

IAASB

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

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IAASB Meeting Highlights and Decisions

June 2010

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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](#).

Using the Work of Internal Auditors

The IAASB approved for exposure proposed revised International Standard on Auditing (ISA) 610, *Using the Work of Internal Auditors*, together with proposed amendments to ISA 315, *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*. The Exposure Draft includes the piloting of a new impact analysis approach for analyzing the benefits and impacts of the IAASB proposals.

Comments on the Exposure Draft are requested by November 15, 2010.

International Auditing Practice Statements

The IAASB approved for exposure a proposed statement of authority¹ for new International Auditing Practice Statements (IAPSs), together with the proposal to withdraw existing IAPSs. The IAASB's proposals will be issued contemporaneously with proposed revised IAPS 1012, *Special Considerations in Auditing Complex Financial Instruments*, which is scheduled for approval as an exposure draft at the September 2010 IAASB meeting.

IAPS on Auditing Complex Financial Instruments

The IAASB considered issues relating to, and a revised draft of, proposed IAPS 1012. Amongst other matters, the IAASB deliberated the structure of the IAPS; the

¹ For inclusion in the *Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services*.

nature and extent of guidance relating to assertions and disclosures; and the effective date for the IAPS.

The IAASB will consider a revised draft of the proposed IAPS 1012 for approval as an exposure draft at its September 2010 meeting.

Assurance (Other than Audit) and Related Services Engagements on Financial Statements

The IAASB considered issues relating to, and revised drafts of, proposed revised International Standard on Review Engagements (ISRE) 2400, *Engagements to Review Financial Statements*, and proposed International Standard on Related Services (ISRS) 4410, *Engagements to Compile Financial Information*.

Amongst other matters relating to proposed ISRE 2400, the IAASB deliberated the practitioner's objectives, including the emphasis to be given to the performance of review procedures; the approach to performing the review engagement; and the form of the practitioner's conclusion on the financial statements. The IAASB agreed to reconvene via teleconference in advance of its September 2010 meeting to continue its deliberation of some of these issues.

Amongst other matters relating to proposed ISRS 4410, the IAASB deliberated the scope of the standard, including the practitioner's association with compiled financial information; the nature and extent of the practitioner's work effort in a compilation engagement; and illustrative compilation reports. The IAASB will consider a revised draft of the proposed ISRS 4410 for approval as an exposure draft at its September 2010 meeting.

Assurance Engagements Other than Audits or Reviews of Historical Financial Information

The IAASB considered issues relating to, and a revised draft of, proposed revised ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Amongst other matters, the IAASB deliberated the relationship between ISAE 3000 and the *International Framework for Assurance Engagements*, and between ISAE 3000 and the ISAs; the work effort required in limited assurance engagements; the approach to use of the ISAE by assurance professionals who are not professional accountants; and the distinction between direct engagements and attestation engagements.

The IAASB will consider a revised draft of the proposed ISAE 3000 at its September 2010 meeting.

Assurance on a Greenhouse Gas Statement

The IAASB considered significant comments received on its October 2009 Consultation Paper, *Assurance on a Greenhouse Gas Statement*, together with a draft of the proposed ISAE 3410 on the same. Amongst other matters, the IAASB deliberated the work effort required in such engagements; requirements related to estimates, uncertainty and materiality; issues relating to comparative information,

emphasis of matter, and “fair presentation” criteria; and the implications of regulatory and voluntary reporting requirements.

The IAASB will consider a revised draft of the proposed ISAE 3410 for approval as an exposure draft at its September 2010 meeting.

[Clarity ISA Implementation Monitoring](#)

The IAASB received a report on findings from Phase One of its Clarity ISA Implementation Monitoring project, which addressed early adoption and implementation experiences with the clarified ISAs to date. Looking forward, work will include further information gathering regarding the experiences of small and medium practices in using the clarified ISAs, and development of the design of the post-implementation review phase of the project.

[XBRL](#)

The IAASB received an update on planned consultations on its eXtensible Business Reporting Language (XBRL) project, and considered whether to develop in the immediate term guidance on performing agreed-upon procedures engagements on XBRL data. The IAASB noted the importance of taking a longer-term perspective on assurance needs on XBRL data, and that further input from stakeholders is necessary to making an informed decision on the appropriate course of action.

[Liaison with the International Accounting Standards Board](#)

The IAASB received an update on liaison activities with the International Accounting Standards Board (IASB) and the IASB’s forward work program. The IAASB supported the establishment of additional working groups, for purposes of monitoring potential auditability issues, for the IASB’s projects on extractive activities, financial statement presentation, insurance contracts and revenue recognition.

[Audit Quality](#)

The IAASB considered a proposal for the way forward on its project on audit quality. Amongst other matters, the IAASB deliberated the main elements of the proposed way forward, including the nature and scope of a proposed thought piece to be developed in the short term, and the scope and objectives of a more substantive consultative phase in the medium term. The IAASB will further discuss the way forward at its December 2010 meeting.

[Next Meeting](#)

The next IAASB meeting is scheduled via teleconference for July 29, 2010 from 07.00-08.30 am Eastern Time. The September 20-24, 2010 IAASB meeting will be held in Valletta, Malta.