

⁴ International Standard on Related Services (ISRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*

⁵ This was the second of two proposed ISA-related projects originally scheduled to commence with a project proposal in 2014. It has been deleted due to potential considerations relating to ISA 260⁵ and ISA 570⁵ that may result from the auditor reporting project. However, footnote 10 of Agenda Item 5-A acknowledges the IAASB’s view that projects stemming from the ISA Implementation Monitoring project will have an effect on its 2015–2017 work program.

Material Presented

Agenda Item 5-A IAASB Strategy and Work Program, 2012-2014 – Marked from December 2011

Actions Requested

7. The IAASB is asked to:
 - (a) Consider the revised Strategy and Work Plan in **Agenda Item 5-A**, including the revised commencement dates of individual projects and the timetable as included in Appendix 1 of **Agenda Item 5-A**; and
 - (b) Approve it for submission to the Public Interest Oversight Board (PIOB) as the IAASB's medium-term strategy and work program.