

**Final Minutes of the 58th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
Held on June 24–28, 2013 in New York, USA**

Voting Members

Present: Arnold Schilder (Chairman)
Dan Montgomery (Deputy Chair)
Arch Archambault
Jean Blascos
Jianshen Chen
Valdir Coscodai
Cédric Gélard
Jon Grant
Jonas Hällström
Merran Kelsall
Annette Köhler
Charles Landes
Caithlin Mc Cabe
Brendan Murtagh
Marc Pickeur
Tomokazu Sekiguchi
John Wiersema
Bruce Winter

Technical Advisors

Sue Almond (Mr. Murtagh)
Wolf Böhm (Ms. Köhler)
Karin French (Mr. Archambault)
Marek Grabowski (Mr. Grant)
Hiram Hasty (Mr. Landes)
Susan Jones (Mr. Blascos) (June 24–26, 28)
Sachiko Kai (Mr. Sekiguchi)
Alexandra Popovic (Mr. Hällström)
Jon Rowden (Mr. Winter)
Greg Shields (Mr. Wiersema)
Isabelle Tracq-Sengeissen (Mr. Gélard)
Jacques Vandernoot (Mr. Pickeur)
Denise Weber (Mr. Montgomery)

Apologies:

Brantley Blanchard (Ms. Mc Cabe)
Alejandro Gonzalez (Mr. Coscodai)
Richard Mifsud (Ms. Kelsall)
Ge Zhang (Mr. Chen)

Non-Voting Observers

Present: Linda de Beer, Juan Maria Arteagoitia, Norio Igarashi (June 25–28)

Public Interest Oversight Board (PIOB) Observer

Present: Rob Ward

IAASB Technical Staff

Present: James Gunn (IAASB Technical Director), Beverley Bahlmann, Kathleen Healy, Brett James, Diane Jules

Apologies: Jim Sylph (IFAC Executive Director)

1. Opening Remarks

WELCOME AND INTRODUCTIONS

Prof. Schilder welcomed the participants and observers to the meeting. He noted that all Board members were in attendance, and that apologies were received from Technical Advisors Messrs. Blanchard, Gonzales, Mifsud, and Zhang. He added that Mr. Gonzalez was the new technical advisor for Mr. Coscodai, and would be in attendance at the next IAASB meeting in September 2013. He welcomed Mr. Ward, observing the meeting on behalf of the PIOB. He also welcomed Ms. de Beer, observing on behalf of the IAASB Consultative Advisory Group (CAG), and Mr. Arteagoitia, observing on behalf of the European Commission (EC). He added that Mr. Igarashi, observing on behalf of the Japanese Financial Services Agency (FSA), would be joining the meeting later in the week. He also extended a special welcome to the large number of public observers at the meeting. Prof. Schilder provided an overview of the agenda for the meeting, and thanked the Task Forces and staff for their hard work in preparing the meeting papers.

RECENT DEVELOPMENTS

Prof. Schilder reported on the main outcomes of the May 2013 IAASB-National Auditing Standards Setters (NSS) Liaison Group meeting in New York. He highlighted the participation of Mexico and Hong Kong in the meeting for the first time. He noted that the meeting had focused on auditor reporting, among other topics, and that several presentations were received from NSS about their initiatives on topics of interest.

Prof. Schilder reported that there were now ninety jurisdictions using, or committed to using, the clarified ISAs, as the Kyrgyz Republic and Uzbekistan had recently been added based on information received at bilateral meetings at the joint IAASB-International Accounting Standards Board (IASB) event in May addressing adoption and implementation of international standards in the Former Soviet Republics in Europe and Central Asia. Messrs. Montgomery, Grant and Gunn represented the IAASB at this event. Prof. Schilder also noted that Russia is making good progress toward adoption of the clarified ISAs, with draft legislation now developed and under consideration. He added that other countries, including Poland, Belarus and Bolivia, were making progress towards adoption of the clarified ISAs.

Prof. Schilder highlighted a number of recent presentations and outreach activities by IAASB leadership and Board members included in Agenda Item 1, including attendance by himself and Ms. Healy at the U.S. Public Company Accounting Oversight Board (PCAOB) Standards Advisory Group (SAG) meeting in May 2013, during which the topic Audit Quality was discussed. He also thanked Mr. Murtagh for his presentations at the International Federation of Accountants (IFAC) Small and Medium Practices (SMP) Committee's Forum in Uganda, noting that participation at this Forum was very important for understanding and addressing issues and concerns in this sector. Prof. Schilder highlighted upcoming meetings with the International Corporate Governance Network and Center for Audit Quality that would be attended by himself, Mr. Grant and Ms. Kelsall. He also noted that he would be attending the annual CReCER conference, an important forum for Latin American countries, with Messrs. Archambault and Gunn, in Colombia in early August 2013.

Prof. Schilder noted that the IAASB has published its 2012 Annual Report, and that the PIOB had published its Eighth Public Report, which now included a summary of the recommendations made by the PIOB during observations at IAASB meetings.

PIOB OBSERVER REMARKS

Mr. Ward noted that the PIOB was on a journey of transparency, both in terms of process and in respect of their findings. He noted that the Eighth Public Report was the first time the PIOB had published the observations of the PIOB's attendance at the various standard-setting boards meetings, including the IAASB. He encouraged meeting participants to read the recommendations included in the report.

Mr. Ward commended the IAASB on its progress in respect of the auditor reporting project. He added that the IAASB was adept at tackling the "big issues" and that the progress on the auditor reporting project since December 2011, when this project had been prioritized, had demonstrated this.

