

ISA 800 Series Issues and Recommendation

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Objectives of ISA 800 Series Discussion

- For each ISA 800 type engagement, to consider the proposed enhancements to the ISA 700 report and determine which enhancements should be
 - a. Required, with guidance as necessary
 - b. Not required (which would allow for voluntary application)
 - c. Prohibited
- To obtain a preliminary view as to an approach for drafting consequential amendments to the ISA 800 Series

Relationship between ISA 700 and Extant ISAs 800 and 805

- ISAs in the 100–700 series all apply in an audit of f/s
- ISA 800 Series requirements do not override the requirements of the ISAs 100–700 series
- Direct linkage with the reporting requirements of ISA 700
 - “Auditor shall apply the requirements of ISA 700” in an ISA 800 audit
 - “Shall apply the requirements of ISA 700, adapted as necessary” in the circumstances of an ISA 805 engagement

Proposed Enhancement and ISAs 800 and 805

	ISA 800	ISA 805
Opinion required first	Require	Require
Statement of independence and other relevant ethical responsibilities	Require	Require
Going concern (Req'd stmt when a MU exists)	Require when applicable	Require when applicable
Key audit matters	Voluntary	Voluntary
Other information (when applicable)	Require	Require
Enhanced description of responsibilities	Require	Require
Naming of engagement partner	Voluntary	Voluntary

Matter for IAASB Consideration

The IAASB is asked to provide feedback on DT-700's recommendations in relation to ISAs 800 and 805.

Key Features of Extant ISA 810

- Auditor can only accept ISA 810 engagement when auditor has also been engaged to conduct the audit of the financial statements
- Reporting in accordance with ISA 810
 - Specific minimum elements of the auditor's report
 - If ISA 700 auditor's report contains an EOM, OM, or a modification of opinion, a statement and description of such is required
 - Adverse opinion required if summary financial statements are not consistent with audited financial statements
 - Required statement indicating that reading the summary financial statements is not a substitute for reading the audited financial statements

Extant ISA 810 and Proposed ISA 720 (Revised)

- Auditor is required to read and consider other information, other than the summary financial statements included in a document containing the summary financial statements to consider whether there is a material inconsistency between the other information and the summary financial statements
 - ISAs 720 and 810 do not mention summary annual reports
 - Preliminary view among DT-700 and ISA 720 TF Chairs is that summary annual reports fall within the scope of ISA 720

Proposed Enhancements and ISA 810

Require an overall reference to the auditor's report on the audited f/s

Opinion required first

Require

Statement of independence and other relevant ethical responsibilities

Require

Going concern (when applicable)

When MU exists, include an explicit statement about MU and its effect on the ISA 810 auditor's report (consistent with ISA 810 treatment of EOM and OM)

Key audit matters (when required to be included in ISA 700 auditor's report)

Not required, but attention drawn to it by required reference to the ISA 700 report

Proposed Enhancements and ISA 810 (continue)

Other information (OI)	When material misstatement with respect to OI is described in the ISA 700 auditor's report, include a statement about it in the ISA 810 auditor's report (consistent with ISA 810 treatment of OM for OI)
Enhanced description of auditor's responsibilities	Continue to require only a summarized statement
Naming of engagement partner	Require for summaries of complete sets of general purpose financial statements of listed entities only

Matter for IAASB Consideration

The IAASB is asked to provide feedback on DT-700's recommendations in relation to ISA 810.

Approach to Drafting Consequential Amendments

- Merit to having guidance for new auditor reporting requirements located in the ISA 800 Series
 - Could promote consistent application among auditors within the context of those ISAs, but could also mean duplication of certain requirements within the ISAs
- Alternatively, there may be a case made to retain the design and approach in the extant ISA 800 series, in particular as it relates to ISAs 800 and 805
 - ISAs 800 and 805 do not repeat requirements and guidance that is applicable in other ISAs

Matter for IAASB Consideration

The IAASB is asked to provide feedback on the extent to which it believes application material may be appropriate or necessary within the ISA 800 Series to explain how various requirements in proposed ISA 700 (Revised) could be applied.



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