



International Auditing
and Assurance
Standards Board

529 Fifth Avenue, 6th Floor, New York, NY 10017
T + 1 (212) 286-9344 F +1 (212) 286-9570
www.iaasb.org

IAASB MEETING HIGHLIGHTS AND DECISIONS MARCH 2012

Contact: James Gunn, IAASB Technical Director (jamesgunn@iaasb.org)

This summary of decisions of the International Auditing and Assurance Standards Board (IAASB) has been prepared for information purposes only. Except for approval of documents for public exposure and issue of final Standards, decisions reported are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IAASB.

For more detailed information about IAASB projects, please refer to the project summaries under Current Projects.

Auditor Reporting

The IAASB discussed the scope and timing of the project to revise ISA 700, *Forming an Opinion and Reporting on Financial Statements*, and related other ISAs. The IAASB reaffirmed its commitment to this project as its highest priority over its 2012–2014 strategic period.

The IAASB considered a number of recommendations from the Auditor Reporting Task Force, including:

- Proposals requiring auditors to include auditor commentary in their reports. Amongst other matters, the Task Force was asked to further refine proposed requirements relating to the criteria for, and content of, auditor commentary, and develop a proposed objective for auditor commentary. In addition, it was noted that the relationship between auditor commentary and Emphasis of Matter and Other Matter paragraphs will need to be clarified.
- Proposals requiring auditors to include conclusions about the auditor's procedures relating to going concern and other information in documents containing audited financial statements. Amongst other matters, the Task Force was asked to further consider whether the proposed conclusion should be expanded to take into account the concept of "material uncertainties" as described in ISA 570, *Going Concern*.
- Proposals to clarify the auditor's responsibilities by describing the risk-based audit approach under the ISAs, and clarification of other technical terms in the auditor's report. The IAASB also deliberated disclosure of the engagement partner's name in the auditor's report.

- Proposals relating to the concept of the “building blocks” approach designed to indicate required content in auditor reporting while allowing flexibility to accommodate different national reporting regimes and auditors’ reports on entities of different types and sizes (e.g., listed entities, small- and medium-sized entities, and public interest entities).

The IAASB will further consider relevant issues in two teleconferences to be scheduled in April 2012. The IAASB is anticipated to consider a draft consultation document for approval at its June 2012 meeting.

Greenhouse Gas Statements

The IAASB approved for issue, subject to confirmation by the Public Interest Oversight Board (PIOB) that due process has been followed, new International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*.

ISAE 3410 is effective for assurance reports covering periods ending on or after September 30, 2013.

Strategy and Work Program

The IAASB approved for issue, subject to confirmation by the PIOB, the *IAASB Strategy and Work Program, 2012–2014*. The prioritization of projects within the Work Program reflects IAASB’s immediate focus on its Auditor Reporting project.

Engagements to Review Historical Financial Statements

The IAASB considered significant comments received on the exposure draft of proposed International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. Topics discussed included: the use of the term “limited assurance” in the draft ISRE; the evidence-based nature of the review engagement; designing the work effort for the review, including with respect to performing procedures other than inquiry and analytical review; and the illustrative review engagement report.

The IAASB will consider a revised draft of ISRE 2400 (Revised) for approval as a final standard at its June 2012 meeting.

Next Meeting

The next IAASB meetings will be held via teleconference in April 2012.¹ The next physical IAASB meeting will be held in Edinburgh, Scotland on June 11–15, 2012.

¹ Dates to be finalized in the near future. For confirmation of the final dates, please visit www.ifac.org/auditing-assurance/meetings.