



**INTERNATIONAL FEDERATION
OF ACCOUNTANTS**

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Agenda Item

C

Committee IESBA Consultative Advisory Group

Meeting Location: Hotel Arts, Barcelona, Spain

Meeting Date: March 3, 2010

Responding to Suspected Fraud and Illegal Acts

Objectives of Agenda Item

1. To obtain the input of CAG member on the project proposal *Responding to Fraud And Illegal Acts*

Background

In previous meetings, the CAG has, as part of the discussion on the development of the IESBA Strategic Plan, discussed the priority and scope of proposed project to address the professional accountant's responsibility to respond to suspected fraud and illegal acts. CAG members expressed the view that the project was a high priority. Respondents to the IESBA's strategic survey also rated this project as a high priority.

In discussing the possible scope of the project, CAG members noted that:

- The project will be a complex and difficult one;
- From the perspective of users of financial statements, the project is critical to help to restore confidence;
- The project will be challenging in light of differing legislative requirements;
- Given the different constraints and issues it might be prudent to split the project and have two streams of work – with one addressing professional accountants in practice and the other addressing professional accountants in business;
- Accountants in business generally have less of an infra-structure on which they can rely and obtain support when they encounter a fraud or illegal act; and
- There are situations where confidentiality should be set aside to address the public interest and it is important that there is a framework to address this.

The Planning Committee developed a draft project proposal which was discussed by the IESBA at its meeting in October 2009.

At its June 2010 meeting, the IESBA plans to consider input received from CAG members and approve the project proposal.

Material Presented

Agenda Paper C	This Agenda Paper
Agenda Paper C-1	Responding to Suspected Fraud and Illegal Acts - IESBA Project Proposal

Action Requested

1. CAG members are asked to consider and comment on the project proposal