



Leading the Development of the Worldwide Accounting Profession

# INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

The International Auditing and Assurance Standards Board (IAASB) is a standard-setting body designated by, and operating independently under the auspices of, the International Federation of Accountants (IFAC).

An overview of the IAASB's role and standard-setting process

## Objective

The IAASB's goal is to serve the public interest by setting high quality auditing, assurance, quality control and related services standards and by facilitating the convergence of international and national standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

Over 100 countries are using or are in the process of adopting or incorporating International Standards on Auditing (ISAs), issued by the IAASB, into their national auditing standards or using them as a basis for preparing national auditing standards. ISAs are intended for use in all audits — publicly traded companies, private business of all sizes and government entities at all levels. The European Commission is currently considering a process and timetable for endorsement of ISAs.

## Due Process

A rigorous due process followed by the IAASB is critical to ensure that the views of those affected by its standards and guidance are thoroughly considered. The process outlined below is applicable to the development of all IAASB standards.

- **Research and consultation** — A project task force is ordinarily established with the responsibility to develop a draft standard or practice statement. The task force develops its positions based on appropriate research and consultation.
- **Transparent debate** — A proposed standard is presented as an agenda paper for discussion and debate at an IAASB meeting, which is open to the public.
- **Exposure for public comment** — Exposure drafts are placed on the IAASB's website and are widely distributed for public comment. The exposure period is ordinarily no shorter than 120 days.
- **Consideration of comments received on exposure** — The comments and suggestions received as a result of exposure are considered at an IAASB meeting, which is open to the public, and the exposure draft is revised as appropriate. If the changes made after exposure are viewed by the IAASB to be substantive so as to require re-exposure, the revised document will be reissued for further comment.
- **Affirmative approval** — Approval of exposure drafts, re-exposure drafts, international standards and practice statements is made by the affirmative vote of at least two-thirds of the members.

## Public Interest Oversight

The Public Interest Oversight Board (PIOB) oversees the public interest activities of IFAC. The objective of the PIOB is to increase confidence of investors and others that such activities, including the setting of standards by the IAASB, are properly responsive to the public interest. PIOB members are nominated by international institutions and regulatory bodies.

**IAASB Pronouncements**

- International Standards on Auditing (ISAs)
- International Standards on Assurance Engagements (ISAEs)
- International Standards on Related Services (ISRSs)
- International Standards on Quality Control (ISQCs)
- International Auditing Practice Statements (IAPSs)

**IAASB members undertake to develop standards in the public interest.**

## **Role of the IAASB CAG**

The IAASB Consultative Advisory Group (CAG) is comprised of representatives of regulators, business and international organizations, and users and preparers of financial statements who are interested in the development of high quality international standards on auditing, assurance, quality control and related services. Through active consultation, the IAASB receives valuable public interest input from the CAG on its agenda, project timetable, priorities and technical issues.

## **IAASB Members**

The IAASB consists of a full-time chairman and 17 volunteer members from around the world comprising practitioners in public practice with significant experience in the field of auditing and other assurance services and individuals who are not in public practice. Members are appointed by the IFAC Board based on recommendations from the IFAC Nominating Committee and are approved by the PIOB. A complete list of IAASB members along with their biographies is available on the IAASB's website: <http://www.iaasb.org>.

In addition, there are a small number of observer members who have speaking rights at IAASB meetings but no voting rights.

The IAASB is supported by a technical staff which has a wide range of standard-setting experience and can communicate in more than 10 languages.

## **Achieving Transparency**

Through its website (<http://www.iaasb.org>), the IAASB provides the following information to the public:

- List of current projects and project histories
- Outstanding exposure drafts
- Comments on exposure drafts
- Meeting agendas and background papers
- Minutes and audio recordings of meetings
- Copies of its annual report and action plan

## **About IFAC**

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 157 members and associates in 123 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. The organization, through its independent standard-setting boards, sets international standards of ethics, auditing and assurance, education and public sector accounting. It also issues guidance to encourage high quality performance by professional accountants in business.

## **Contact Information**

For more information about the IAASB and its current projects, please visit its website at <http://www.iaasb.org> or contact John Kellas, Chairman, by telephone: +44 (20) 8686 7141, or email: [johnkellas@ifac.org](mailto:johnkellas@ifac.org); or Jim Sylph, Executive Director, Professional Standards, by telephone: +1 (212) 286-9348, or email: [jimsylph@ifac.org](mailto:jimsylph@ifac.org).



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