

Meeting: IAASB
Meeting Location: New York
Meeting Dates: December 5–9, 2016

Agenda Item

8

Quality Control—ISA 220¹

Objectives of the Agenda Item

1. The objective of the agenda item is to obtain the Board's feedback on possible revisions to ISA 220.

Crossover Working Group (WG)

2. Members of the Crossover WG include:
 - Megan Zietsman, IAASB Member and Chair of the WG
 - Karin French, IAASB Member
 - Rich Sharko, IAASB Member
 - Imran Vanker, IAASB Member
 - Brendan Murtagh, IAASB Member
 - Josephine Jackson, IAASB Technical Advisor
 - Annette Köhler, IAASB Member (correspondent member)

Activities since the Last IAASB Discussion

3. Subsequent to the September 2016 IAASB meeting, the Crossover WG held one physical meeting and one teleconference in order to develop the agenda material.
4. The Chair of the Crossover WG and Staff will participate in a teleconference with the International Forum of International Independent Audit Regulators (IFIAR) Standards Coordination Working Group in late November 2016 to provide feedback on the responses to the IAASB's Invitation to Comment (ITC), *Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits*, and discuss the way forward.

Materials Presented

5. The agenda materials presented for the Board's consideration include **Agenda Item 8-A**, which summarizes the key issues identified at this stage by the Crossover WG and provides further context for the potential suggested enhancements proposed in **Agenda Item 8-B**. The suggestions presented reflect both feedback received in the responses to the Invitation to Comment (ITC)² as well as the discussions of the Crossover WG. A summary of the responses to the ITC is presented as Appendix B within **Agenda Item 8-A**.

¹ International Standard on Auditing (ISA) 220, *Quality Control for an Audit of Financial Statements*

² *Enhancing Audit Quality in the Public Interest: A Focus on Professional Skepticism, Quality Control and Group Audits*

6. **Agenda Item 8-B** presents the requirements within extant ISA 220 with potential suggested enhancements proposed by the Crossover WG. The purpose of the suggested enhancements is to obtain IAASB views about possible amendments that could be made in order for the Crossover WG to begin the drafting process. The application material to extant ISA 220 is presented as an Appendix within **Agenda Item 8-B** for reference purposes.

Actions Requested

7. Input from the IAASB on key issues at an early stage is essential and will serve to further inform the Crossover WG's discussions as it continues to deliberate about the issues and how they should be addressed

Matters for IAASB Consideration

8. The IAASB is asked to consider the issues discussed in **Agenda Item 8-A** and related possible changes and enhancements in **Agenda Item 8-B**, and provide input to assist the WG in moving forward.

Materials Presented

- | | |
|-----------------|--|
| Agenda Item 8-A | Quality Control at the Engagement Level (ISA 220) —Issues and Discussion |
| Agenda Item 8-B | ISA 220 Analysis |