



BASEL COMMITTEE ON BANKING SUPERVISION

BANK FOR INTERNATIONAL SETTLEMENTS

Chairman

VIA ELECTRONIC MAIL:
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International Federation of Accountants
545 Fifth Avenue, 14th Floor
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21 November 2007

IAASB consultation paper – proposed strategy for 2009-2011

Dear Sir/Madame

The Basel Committee on Banking Supervision (the Committee) welcomes the opportunity to comment on your consultation paper. The Committee has a strong interest in high quality and independent audits of banks and supports your efforts to gain insight on your proposed strategic plan.

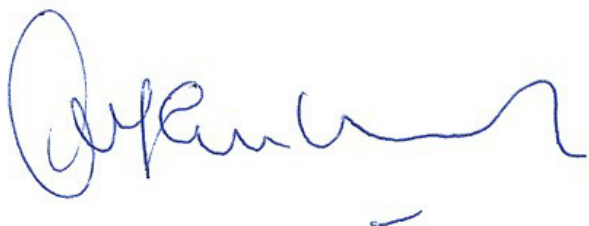
Generally, we agree with the broad strategic initiatives that you have identified within your proposed plan. In our view, the projects that should be of highest priority are:

- Develop guidance for auditors on the audit of complex valuation models (ie currently identified within item B.2.2) – the Committee would welcome immediate initiatives in this matter in light of recent market developments and related initiatives of Committee working groups.
- Develop ISA 610, *Considering the work of internal audit* (ie currently identified within item A.1.1)
- Determine actions to be taken based on research to be conducted with regard to the auditor's report to be issued in accordance with ISA 700, *The independent auditor's report on a complete set of general purpose financial statements* (ie currently identified within item A.1.2)
- Revise/update International Auditing Practice Statement (IAPS) 1006, *Audits of the financial statements of banks* (ie included within the more general item B.2.1, regarding review of the IAPSs). Furthermore, the Committee is prepared to assist in the review and revision of this IAPS.

These comments have been prepared by the Committee's Accounting Task Force, chaired by Sylvie Mathérat of the Banque de France. The Committee trusts that you will find these comments useful and constructive.

If you have any questions regarding our comments, please feel free to contact Ms Mathérat at (+33 1 4292 6579), Marc Pickeur, who chairs the Audit Subgroup of the Accounting Task Force (+32 2 220 5253), or Linda Ditchkus at the Basel Committee Secretariat (+41 61 280 8007).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nout Wellink', with a stylized flourish at the end.

Nout Wellink