2. Minutes

Minor amendments were suggested to the minutes of the public session of the April 2013 IAASB meeting. The IAASB approved the amended minutes.

3. Auditor Reporting

Mr. Montgomery introduced the session, commenting that the Drafting Teams (DTs) have undertaken great work to further discuss the issues and present the agenda material. He acknowledged the two Drafting Teams (DTs), including the Technical Advisors to DT members, and Staff. Mr. Montgomery explained that the DTs continue to monitor the European Union regulatory process and the UK Financial Reporting Council's proposals, noting that recently issued financial statements from a UK listed entity incorporated the UK FRC's proposals and a number of the IAASB's proposals. He also confirmed the US Public Company Accounting Oversight Board planned to issue their proposals in the upcoming months.

Mr. Montgomery noted that feedback had been received from the NSS at their May 2013 IAASB liaison meeting, and a teleconference had been held with the CAG Working Group on Auditor Reporting in advance of this meeting.

KEY AUDIT MATTERS (KAM) – DRAFT OF PROPOSED ISA 701¹

Scope and Applicability of Proposed ISA 701

The IAASB agreed to simplify the material in the Scope section to clarify that the ISA applies to audits of complete sets of general purpose financial statements of listed entities. Because law, regulation or national auditing standards may require auditors of financial statements of entities other than listed entities to communicate KAM, and auditors of these entities otherwise may wish to use the new mechanism of KAM on a voluntary basis, the IAASB agreed that the Scope section should also explain that proposed ISA 701 also applied in these circumstances. As a result, the IAASB agreed it was necessary to clarify requirements in proposed ISA 701 and other standards to address circumstances when auditors of entities other than listed entities communicate KAM to ensure that if KAM are communicated that they are determined and communicated in the same manner as for listed entities, including:

- The requirement in proposed ISA 700 (Revised)² to ensure all auditors communicating KAM do so in accordance with proposed ISA 701.

¹ Proposed ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

² Proposed ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

- The objective of proposed ISA 701. As a result of changes to proposed ISA 700 (Revised), the IAASB agreed that it was not necessary for the objective of proposed ISA 701 to differentiate between listed and other than listed entities.
- ISA 210³ to require auditors of entities other than listed entities to include a statement in the audit engagement letter regarding their intent to communicate KAM when otherwise not required to do so. The IAASB was of the view that because the form and content of the auditor's report is the sole responsibility of the auditor, it was important for auditors to have the ability to use the mechanism of KAM, but has acknowledged in new application material of ISA 210 that reference in the audit engagement letter may be necessary to retain the ability to communicate KAM.

Defining and Determining KAM

An IAASB member was of the view that the concept of KAM enhancing users' understanding should be incorporated into the objective of proposed ISA 701. Mr. Montgomery explained that the ISA 701 DT had considered doing so, but was of the view that it would be more appropriate to address the concept in the Scope section, as well as in support of the auditor's determination of the KAM. He noted that respondents to the ITC had highlighted the difficulties in the auditor explicitly assessing what would be relevant to users because they are a diverse group and the financial statements are prepared for a general purpose.

Mr. Montgomery also noted that feedback from the NSS was consistent with the DT's views – that it was necessary to allow for auditor judgment in determining KAM, but that certain factors relevant to that judgment could be useful in the proposed requirement to determine KAM, with application material to support this requirement.

The IAASB agreed that in determining KAM the auditor should be required to take into account "areas of significant auditor attention", with additional factors that the IAASB anticipates would normally constitute such areas. While consideration was given to relocating these factors to application material, the majority of the IAASB was of the view that this approach would be an appropriate way for the standard to address both user expectations and the need for consistency in auditor judgments. Application material to the requirement to determine KAM highlights areas in which users have expressed interest for additional communication from the auditor.

The IAASB accepted the DT's recommendation that the determination and communication of KAM should be limited to the financial statements of the current period, and agreed that this concept should be incorporated into the definition of KAM. The IAASB was also of the view that the definition should explicitly state that KAM are selected from matters communicated with those charged with governance (TCWG).

In establishing the proposed requirement for the auditor to determine the KAM, the IAASB also agreed that additional application material should be developed to provide further guidance for auditors in applying the principles-based requirement to determine the KAM, in particular to:

- Address the concept of KAM as a relative concept and focus on explaining areas of significant auditor attention, with additional guidance explaining other considerations relevant to determining the significance of individual matters that were communicated with TCWG. This was considered necessary to explain that a matter simply meeting one of the factors did not necessarily mean that

³ ISA 210, *Agreeing the Terms of Audit Engagements*

such a matter would be determined to be a KAM, including matters presumed to be significant risks in the ISAs.

- Explain that, despite the limitation for KAM to be determined from the current period only, consideration of KAM in the prior period may be relevant.

Communicating KAM

The IAASB supported the DT's proposed requirement relating to communicating KAM, but suggested it could be further clarified that the auditor would consider whether a description of the KAM's effect on the audit was necessary as part of the explanation of why the auditor considered the matter to be of most significance in the audit. The IAASB agreed that it would not be necessary to mandate a discussion of audit procedures or outcome of those procedures in all cases, but included additional guidance in proposed ISA 701 to illustrate that this may be useful in certain circumstances.

