Agenda Item

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Committee: IAASB
Meeting Location: Miami
Meeting Date: September 15-19, 2008

ISA 265, “Communicating Deficiencies in Internal Control”

Objective of Agenda Item
1. To consider the significant comments received on the exposure draft of the proposed ISA 265, “Communicating Deficiencies in Internal Control,” (ED-ISA 265) and the Task Force’s preliminary recommendations for the way forward.

Task Force
2. The members of the task force are:
   - Phil Cowperthwaite – Chair, IAASB Member
   - Dr. Mohammed Bahjatt – INTOSAI Representative
   - Caithlin McCabe – IAASB Member (assisted by Tania Sergott – Technical Advisor)
   - Dan Montgomery – IAASB Technical Advisor
   - Jianhua Tang – IAASB Member

Activities since Last IAASB Discussions
3. The IAASB issued the exposure draft of the proposed ISA 265 in December 2007. The comment period closed on April 30, 2008 and a total of 48 comment letters were received.
4. The Task Force met on June 15, 2008 to discuss the significant comments received from respondents. The Task Force held a subsequent conference call in July 2008 to finalize its preliminary recommendations on the issues and the revised draft to be presented to the IAASB.
Material Presented
Agenda Item 3-A Summary of Significant Comments and Task Force Recommendations (Pages 1703 – 1724)
Agenda Item 3-B Revised Draft of the Proposed ISA 265 (Marked from Exposure Draft) (Pages 1725 – 1742)
Agenda Item 3-C Revised Draft of the Proposed ISA 265 (Clean) (Pages 1743 – 1760)

Draft of the ISA to be Discussed at the Meeting
The Task Force proposes that the marked version of the revised ISA (Agenda Item 3-B) be discussed at the meeting.

Action Requested
The IAASB is asked to provide the Task Force with feedback and guidance on the significant issues raised by the respondents, and on the revised draft of the proposed ISA.