Committee: IAASB
Meeting Location: Tokyo
Meeting Date: October 12-17, 2003

Proposed Amendments to IAPS 1005,
“The Special Considerations in the Audit of Small Entities”

Objectives of Agenda Item
To consider the comments received on the exposure draft, and to review the proposed amended IAPS 1005 for approval to be issued as a final IAPS.

Background
At the September 2002 IAASB meeting it was agreed that IAPS 1005 should be revised to take account of ISAs issued between March 1999 and March 2003. In addition, the IAASB agreed that for ISAs issued subsequent to March 2003, whenever necessary, special considerations in the audit of small entities should be included in the body of those ISAs.

The IAASB did not consider the guidance on ISAs issued before March 1999, and commentators were requested to comment on proposed amendments highlighted by way of mark-up text, and not on the existing guidance.

Activities Since Last IAASB Discussions
Twenty-two comment letters were received (member bodies – 10; firms – 4; and other – 8). IAASB Staff’s proposed disposition of comments received is reflected in Agenda Item 5-D. Significant issues arising from the comments have been summarized in an Issues Paper (Agenda Item 5-A).

The proposed amended IAPS 1005 (Agenda Item 5-B) shows in mark-up format amendments processed based on respondents’ recommendations, and also reflects IAASB staff’s proposals as per the Issues Paper (Agenda Item 5-A).

Grey shading was used to indicate the exposure draft paragraphs that contained revised text.
Material Presented

Agenda Item 5-A  Proposed Amendments to IAPS 1005 – Issues paper Based on Comments Received
(Pages 1345-1352)

Agenda Item 5-B  Proposed Final Amended IAPS 1005 (Mark-up)
(Pages 1353-1382)

Agenda Item 5-C  Proposed Final Amended IAPS 1005 (Clean)
(Pages 1383-1400)

Agenda Item 5-D  Comments Received and Proposed Disposition
(Pages 1401-1488)

Action Requested

1. To consider the proposals contained in the Issues Paper, which was based on the comments received on the exposure draft.

2. To review and, if considered appropriate, approve the proposed amended IAPS 1005 to be issued as a final IAPS.