The IAASB also had significant debate about whether it would be appropriate for the auditor to communicate about matters that had not been disclosed in the financial statements. The IAASB agreed that it would be appropriate for the application material to explain the possible effects of law, regulation and ethical standards on the auditor's ability to communicate KAM, and also highlight that there are some matters that may be determined to be KAM that are viewed as sensitive because of their nature and the fact that such matters may not be disclosed in the financial statements. The IAASB agreed to include an example of such a matter (i.e., the illustrative example addressing revenue recognition relating to long-term contracts) to solicit feedback on the informational value of such communication. The IAASB also agreed to revise application material addressing the possibility of the auditor providing original information about the entity by communicating key audit matters.

Illustrative Examples

The IAASB considered revisions to the illustrative examples, and agreed that illustrating different approaches in the ED would be useful to show how an auditor's judgments about the nature and extent of the description, and the information to include, in explaining KAM may vary depending on the situation. In developing the examples, the IAASB sought to make them as entity-specific as possible.

In response to feedback from Ms. de Beer (see below), Prof. Schilder noted the IAASB had considered various pros and cons in approaching the illustrative examples in the report, and was of the view that showing a variety of examples in the ED would enable the IAASB to solicit feedback on them, with explanation in the EM about why the IAASB believes the examples are of high quality.

Auditor Determination that There Are No KAM

Because KAM are matters "of most significance" in the audit of the financial statements, and therefore a relative concept, the IAASB was of the view that there are likely to always be one or more matters of "most significance" in an audit. Nevertheless, the IAASB accepted that there may be certain limited circumstances (e.g., a listed entity that has very limited operations or assets) in which the auditor judges there to be no KAM to communicate in the auditor's report. The Board agreed to clarify the application material to address such circumstances and explain the intent of the proposed requirement, including the requirements to communicate with TCWG and the engagement quality control reviewer, where one has been appointed.

Documentation

The IAASB determined a documentation requirement was necessary in proposed ISA 701 to complement the overarching documentation requirements in ISA 230.⁴ The IAASB's deliberations focused on developing a requirement that would be capable of being operationalized in practice, as the IAASB's intent is not to require the auditor's documentation to explain why each of the other matters communicated with TCWG was not determined to be a KAM. The IAASB agreed that application material in proposed ISA 701 should acknowledge that both the written communications with TCWG and other audit documentation may assist the auditor in developing a description of KAM, and that the documentation of the significant professional judgments made in determining the KAM draws upon this documentation. The IAASB also supported the DT's recommendation that a conforming amendment to ISA 230 to provide additional guidance about what to document in relation to KAMs would be appropriate, including when the auditor had determined there are no KAM to communicate in the auditor's report.

Form and Content of the KAM Section Prescribed by Law or Regulation

The IAASB initially considered a requirement in proposed ISA 701 relating to circumstances in which law or regulation may require the auditor to provide information similar to KAM or may require TCWG to issue a report that includes similar information. This was intended to acknowledge the current requirements in certain national jurisdictions (e.g., France and the UK) and allow for flexibility for other developments that may occur at the national and regional levels. The IAASB agreed that the need for flexibility would be better placed in proposed ISA 700 (Revised), which includes a specific requirement dealing with the effect of law or regulation on the auditor's report, with application material to explain the implications on reporting in accordance with proposed ISA 701.

Revisions to ISA 260⁵ as a Result of Proposed ISA 701

The IAASB agreed limited amendments to the required auditor communications with those charged with governance were necessary in light of proposed ISA 701. In particular, the IAASB agreed to revise the existing requirement for the auditor to communicate with those charged with governance an overview of the planned scope and timing of the audit, to include communicating about the significant risks identified by the auditor. Mr. Montgomery noted that the DT, NSS and the CAG strongly supported establishing this requirement for audits of financial statements of all entities, not only for listed entities, as it was in the public interest and requiring such communication could enhance audit quality.

The IAASB also considered the alignment between the other communications required by proposed ISA 260 (Revised) and the areas of significant auditor attention considered in determining KAM. The IAASB agreed it should amend ISA 260 to require the auditor to communicate, as part of communicating the significant findings from the audit, circumstances that required significant modification of the auditor's planned approach to the audit, to align with proposed ISA 701.

⁴ ISA 230, *Audit Documentation*

⁵ Proposed ISA 260 (Revised), *Communication with Those Charged with Governance*

Revisions to ISA 706⁶ as a Result of Proposed ISA 701

The IAASB agreed with the DT's recommendation that the concepts of Emphasis of Matter (EOM) and Other Matter (OM) paragraphs should be retained. Within proposed ISA 706 (Revised), the IAASB agreed the following:

- The requirements to include an EOM or OM paragraph should only apply if the matter has not been determined to be a key audit matter in accordance with proposed ISA 701, if applicable. To this end, the IAASB agreed that when a KAM section is included in the auditor's report, EOM paragraphs are expected to be rare, except when otherwise required by other ISAs or by law or regulation.
- When an EOM paragraph is added, it would be preferable for the heading "Emphasis of Matter in the Financial Statements" to be used and, when KAM are communicated in the auditor's report, the auditor should include a statement in the EOM paragraph that explains that the matter being emphasized is separate from KAM.
- Additional guidance in the Introduction section of the standard and new application material was developed to clarify the relationship between EOM and OM paragraphs when KAM were communicated, including an illustration when an EOM paragraph and KAM section are both presented.

The IAASB also considered references within the requirements and application material in other ISAs to determine whether such references remained appropriate in light of the definition of KAM. The IAASB agreed that revisions to application material in ISA 540⁷ and new application material in ISA 710⁸ would be useful to further clarify the relationship between KAM, EOM and OM paragraphs and has proposed conforming amendments to these ISAs.

