



IAASB Meeting Highlights and Decisions

December 2008

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This summary of decisions of the International Auditing and Assurance Standards Board (IAASB) has been prepared for information purposes only. Except for approval of documents for public exposure and issue of final Standards or Statements, decisions reported are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IAASB.

For more detailed information about IAASB projects, please refer to the project summaries under [Current Projects](#).

Final Standards

The IAASB approved for issue, subject to confirmation by the Public Interest Oversight Board (PIOB) that due process has been followed, the following International Standards on Auditing (ISAs):¹

- ISA 210 (Redrafted), *Agreeing the Terms of Audit Engagements*;
- ISA 265, *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*; and
- ISA 402 (Revised and Redrafted), *Audit Considerations Relating to an Entity Using a Service Organization*.


The ISAs are effective for audits of financial statements for periods beginning on or after December 15, 2009.

With the approval of these ISAs, the IAASB has completed its work to redraft, or revise and redraft, the entire suite of ISAs under its Clarity Project.

Clarity Consistency Review

The IAASB approved minor drafting changes to a number of finalized ISAs to enhance consistency in the use of language and style of drafting as refined over the course of the Clarity project, and to address other matters of clarity. The IAASB also approved minor clarifying amendments to ISA 220 (Redrafted), *Quality Control for an Audit of Financial Statements*, ISA 250 (Redrafted), *Consideration of Laws and Regulations in an Audit of Financial*

¹ These ISAs, as approved by the IAASB, are available on the IAASB website at <http://www.ifac.org/IAASB/Meeting-Resource.php?MID=0143&type=Updated+Agenda>. They are presented as updated December 2008 IAASB agenda items showing changes in marked text to reflect decisions taken at the meeting. They are included there for information purposes only and are not the final pronouncements. The final pronouncements are those approved by the IAASB and published by IFAC after the PIOB has confirmed that due process was followed in their development.



Statements, and ISA 620 (Revised and Redrafted), Using the Work of an Auditor's Expert.

Service Organizations

The IAASB considered significant comments received on the exposure draft of proposed International Standard on Assurance Engagements (ISAE) 3402, *Assurance Reports on Controls at a Third-Party Service Organization*. Topics discussed included: whether the ISAE should be written for application to only assertion-based engagements; whether the proposed elements of suitable criteria are appropriate; and whether the ISAE should include requirements based on those in ISAs dealing with such matters as using the work of the internal audit function, sampling and documentation.

The IAASB will consider a revised ISAE at its June 2009 meeting.

Carbon Emissions Information

The IAASB discussed issues related to the development of an assurance engagement standard dealing with carbon emissions information. Topics addressed included: whether the standard should deal with both reasonable and limited assurance engagements; assertion-based versus direct-reporting engagements; application of a proposed ISAE by non-accountants; the effect of emissions inventory uncertainty; and guidance with respect to the suitability of criteria.

Next Meeting

The next IAASB meeting will be held in New York, USA, on March 16-19, 2009.