Agenda Item

5

The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements

Objective of Agenda Item

1. To consider significant issues in the revision of clarified ISA 720.¹

Task Force

2. Full members:
   - Cédric Gélard, Chair, IAASB Member (supported by Isabelle Tracq-Sengeissen, IAASB Technical Advisor)
   - David Swanney, IAASB Member
   - Valdir Coscodai, IAASB Member
   - Josephine Jackson, IAASB Technical Advisor
   - Sylvia Smith, IAASB Technical Advisor
   - Karin Holmerin, International Organization of Supreme Audit Institutions (INTOSAI) Representative

3. ISA 720² was last revised in 1993.³ As part of the IAASB’s Clarity project, the ISA was redrafted (but not revised) and the clarified ISA 720 was released in March.

4. At its December 2009 meeting, the IAASB unanimously approved a project proposal to commence work on the revision of ISA 720 (Redrafted) to better reflect the current financial reporting environment.

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¹ ISA 720 (Redrafted), “The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.”
² ISA 720, “Other Information in Documents Containing Audited Financial Statements.”
³ Conforming amendments were made to the extant ISA 720 when the IAASB issued its audit risk standards in October 2003.
Activities since Last IAASB Discussions

5. Since the approval of the project proposal by the IAASB at its December 2009 meeting, the Task Force has held one face-to-face meeting and a teleconference in February 2009. The Task Force focused its considerations on the key issues to be addressed in the revision of ISA 720 in particular those that it considers to have implications for the scope of the revised ISA. While there are other issues that need to be addressed in the revision of ISA 720, the IAASB is asked to consider on the matters raised in Agenda Item 5-A. Input from the IAASB on these matters will provide the Task Force with the necessary directions for moving forward.

6. At its March 2010 meeting, the IAASB Consultative Advisory Group (CAG) discussed the approved project proposal and matters similar to those that will be considered by the IAASB at this meeting. Significant comments raised by the Representatives of the CAG will be referred to during the Task Force’s presentation.

Material Presented

Agenda Item 5-A The Auditor’s Responsibilities Relating to Other Information in Documents Containing Audited Financial Statement – Issues and IAASB Task Force Proposals dated March 2010

Action Requested

7. The IAASB is asked to consider the issues presented in Agenda Item 5-A and to provide input and direction to the Task Force on the way forward.