Matters Relating to Proposed ISA 701 to Be Addressed in the Explanatory Memorandum

The IAASB agreed it would be useful for the Explanatory Memorandum (EM) included in the Exposure Draft (ED) to address the following key concepts in relation to KAM, and asked the Staff to consider whether specific questions on these matters would be appropriate:

- Whether the proposed requirements and related application material in proposed ISA 701 provide an appropriate framework to guide the auditor's judgment in determining the key audit matters and sufficient direction to enable the auditor to appropriately consider what should be included in the descriptions of individual key audit matters to be communicated in the auditor's report.
- The manner in which the Proposed ISAs address the possibility of auditors of financial statements of entities other than listed entities communicating KAM.
- The rationale for the IAASB's decision to limit communication of KAM to matters in the audit of the current period financial statements, in particular the practical implementation challenges of including KAM for multiple periods.

⁶ Proposed ISA 706 (Revised), *Emphasis of Matter and Other Matter Paragraphs in the Independent Auditor's Report*

⁷ ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

⁸ ISA 710, *Comparative Information—Corresponding Figures and Comparative Financial Statements*

- The prohibition from including KAM when the auditor disclaims an opinion on the financial statements.
- The possibility that the auditor could determine that there are no KAM to communicate, and the manner in which this is addressed in the auditor's report.
- The illustrative examples, including how they differ, to solicit feedback on whether respondents found them useful and informative and to identify areas for improvement.

IAASB CAG Chairman's Remarks

Ms. de Beer noted the CAG's support for KAM being a relatively small population of matters. In setting the requirement to determine KAM, Ms. de Beer asked the IAASB members to consider whether the auditor would include a KAM relating to concerns with management or the governance structure of an entity in light of the construct of KAM being selected from matters communicated with TCWG, and whether proposed ISA 701 should include application guidance addressing this circumstance. An IAASB member was of the view that this would be a significant deficiency in internal control, which would be required to be communicated with TCWG in accordance with ISA 265.⁹ Another IAASB member was of the view that this was a public policy matter that would be better addressed via communication with regulators rather than by inclusion in the auditor's report.

In relation to the Board's consideration of the interaction between KAM, EOM and OM paragraphs, Ms. de Beer suggested that users were unlikely to understand the nuances of the Board's deliberations and suggested that the IAASB should seek to be as clear as possible in delineating the various types of potential communications in the auditor's report. She supported further specificity in the heading of an Emphasis of Matter paragraph as a means of doing so.

In relation to the various draft illustrative examples presented to the IAASB and the IAASB's debate about what would be appropriate to include in the ED, Ms. de Beer was of the view that more detailed examples (in particular those that included the auditor's conclusion) would be preferable to the CAG, whom have not seen the revised examples, indicating that her preliminary consultation with an investor representative on the CAG had indicated that users would likely find the most value in them.

GOING CONCERN (GC) – DRAFT OF PROPOSED ISA 570 (REVISED)¹⁰

Mr. Winter introduced the topic, also commending the efforts of the DTs, in particular the ISA 700 Drafting Team (DT-700), and the Technical Advisors and Staff who supported them.

Auditor Reporting on GC

The IAASB agreed to amendments to extant ISA 570 to operationalize the illustrative wording related to the auditor's responsibilities with respect to GC as discussed at its April 2013 meeting. As is the case with extant ISA 570, the IAASB agreed that the base for the illustrative wording related to GC would be the relevant requirements in IAS 1,¹¹ though the exact words were modified where appropriate to be more understandable to readers (e.g., the word "trading" replaced with "operations"). The IAASB also agreed that it would be more appropriate to replace the term "GC assumption" used in extant ISA 570 with the

⁹ ISA 265, *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*.

¹⁰ Proposed ISA 570 (Revised), *Going Concern*

¹¹ International Accounting Standard (IAS) 1, *Presentation of Financial Statements*

concept in International Financial Reporting Standards (IFRS) of “GC basis of accounting” throughout proposed ISA 570 (Revised). The proposed ISA 570 also acknowledges that the illustrative wording would need to be modified as necessary, depending on the applicable financial reporting framework.

The IAASB acknowledged the complexity caused by the existing variations in national standards with respect to the reporting responsibilities about GC, and the need for accounting standards to provide more clarity about certain GC concepts (e.g., the need for a clearer definition of a material uncertainty (MU) and the related disclosures required to be included in the financial statements). Some IAASB members challenged the idea of moving forward with proposals relating to GC as part of the auditor reporting proposals, suggesting instead that the IAASB postpone its proposals on auditor reporting on GC until such time that the IAASB undertakes a project to fundamentally revise ISA 570 (i.e., when the revisions that are currently being contemplated by the accounting standard setters are finalized). However, there was a majority view that, given the strong demand from users for the auditor’s report to address matters related to GC, it is important that the IAASB move forward with its proposals. The IAASB further agreed that in moving forward with its required statements about GC in the auditor’s report, it would simply be making explicit what is already implicit about the auditor’s responsibility with respect to GC in extant ISA 570.

Consequently, the IAASB agreed to make only minimal amendments to extant ISA 570 for purposes of the June 2013 ED, with the possibility of additional changes to ISA 570 once future amendments to the underlying accounting standards become effective. The IAASB also agreed that proposed ISA 570 (Revised) should include an appendix with full illustrative auditor’s reports that replace the excerpts of illustrative wording in the application material of extant ISA 570. The appendix includes:

- An auditor’s report containing a statement regarding a MU identified when disclosures are adequate in the financial statements;
- An auditor’s report containing a qualified opinion when disclosure of a MU in the financial statements is inadequate; and
- An auditor’s report containing an adverse opinion where disclosure of a MU in the financial statements is inadequate.

