Agenda Item

Materiality

Objectives of Agenda Item

1. To complete the review of significant comments received on the exposure draft of proposed ISA 320 (Revised), “Materiality in the Identification and Evaluation of Misstatements,” and the related recommendations. (The exposure draft was issued in December 2004 and the comment date was April 30, 2005.)

2. To review a proposed ISA 320 (Revised), “Materiality in Planning and Performing an Audit, and a proposed ISA XXX, “Evaluation of Misstatements Identified During the Audit,” presented in the “old format.”

Task Force Members

The members of the Task Force are:

Denise Esdon (Chair)       IAASB member
Lyn Graham                US ASB member
Jon Grant                 UK APB member and IAASB technical advisor
Diana Hillier             IAASB technical advisor
David Lindsell           UK APB member
Graham Pimlot            UK APB member
Robert Tizzano           IAASB member

Activities Since Last IAASB Discussions

The Task Force met on October 27-28 and held a telephone conference on November 8 to consider the comments received from the IAASB in October 2005 and finalize the material for this meeting.
Materiality

Material Presented

Agenda Paper 6-A (Pages 2591-2602)
Materiality in the Identification and Evaluation of Misstatements

Agenda Paper 6-B (Pages 2603-2610)
Proposed ISA 320, “Materiality in Planning and Performing an Audit” – Clean

Agenda Paper 6-C (Pages 2611-2618)
Proposed ISA XXX, “Evaluation of Misstatements Identified During the Audit” – Clean

Agenda Paper 6-D (Pages TBD)
An ISA on Forming the Audit Opinion

Agenda Paper 6-E (Pages TBD)
The Auditor’s Consideration of Management’s Materiality

Agenda Paper 6-F (Pages 2619-2628)
Proposed ISA 320, “Materiality in Planning and Performing an Audit” – Marked from ED Text

Agenda Paper 6-G (Pages 2629-2638)
Proposed ISA XXX, “Evaluation of Misstatements Identified During the Audit” – Marked from ED Text

Action Requested

The IAASB is asked to review Agenda Item 6-A, *Materiality in the Identification and Evaluation of Misstatements*, as well as the proposed ISAs (see Agenda Items 6-B and 6-C).

The comment letters are available from:

http://www.ifac.org/Guidance/EXD-Comments.php?EDID=0038&Group=All+Responses