

Agenda Item 8



Meeting Location: Hilton, 1335 Avenue of the Americas, New York, United States

Meeting Date: October 17-19, 2011

Audit Quality

Objective of Agenda Item

1. To receive an update on the IAASB project on Audit Quality and provide any feedback to the IESBA representative on the IAASB Task Force.

Background

The IAASB has commenced a project on audit quality. The objective of the project is to establish in the public interest an international framework that describes audit quality holistically, including:

- The influence of input, output and context factors;
- Stakeholders' varying perspectives on audit quality; and
- The importance of relationships between auditors and other key participants in the financial reporting supply chain (i.e. management, those charged with governance, investors and regulators) which influence audit quality.

The IAASB extended an invitation to IESBA to participate in the Task Force, because of the linkage between compliance with ethical requirements and audit quality. Don Thomson is a member of the IAASB Task Force.

The Task Force has developed a preliminary draft of a consultation paper which was discussed by the IAASB CAG at its meeting in September 2011 and the IAASB at its September 2011 meeting. The IAASB will consider a revised draft of the consultation paper at its December 2011 meeting.

Material Presented

Agenda Paper 8	This Agenda Paper
Agenda Paper 8-A	Audit Quality: An International Framework

Action Requested

1. IESBA members are asked to read the draft framework and identify any ethical issues which they believe should be further discussed by the IAASB Task Force.