Liaison with Accounting Standard Setters on GC Developments

Certain IAASB members expressed concern that auditor’s statements about GC in the auditor’s report could serve to widen the expectations gap. This might be the case if users did not understand that such statements were not a guarantee as to the entity’s future viability, or if the meaning of the term MU and the requirements for disclosure of such MUs were not clearly defined across different financial reporting frameworks.

The IAASB agreed that more work is needed to appropriately address the underlying issues relating to GC, and the potential misunderstandings that may come about as a result of its proposed statements. Taking into account a presentation given by IASB representatives (see Agenda Item 3), the IAASB re-emphasized the importance of ongoing dialogue between the IAASB and IASB, as well as the US Financial Accounting Standards Board (FASB), on matters relating to GC and related topics in order to address and manage issues as they arise on a timely basis.

Reflecting on the IASB’s presentation, IAASB members reiterated the challenges that exist in practice with the application of not only extant ISA 570, but the underlying accounting standards, and agreed that clarification is needed about what and when to report in relation to MUs. The IAASB agreed that

additional guidance that clarifies certain GC concepts, including MUs, would assist auditors in better challenging management's use of GC basis of accounting in the preparation of the financial statements and being in a position to make the statement in the auditor's report that the auditor had not identified an MU. One IAASB member questioned how the possibility of increased disclosures about MU, in particular on a "gross basis" before the effect of management's plans are considered, would interact with the proposed statements in the auditor's report. This member noted the view that increased disclosures about MU and auditor's statements in all cases could obscure circumstances for which an EOM paragraph would have previously been seen as a strong signal.

Other Matters Related to GC

The IAASB agreed to require a statement that neither management nor the auditor can guarantee the entity's ability to continue as a GC only in situations when no MU is identified. Thus, in situations where a MU is identified, such a caveat would not be required in the auditor's report, although the auditor would not be precluded from including such a statement.

Matters Relating to Proposed ISA 570 (Revised) to Be Addressed in the EM

The IAASB agreed it would be useful for the EM included in the ED to address the following key concepts in relation to auditor reporting on GC, and asked the Staff to consider whether specific questions on these matters would be appropriate:

- Whether respondents agree with the proposed statements in the auditor's report, including whether such reporting and the potential implications thereof may be misunderstood or misinterpreted by users of the financial statements.
- Whether the statement that neither management nor the auditor can guarantee the entity's ability to continue as a GC should be included in the auditor's report whether or not a MU has been identified.
- The calls for a more holistic response to GC, the interaction of the proposals with ongoing work by accounting standard setters, and acknowledgment that the IAASB will need to carefully consider the status and planned actions of the accounting standard setters when finalizing its auditor reporting proposals to determine the best course of action, which may involve deferring finalization of auditor reporting related to GC.

IAASB CAG Chairman's Remarks

Ms. de Beer noted that requiring auditors to explicitly comment on the appropriateness of management's use of the GC basis of accounting in the auditor's report is seen to be very important by the CAG. Auditors, in any event, need to verify the appropriateness of the basis of accounting being used by management. Accordingly, she expressed support for the IAASB's decision to change the term "GC assumption" to "GC basis of accounting" noting that the revised term may address some concerns raised by certain CAG representatives as to the inconsistent use of going concern terminology.

PIOB Remarks

Mr. Ward complimented the IAASB on their recognition of the need to take immediate steps to address GC. He described the IAASB's approach as a "staged approach" that included a "fast track" component to timely respond to users' demand for change in the area of GC. He noted that the process of "fast

tracking” in standard setting is different from what many on the board are used to, noting that there were some members who would have been more comfortable waiting. He expressed satisfaction with the IAASB’s outcome, adding that “the world often cannot wait for perfection.”

DRAFT OF PROPOSED ISA 700 (REVISED)

Independence and Other Ethical Requirements

The IAASB reconsidered the explicit statement of compliance with independence and other relevant ethical requirements that was previously discussed at the April 2013 IAASB meeting. The IAASB agreed to require the inclusion of a statement in the auditor’s report that the auditor is independent of the entity within the meaning of the relevant ethical requirements or applicable law or regulation and has fulfilled the auditor’s other ethical responsibilities under those requirements. As part of the required statement, the auditor would also be required to disclose the source(s) of the specific independence, other relevant ethical requirements, or applicable law or regulation.

The IAASB acknowledged that there may be circumstances when all the sources of such requirements may not be the same and multiple ethical codes or independence requirements may apply (e.g., in a group audit situation). Notwithstanding the practical challenges of doing so, the IAASB agreed that it would be meaningful to users to name in their auditor’s reports all the sources of such requirements in those circumstances. The IAASB was of a view that such information would provide users the additional transparency sought about the basis on which the audit has been conducted in a manner similar to disclosing that the audit was conducted in accordance with ISAs or that the financial statements were prepared in accordance with IFRS.

The IAASB acknowledged that in some jurisdictions it is required for the auditor to publicly disclose breaches of independence requirements. The IAASB agreed that requiring auditors to include information about breaches in the auditor’s report is more appropriate at the national level (e.g., by NSS or securities regulators) because such a requirement would take into account the specific local circumstances and reporting environment.

Identification of the Engagement Partner

The IAASB considered the very strong public interest arguments for increased transparency about the name of the engagement partner. Recognizing that the demand for this transparency primarily came from institutional investors, the IAASB agreed to require auditors of financial statements of listed entities to name the engagement partner in their auditor’s reports. The IAASB also agreed to include a “harm’s way” exemption similar to provisions that already exist within local law or regulation in certain jurisdictions.

