



International Federation of Accountants

IAASB – IFAC International Auditing Standards
Setting Activities

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International Federation of Accountants (IFAC)

- Global organization for the accountancy profession
- 157 members/associates in 123 countries
- Represent 2.5 million accountants
- Mission – To serve the public interest, IFAC will ...
 - Strengthen the worldwide accountancy profession, and
 - Contribute to the development of strong international economies ...

International Auditing and Assurance Standards Board (IAASB)

- Designated by and operating under the auspices of IFAC
- Mission – To serve the public interest by ...
 - Setting high quality standards, and
 - Facilitating convergence with them

IAASB (Continued)

- 18 members (including 3 public members)
- Technical advisors
- 3 observers
- 4-6 meetings per year (5 days)
- 4000 -5000 pages to discuss per year
- 115 task force meetings and conference calls in 2007

IAASB (Continued)

- International Standards
 - International Standards on Quality Control
 - International Standards on Auditing
 - International Standards on Review Engagements
 - International Standards on Assurance Engagements
 - International Standards on Related Services

IAASB (Continued)

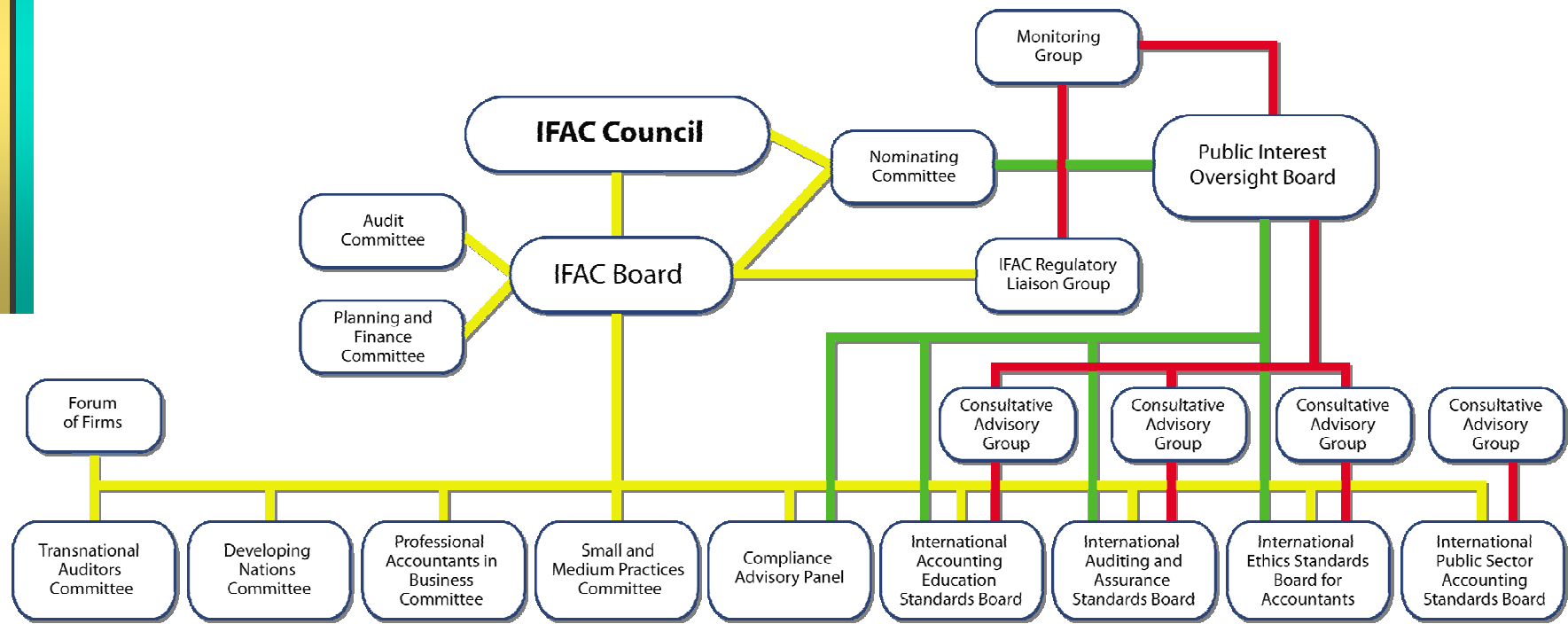
- Rigorous due process
- Consultative Advisory Group
 - Independent chair
 - 25+ members; Basel Committee, EC, IOSCO, IAIS, World Bank, World Federation of Exchanges
 - Advise on IAASB work program, priorities and technical issues
- Public Interest Oversight Board

Public Interest Oversight Board (PIOB)

- Established in February 2005
- Objective
 - Strengthen standard-setting
 - Enhance transparency
 - Provide for public interest oversight
 - Continue collaboration profession and regulators

PIOB (Continued)

- 10 members appointed by regulators and international organizations
 - Independent and knowledgeable about international auditing and assurance
 - One member with recent senior audit experience
- Office in Madrid, Spain



KEY	
ACCOUNTABILITY	Yellow line
OVERSIGHT	Green line
CONSULTATION/ADVICE	Red line

Forums for Dialogue

- IAASB Consultative Advisory Group
- Monitoring Group; Basel, EC, IAIS, IOSCO, World Bank
- Observers speaking rights; EC, Japanese FSA, PCAOB
- Annual meeting with 12+ NSS, incl. US PCAOB
- IAASB Chair observer on PCAOB Standing Advisory Group
- Regular updates on developments
- Comment letters on proposed standards

Support for ISAs

- 100+ countries use ISAs in one form or another
- 20 /23 of the world's largest capital markets
- United States, PCAOB and ASB
- World Federation of Exchanges – endorsed ISAs process
- Financial Stability Forum – one of 12 Key Standards
- World Bank –ISAs as benchmark for reviews
- INTOSAI –ISAs as basis for Financial Audit Guidelines
- Forum of Firms – methodologies based on ISAs

Enhancing Audit Quality

- Revised standards
 - Quality control
 - Communication with those charged with governance
 - Audit documentation
 - Fraud
 - Materiality
 - Risk assessment and responses to assessed risks
 - Evaluation of misstatements
 - Audit of accounting estimates
 - Written representations
 - Audit of group financial statements
 - Auditors' reports

Enhancing Audit Quality (Continued)

- Current projects
 - Deficiencies in internal control
 - Service organizations
 - External confirmations
 - Related parties
 - Using the work of an expert

Clarity Project

- Enhancing the clarity of ISAs by ...
 - Basing standards on objectives
 - Clarifying auditor's obligations
 - Eliminating ambiguity arising from present tense
 - Improving readability and understandability
- End result \Rightarrow clearer standards
 - Consistent application
 - Facilitating international convergence
 - While not resulting in weakening of any standards
- Effective date – December 15, 2009



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www.ifac.org

with thanks to Alta Prinsloo –Director of operations, IFAC

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