

IAASB / IESBA Standards Session

The session was led by Bernard Agulhas, CEO of the IRBA from South Africa, and Chair of the IFIAR Standards Coordination Working Group. The activities of the SCWG in the past year consisted of various conference calls and a physical meeting in Paris. The SCWG has developed the IFIAR's first comment letter and coordinated with the IFIAR Officers on the development of a process for the preparation of future comment letters.

The IAASB had received a large number of comment letters (140 in total) in response to the IAASB's Exposure Draft (ED) on Auditor Reporting. The ED received broad support. The IAASB intends to finalize the standards in 2014, and based on the input received, the IAASB needs to further reflect on a number of aspects regarding Key Audit Matters (KAM) and Going Concern disclosures. Much support was received for the use of auditor judgment in determining key audit matters, but regulators generally called for more prescriptive requirements. Further, concerns were raised about auditors providing "original information", the treatment of sensitive matters, and ensuring that the description of KAMs be clear, concise, understandable, and entity-specific.

The IESBA would hold a series of roundtables this spring and summer relating to IESBA's project on responding to non-compliance with laws and regulations. Based on the responses to the earlier exposure draft, the Board was reconsidering the proposal, and had developed a less prescriptive approach, putting more emphasis on guidance. The input collected through the roundtables would be discussed by the IESBA at its October meeting, and may result in the re-exposure of a new proposal in the early part of 2015. The IESBA was also working on a project to strengthen the structure and enforceability of the Code. Although the current code is already highly accepted, the aim of this project would be to spur its adoption and implementation, thereby facilitating compliance with, and enforcement of, the Code.