

IAASB CAG PAPER



International Federation of Accountants

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Agenda Item **C.1.2**

Committee: IAASB Consultative Advisory Group

Meeting Location: Basel

Meeting Date: March 3-4, 2008

IAASB Clarity Project—Update

Objectives of Agenda Item

1. The objective of this Agenda Item is to provide a brief update on the status of the IAASB Clarity project.

Project Status

2. The IAASB is on track to complete its Clarity project by the end of 2008 in accordance with its stated timetable. At the completion of the project, all of the ISAs will be drafted in accordance with the Clarity conventions and will come into effect for audits of financial statements beginning on or after December 15, 2009.
3. As of its December 2007 meeting, the IAASB achieved a substantial milestone of the project – the approval of all of the remaining exposure drafts of the standards to be clarified under the project. In addition, the IAASB has approved 11 final redrafted, or revised and redrafted, ISA drafted in accordance with its Clarity conventions. When the project is completed, 21 extant ISAs will have been fully revised, or updated and redrafted, in the last five years, and the remaining 11 will have been redrafted in accordance with the new conventions. In addition, International Standard on Quality Control 1 will have been redrafted and a new ISA on communicating deficiencies in internal control completed.
4. The IAASB is confident that it will complete its work by the end of 2008. Subject to unforeseen difficulties, the IAASB has capacity to complete the necessary work by that time. Further, the IAASB has made provisional plans to hold an extra meeting in November 2008 for purposes of work on the Clarity project, should such actions prove necessary. This would be known by the end of the IAASB's June 2008 meeting.
5. For reference purposes, the Appendix to this Agenda Item outlines the IAASB's planned approvals of final clarified standards at its 2008 meetings. Matters relating to all clarified standards for approval at the March and June IAASB meetings are addressed in the agenda material of the March IAASB CAG meeting.
6. The IAASB's 2008 timetable, which is updated after each IAASB meeting, is available at www.ifac.org/IAASB/downloads/Current_IAASB_Project_Timetable.doc.

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Appendix

IAASB Clarity Program for 2008

2008 Meetings	Planned Approvals
March	<ul style="list-style-type: none"> ▪ ISA 250 (Redrafted), <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i> ▪ ISA 320 (Revised and Redrafted), <i>Materiality in Planning and Performing an Audit</i> ▪ ISA 450 (Revised and Redrafted), <i>Evaluation of Misstatements Identified during the Audit</i> ▪ ISA 510 (Redrafted), <i>Initial Audit Engagements – Opening Balances</i> ▪ ISA 550 (Revised and Redrafted), <i>Related Parties</i> ▪ ISA 570 (Redrafted), <i>Going Concern</i> ▪ ISA 610 (Redrafted), <i>Using the Internal Auditor’s Work</i>
June	<ul style="list-style-type: none"> ▪ ISA 200 (Revised and Redrafted), <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing</i> ▪ ISA 500 (Redrafted), <i>Obtaining Sufficient Appropriate Audit Evidence</i> ▪ ISA 530 (Redrafted), <i>Audit Sampling</i> ▪ ISA 700 (Redrafted), <i>The Independent Auditor’s Report on General Purpose Financial Statements</i> ▪ ISA 705 (Revised and Redrafted), <i>Modifications to the Opinion in the Independent Auditor’s Report</i> ▪ ISA 706 (Revised and Redrafted), <i>Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor’s Report</i> ▪ ISA 800 (Revised and Redrafted), <i>Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i> ▪ ISA 805 (Revised and Redrafted), <i>Engagements to Report on Summary Financial Statements.</i>
September	<ul style="list-style-type: none"> ▪ ISQC 1 (Redrafted), <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> ▪ ISA 220 (Redrafted), <i>Quality Control for an Audit of Financial Statements</i> ▪ ISA 501 (Redrafted), <i>Audit Evidence Regarding Specific Financial Statement Account Balances and Disclosures</i> ▪ ISA 505 (Revised and Redrafted), <i>External Confirmations</i> ▪ ISA 520 (Redrafted), <i>Analytical Procedures</i> ▪ ISA 620 (Revised and Redrafted), <i>Using the Work of an Auditor’s Expert</i> ▪ ISA 710 (Redrafted), <i>Comparative Information – Corresponding Figures and Comparative Financial Statements</i>

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2008 Meetings	Planned Approvals
December	<ul style="list-style-type: none">▪ ISA 210 (Redrafted), <i>Agreeing the Terms of Audit Engagements</i>▪ ISA 265, <i>Communicating Deficiencies in Internal Control</i>▪ ISA 402 (Revised and Redrafted), <i>Audit Considerations Relating to an Entity Using a Service Organization</i>