Flexibility Versus Consistency in the ISA Auditor’s Report

The IAASB agreed to retain the level of flexibility in auditor reporting that exists in extant ISA 700, by allowing for a departure from more detailed reporting requirements in the following circumstances:

- When an auditor claims compliance with the ISAs in performing the financial statement audit, and law or regulation prescribes a specific layout or wording of the auditor’s report; or
- When an auditor is required to conduct an audit in accordance with the auditing standards of a specific jurisdiction (the “national auditing standards”) but may have additionally complied with the ISAs in the conduct of the audit and refers to both ISAs and the national auditing standards in the auditor’s report.

The IAASB determined the minimum elements necessary to be in an ISA auditor's report, taking into account the improvements resulting from the auditor reporting project, but also giving consideration to the fact that:

- Increasing the levels of specificity about what to include in an ISA auditor's report could make it more difficult for jurisdictions to adopt the revised ISA 700; and
- Eliminating previously required minimum elements of an ISA auditor's report under extant ISA 700 (e.g., title and addressee) may give the incorrect impression of "watering down" the standard.

The IAASB agreed that it would not prescribe the ordering of the elements in the auditor's report, though it would encourage its preferred layout through the presentation in the illustrative auditor's reports and the ordering of the requirements in proposed ISA 700 (Revised).

Other Improvements to ISA 700

The IAASB agreed to:

- Emphasize the reporting requirements related to GC within proposed ISA 700 (Revised) by making an explicit reference to proposed ISA 570 (Revised) within the introduction section of the standard.
- Require a description of the responsibility for the oversight of the financial reporting process in order to acknowledge the important role that TCWG play in the financial reporting process.
- Permit auditors to refer to a description of the auditor's responsibility located in an appendix to the auditor's report; or when law or regulations permits, the website of an appropriate authority. The IAASB also agreed to provide application guidance to convey the importance of having safeguards in place for maintaining such a website.
- Clarify the requirements and related application guidance related to supplemental information in response to concerns raised about those aspects of extant ISA 700 as part of the ISA Implementation Monitoring project.

Revisions to ISA 705¹² as a Result of Proposed ISA 700 (Revised)

The IAASB agreed to amendments to the requirements and guidance addressing modified auditor's reports in extant ISA 705 to take into account the requirements in proposed ISA 700 (Revised) as well as minor drafting changes. This resulted in:

- Reordering the requirements, and the elements of the illustrative modified auditor's reports, to conform to the preferred presentation of those in proposed ISA 700 (Revised); and
- Clarifying the auditor's reporting responsibilities when the auditor disclaims an opinion on the financial statements.

In situations when the auditor disclaims an opinion, the IAASB agreed to:

- Prohibit the inclusion in the auditor's report of additional information on GC, KAM, and other information. The IAASB was of a view that providing such details may overshadow the disclaimer of opinion on the financial statements as a whole.

¹² Proposed ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*

- Modify the required words to be used in the auditor's report relating to the description of the auditor's responsibilities.
- Require the statement relating to independence to be placed in the *Auditor's Responsibilities for the Audit of the Financial Statements* section rather than the *Basis for Disclaimer of Opinion* section.

The IAASB agreed that in the case of a disclaimer, it is appropriate for the wording of the auditor's report to be different and much shorter in length.

Matters Relating to Proposed ISA 700 (Revised) and Proposed ISA 705 (Revised) to Be Addressed in the EM

The IAASB agreed it would be useful for the EM included in the ED to address the following key concepts, and asked the Staff to consider whether specific questions on these matters would be appropriate:

- The benefits and practical implications of requiring auditors to disclose the source(s) of independence and other relevant ethical requirements in the auditor's report.
- The proposal to require disclosure of the name of the engagement partner for audits of financial statements of listed entities, including the "harm's way" exemption, and any anticipated difficulties of such a requirement at the national level.
- The IAASB's approach to the issue of the balance between consistency and flexibility in auditor reporting, including the decision not to mandate the ordering of elements in the auditor's report and the level of prescription in the requirements.

IAASB CAG Chairman's Remarks

Ms. de Beer indicated that the CAG was very supportive of including a statement on independence in the auditor's report that provides an indication of the source of the ethical requirements being applied by the auditor.

EFFECT ON ISA 800 SERIES

Mr. Montgomery noted that the DTs had identified a need to give due consideration to the potential effect on ISAs 800,¹³ 805¹⁴ and 810¹⁵ (the "ISA 800 Series") of changes arising from the Proposed ISAs. However, the DTs recommended that this should be progressed after feedback is received on the Proposed ISAs in the ISA 700 Series.

The IAASB agreed with this recommendation, and intends to propose any necessary changes to the ISA 800 Series through a separate ED, with the aim of having the effective dates of all of the ISA reporting standards aligned to the extent practicable.

¹³ ISA 800, *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*

¹⁴ ISA 805, *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*

¹⁵ ISA 810, *Engagements to Report on Summary Financial Statements*

APPROVAL

After agreeing all necessary changes to the Proposed ISAs, the IAASB unanimously approved the Proposed ISAs, including the proposed conforming amendments to other ISAs, for exposure. The IAASB agreed the ED will be open for comment for a 120-day period from the date of its issuance.

