Material Weaknesses in Internal Control

Objectives of Agenda Item
To discuss the issues identified by the Internal Control task force regarding the meaning of the term “material weaknesses in internal control,” as currently used in the ISA literature.

Task Force Composition
The members of the task force are as follows:

- Philip Ashton (Chair, IAASB Technical Advisor and former IAASB Member)
- Dr Mohammed Bahjatt (INTOSAI Representative)
- Phil Cowperthwaite (IAASB Member)
- Bodo Richardt (IAASB Member)
- Makoto Shinohara (IAASB Member)
- George Tucker (IAASB Technical Advisor)

Background
Section A of the Issues Paper (Agenda Item 3-A) provides background information to this project.

Activities since Last IAASB Discussions
The task force held a two-day meeting in March 2006 and also met briefly at the December 2005, March 2006 and May 2006 IAASB meetings. It also held a conference call in June 2006 to finalize the issues to be brought to the IAASB.

Material Presented
Agenda Item 3-A   Issues Paper
(Pages 1221 – 1244)

Action Requested
The IAASB is asked to consider the issues presented and to agree on the way forward.