Agenda Item

9

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

ISA 402 (Revised and Redrafted), “Audit Considerations Relating to an Entity Using a Third-Party Service Organization”

Objective of Agenda Item
1. To review significant comments received on the Exposure Draft (ED), Proposed ISA 402 (Revised and Redrafted), “Audit Considerations Relating to an Entity Using a Third-Party Service Organization” (ED-ISA 402), and to discuss a revised draft of the ISA.

Task Force Composition
2. The members of the Task Force are:
   - Denise Esdon (Chair) – IAASB Deputy Chair
   - Susan Jones – IAASB member
   - Kjell Larsson – IAASB member (supported by Kelly Ånerud, IAASB technical advisor)
   - Kevin O’Donovan – KPMG, Ireland
   - Jens Poll – Moore Stephens, Germany

Activities Since Last IAASB Discussion
3. In December 2007, the IAASB issued ED-ISA 402. The comment period closed on April 30, 2008. A total of forty-six comment letters were received. A list of respondents is included in the Appendix to Agenda Item 9-A. Respondent’s letters can be accessed on the IAASB website at http://www.ifac.org/Guidance/EXD-Comments.php?EDID=0101&Group=All+Responses.

4. The Task Force met in July 2008 and held two subsequent teleconferences to discuss the significant comments received from respondents and to finalize its recommendations on the issues and the revised draft to be presented to the IAASB.

5. The IAASB is scheduled to review a revised version of ISA 402 at its December 2008 meeting for final approval.
Material Presented

Agenda Item 9-A  Summary of Significant Comments and Task Force Recommendations—ED-ISA 402 (Revised and Redrafted)
(Pages 2095 – 2106)

Agenda Item 9-B  Revised Draft of Proposed ISA 402 (Revised and Redrafted)
(Marked from Exposure Draft)
(Pages 2107 – 2130)

Agenda Item 9-C  Revised Draft of Proposed ISA 402 (Revised and Redrafted) (Clean)
(Pages 2131 – 2152)

Draft of the ISA to be Discussed at the Meeting

6. The Task Force proposes that the marked version of the revised draft (Agenda Item 9-B) be discussed at the meeting.

Action Requested

7. The IAASB is asked to consider the significant issues raised by the respondents and the Task Force’s recommendations (Agenda Item 9-A) and the proposed revised ISA 402 (Agenda Item 9-B).