Prof. Schilder congratulated the Board and Staff on achieving approval of the ED. In particular, he commented on Mr. Montgomery's leadership, as well as Mr. Winter's, and the hard work of the DTs and Staff during the week. Mr. Montgomery echoed these remarks, thanking Mr. Winter and Staff in particular. Ms. Healy also noted the significant contributions of Ms. Jules and Mr. Hasty.

EFFECTIVE DATE

The IAASB agreed that the ED should address various considerations relevant to establishing an appropriate effective date for the Proposed ISAs, including:

- The need for enhancements to auditor reporting to come into effect as soon as possible. To this end, an IAASB member suggested the ED should indicate the standards would be effective for 2015 audits (i.e., for periods ending on or after December 15, 2014).
- The time needed for translation and implementation after PIOB confirmation that due process had been followed in the development of the standards. An IAASB member suggested that providing for 15–18 months after release of the standards would leave a rather short time for an appropriate transition.
- The need to take into account that some of the IAASB's proposals affect the establishment of the terms of the audit engagement and other planning considerations, which would mean that the proposed standards should come into effect at the beginning of a reporting period.

FIELD TESTING

Mr. Montgomery noted the approval of the ED represented a significant milestone on the Board's journey, but that outreach with stakeholders has indicated that further efforts would be necessary to promote the ED so that the suggested improvements to auditor reporting will be operationalized as intended. He noted that the IAASB will need input into the implementation challenges and should therefore lead the way in promoting "field testing" among the firms in relation to KAM. Mr. Montgomery explained the goal of field testing would be to obtain input as to whether proposed ISA 701 provides appropriate and understandable guidance to auditors to enable it to be applied effectively. One potential approach to field testing could be for firms to apply the proposed standard retroactively to a prior year audit and develop a KAM section based on the requirements and guidance in proposed ISA 701. Mr. Montgomery suggested that if this were done, communication with management and TCWG may also be helpful in providing feedback on the resulting KAM section. Prof. Schilder noted IAASB leadership and staff would give further consideration as to how best to move forward in regard to field testing.

4. IASB Update

Prof. Schilder welcomed IASB member Mr. Prabhakar Kalavacherla, and IASB Staff member Mr. Michael Stewart who represents the IASB on the IAASB CAG, to update the IAASB on the IASB's activities.

TRUSTEES' STRATEGY REVIEW

Mr. Stewart noted that one of the IASB's priorities was ensuring the consistent application and implementation of its standards. He explained that an Implementation Steering Committee had been established to support the consistent application of IFRSs by ensuring that the IASB becomes aware on a timely basis of challenges in the consistent implementation of the IASB's standards, and to identify opportunities for enhanced interaction with those who use its standards. He noted that established relationships were already in place with many organizations, and highlighted that the establishment of this committee would formalize the dialogue and make the most of those interactions. It was agreed that future opportunities for collaborative outreach with the IAASB would be explored because, as Mr. Kalavacherla noted, the consistent application of ISAs also assists with the consistent application of IFRSs.

Mr. Stewart explained that the IASB Trustees had requested the IFRS Foundation to obtain an understanding of the application of IFRSs globally. He highlighted that they had posted profiles about IFRS adoption for sixty-six jurisdictions that had committed to use IFRS as their required standards, and noted that this was an ongoing initiative to gather information about the assertions regarding adoption that had been made. He clarified that the focus of the review was related to the standards used to prepare financial statements of listed entities, but that the IASB was also collecting information about the use of IFRS for other companies. He added that those jurisdictions had rarely made modifications to the standards when adopting them, but that some jurisdictions had deferred the implementation date of certain standards.

A brief overview of the status of the IASB's main projects was provided.

GOING CONCERN

Mr. Kalavacherla updated the IAASB on the IASB's progress in this area. He noted that the increasing focus on going concern, together with prompting from the IAASB, had caused the IASB to further consider concerns that had been identified around how material uncertainties relating to going concern were identified and reported. He noted that outreach had been conducted with a number of organizations about the reporting thresholds, and highlighted that the responses had indicated that the definition of going concern is clear and working well. However, it was noted that there was significant diversity about when disclosure of a material uncertainty should be made.

Mr. Kalavacherla explained that these issues had initially been considered by the International Financial Reporting Interpretations Committee (IFRIC) and then referred to the IASB for their further consideration. Mr. Kalavacherla noted that the IASB was in the process of considering limited amendments to address when a material uncertainty should be disclosed and the content of such disclosure. He added that there was no intention to change the definition of going concern. Mixed views were expressed by IAASB members on the "trigger" for the disclosure about material uncertainties. The IAASB's discussion on proposed ISA 570 (Revised) as part of Agenda Item 2 makes further reference to the interaction of changes to the financial reporting standards and the auditor reporting proposals.

CLOSING

Prof. Schilder thanked Messrs. Kalavacherla and Stewart for the informative update and the opportunity for the IAASB and IASB to engage once again on matters of mutual interest. Prof. Schilder noted that Mr. Kalavacherla's term with the IASB will finish at the end of 2013. He expressed special thanks to Mr.

Kalavacherla for his effective liaison efforts with the IASB over the last 5 years, and that the IAASB looked forward to working with his successor.

5. ISA Implementation Monitoring

Mr. Grant introduced the topic, noting that changes to the final draft report had been made (i) based on discussions at the April 2013 IAASB meeting; (ii) to incorporate more detail from the International Organization of Securities Commissions (IOSCO) letter that had been received subsequent to the April 2013 IAASB meeting; and (iii) to reflect comments from IAASB members after a revised draft of the report was circulated in May 2013. In addition to editorial and consistency changes identified, the significant changes included:

- Providing more context about the Clarity project, including a new graphic detailing the standards that had been revised and redrafted, and those that had only been redrafted.
- Re-characterizing the “less important” issues as “other issues”, so as not to diminish their importance.
- Providing an index to Appendix 3 for the Summary of Main Comments on Individual ISAs.

