

**Meeting:** IAASB  
**Meeting Location:** New York, USA  
**Meeting Date:** December 7–11, 2015

## Agenda Item

# 9

### Due Process

#### Objective of Agenda Item

1. To advise the IAASB of the status of due process for proposed ISA 810 (Revised), *Engagements to Report on Summary Financial Statements*.

#### Background

2. The IAASB Technical Director is responsible for advising the IAASB as to whether due process has been followed effectively and with proper regard for the public interest before a proposed Standard, or changes to standards, are approved.
3. The following outlines the Technical Director's conclusion and basis thereof with respect to actions up to the December 2015 IAASB meeting for the above proposed consequential amendments to ISA 810. Before approval of proposed ISA 810 (Revised), the IAASB Technical Director will advise on whether due process has been followed during the course of the December 2015 meeting (including with respect to paragraph 8 below).

#### Due Process Up to the Date of the December 2015 IAASB Meeting

4. The Technical Director confirms to the IAASB that, up to the December 2015 IAASB meeting, proposed ISA 810 (Revised) has been developed in accordance with the IAASB's due process.
5. The principle reporting requirements in proposed ISA 810 (Revised) are derived from ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*. In finalizing the IAASB's broader Auditor Reporting initiative – i.e., the [new and revised auditor reporting standards](#), including the revisions to ISA 700, the IAASB agreed that it would be in the public interest to also consider how such changes should affect ISA 810 and are therefore consequential in nature.
6. However, the IAASB agreed that any amendments to ISA 810 would be limited in nature and are not intended to substantively change the underlying premise of an engagement to report on summary financial statements in accordance with the extant ISAs. A separate project proposal was therefore not considered necessary,<sup>1</sup> however, the rationale of the need for changes to ISA 810 and the planned approach was discussed with the IAASB Consultative Advisory Group (CAG) at its September 2014 meeting.
7. In summary, for proposed ISA 810 (Revised), the IAASB:
  - Consulted with the IAASB CAG on significant issues during the development of proposed ISA 810 (Revised).

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<sup>1</sup> The [project proposal](#) for the IAASB's Auditor Reporting project is available on its website.

Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Drafting Team has reported back to the IAASB CAG the results of the IAASB's deliberations.

- Considered whether it is necessary to hold a public forum or roundtables, or to issue a consultation paper or conduct field testing, in order to solicit views on a matter under consideration. Input relevant to the consequential amendments to ISA 810 was received from the [IAASB's global auditor reporting roundtables](#), as well as the [field tests of the application of ISA 701](#), *Communicating Key Audit Matters in the Independent Auditor's Report*. Accordingly, no separate public forums or field testing were deemed necessary for proposed ISA 810 (Revised).<sup>2</sup>

#### *Exposure Draft*

- Approved and issued an [exposure draft](#) of proposed ISA 810 (Revised) for public comment, together with an explanatory memorandum highlighting, amongst other matters, the significant proposals of the IAASB.
- Consulted with the IAASB CAG on significant issues raised in comment letters on the exposure draft of the proposed ISA and the Drafting Team's proposed responses. Significant comments received through the consultation with the IAASB CAG will be brought to the IAASB's attention at the December 2015 meeting, and the Drafting Team will report back to the IAASB CAG the results of the IAASB's deliberations at the CAG's March 2016 meeting.<sup>3</sup>

8. During the December 2015 meeting, the IAASB will be asked to:

- Consider an analysis of the significant issues raised by respondents on the exposure draft, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters:
  - Deliberate significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Drafting Team, that they considered should be discussed; and
  - Amend proposed ISA 810 (Revised) accordingly.

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<sup>2</sup> To inform the IAASB's Auditor Reporting project, the IAASB (i) issued a Consultation Paper, *Enhancing the Value of Auditor Reporting: Exploring Options for Change* in May 2011; (ii) issued an Invitation to Comment, *Improving the Auditor's Report* in June 2012; and (iii) hosted three global roundtables in New York, USA – September 10, 2012; Brussels, Belgium – September 14, 2012; Kuala Lumpur, Malaysia – October 8, 2012. Also, the Drafting Teams have also held teleconferences with interested stakeholders over the course of the Auditor Reporting project. Due to the nature of the changes and this input from stakeholders as part of the broader Auditor Reporting project, the Drafting Team does not believe it is necessary to obtain further input through field testing, roundtables or the issuance of a consultation paper. The IAASB is asked to consider this as part of its discussions on Agenda Item 2-A (see paragraph 43).

<sup>3</sup> Feedback to the exposure draft was discussed with the CAG at its December 2, 2015 meeting teleconference. Accordingly, this feedback will be raised to the IAASB during the discussions on Agenda Item 3 of the December 2015 IAASB meeting. A final report back on the discussions of the December 2, 2015 CAG teleconference will form part of the March 2016 CAG meeting agenda materials.