

November 30, 2007

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Dear Mr Sylph

## **Proposed Strategy for 2009-2011**

The Committee of European Banking Supervisors (CEBS) welcomes the opportunity to comment on the International Auditing and Assurance Standards Board's proposed strategy for 2009-2011.

Through their opinions on annual accounts and annual reports, external auditors constitute an integral part of the public oversight model and contribute to the financial stability of the market. As banking supervisors we therefore have an interest in ensuring that auditing standards, which are the basis for audit work, are of a high quality and are clear and capable of consistent application.

We appreciate the efforts of the International Auditing and Assurance Standards Board (IAASB) to consult fully on its strategy for 2009-2011.

Our responses to the questions posed in the IAASB strategy paper are as follows:

**1. Within the broad strategic initiatives, is the focus on (i) the world's capital markets, (ii) the implementation of standards, and (iii) the needs of SMEs, appropriate?**

We believe this focus is appropriate.

**2. Is the list of possible actions complete and how should they be prioritised?**

We believe the list of possible actions is complete, and that the IAASB should focus on the following initiatives:

- B.2.2. In consultation with relevant parties, develop guidance for auditors on the audit of complex valuation models. For auditors – and supervisors - of financial institutions, we perceive this to be an area of significant risk. Therefore we believe there may be scope for developing some further guidance in this area.
- A.1.1. Develop further ISA 610, *Considering the work of internal audit*. As noted in our comment letter on the clarity version of this ISA, this is an ISA that needs some updating to reflect current developments in internal audit.

- A.1.2. Revisit ISA 700, *The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements* for the reasons stated in the consultation paper.
- A.1.3. Develop guidance for auditors on the approach to be followed when XBRL financial statements are to be filed with the auditor's report.

Our comments were coordinated by our Expert Group on Financial Information (EGFI), and especially by its Subgroup on Auditing, which is under the direction of Pat Sucher from the FSA, UK.

If you have any questions regarding our comments, please feel free to contact the chairman of EGFI, Arnoud Vossen (+31.20.524.3903) or Miss Pat Sucher (+44.20.7066.5644).

Yours sincerely

A handwritten signature in black ink, appearing to be 'DN' or similar initials, written in a cursive style.

Daniele Nouy  
Chair