Mr. Grant noted that changes had not been made to the report to address observations received regarding the criteria used. This was because the criteria had already been publicly provided as those used to assess the issues, and it would be inappropriate to change them after the assessment had been done. In addition, he added that the Task Force believed that the notion of a “body of evidence” appropriately described the volume of comments that were received on the key issues.

An IAASB member raised a concern about a comment in the draft report that related to a broader issue concerning the competence of auditors rather than an issue related directly to the ISAs. The IAASB agreed that the reference to competencies should be deleted.

An IAASB member asked how the discussion on the ISA Implementation Monitoring project at the May 2013 IAASB-NSS meeting would flow into the future strategy and work program. Prof. Schilder clarified that the comments made at the IAASB-NSS meeting would be considered by the Steering Committee in preparing the draft Consultation Paper to be presented to the IAASB in September 2013, as would the findings as presented in the final ISA Implementation Monitoring report.

RELEASE OF FINAL REPORT

All IAASB members supported the release of the final report. The report will be made available on the IAASB's website in July 2013.

6. ISA 720 – Other Information

Mr. Gélard introduced the topic, outlining the areas of focus of the Task Force to date. He explained that the Task Force had focused on exploring the impact of respondents' comments on the ED of proposed ISA 720 (Revised) (ED-720)¹⁶ in the areas of: the scope of the Other Information, the work effort requirements, and the specific case of the treatment of securities offering documents. He also noted the Task Force had not yet discussed the implications for the objectives, electronic dissemination of Other Information, the other requirements and application material pertaining to the auditor's work effort.

¹⁶ ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon*

Mr. Gélard also noted that reporting on other information was one aspect of the IAASB's proposed enhancements to the auditor's report. Prof. Schilder explained that proposed ISA 700 (Revised) and the illustrative auditors' reports include a placeholder for the proposed ISA 720 reporting requirement, which will be finalized by the ISA 720 Task Force in light of the comments received on ED-720. Prof. Schilder noted the need for the IAASB to be frank and direct on the problems noted in progressing to an ED as the feedback on ED-720 showed that these were the same areas that respondents focused on.

OVERALL COMMENTS

The IAASB noted that the project to revise ISA 720 was initiated in light of evolution in the nature, scope and reporting on Other Information, particularly that the:

- Nature of the documents comprising Other Information has changed from when extant ISA 720 was issued;
- Other Information is now more voluminous and broader in scope; and
- Auditor's association with Other Information used to be implicit, but the need for greater transparency about the auditor's work, including about work on Other Information, has led to calls for an explicit statement in the auditor's report.

Various IAASB members also noted that there were three possible reasons for the auditor's involvement with Other Information: (i) to support the audit of the financial statements; (ii) to comply with the requirement in the International Ethics Standards Board for Accountants (IESBA) Code about avoiding association with misleading information;¹⁷ and (iii) to enhance the quality of the Other Information.

Views on the Objective of the Auditor with Respect to Other Information

Some members noted that the IAASB would need to decide on the objective of proposed ISA 720 (Revised) prior to deciding an appropriate way forward on other matters, such as the scope of Other Information, work effort or reporting. Some of these members believe that proposed ISA 720 (Revised) should be focused solely on compliance with the requirement in the IESBA Code to avoid association with misleading information needed for an audit of financial statements, and that it should not be focused on supporting the audit of the financial statements or separately enhancing the quality of Other Information.

A few members noted that national legislators and regulators are responsible for deciding on the scope of the audit of the financial statements, and that the IAASB might therefore exceed its mandate if it were to extend the scope of the audit of the financial statements worldwide by expanding the auditor's responsibilities regarding Other Information within such an audit. Rather the IAASB should seek to clarify those responsibilities given changes in the environment. An IAASB member noted that the project proposal specified that the revision of ISA 720 was intended to enhance the credibility of the financial statement audit resulting from technological changes such as the increased use of websites and electronic communication of information to investors. This member was of the view that ISA 720 exists today to enable the auditor to meet the ethical obligations about not being associated with misleading information, and that the Task Force's proposals went beyond this objective and may lead to an increase in the expectations gap.

Some members noted that an extension of the auditor's responsibilities in respect of Other Information could be achieved by a separate engagement. Some members noted that the Task Force's proposal to

¹⁷ IESBA Code, paragraph 110.2

include in the scope of Other Information documents agreed with management was not consistent with the premise that the nature of an audit of financial statements is defined by the ISAs. It was also noted that the Task Force's proposal could have the effect of widening the application of ISA 720 as management could seek to include any other documents within the ambit of ISA 720. Another member noted that conveying the assurance obtained on Other Information could be the subject of a separate engagement, which would make the boundary of an audit of financial statements clearer.

However, other members supported the objective of strengthening ISA 720 in light of the increasingly important role of other information in financial reporting. Some of these members noted that the IAASB needed to explain what "association" means in relation to an audit of financial statements, adding that it was not in the public interest for auditors to have differing views of what association means. These members did not believe that amending the objective, provided that a strong response to comments received on ED-720 was required, would result in many changes to the auditor's work effort as described in ED-720, as it was based on what a prudent auditor would need to do. An IAASB member noted that some of the comments about the objective appeared to be advocating a lower bar than that set by extant ISA 720.

Another IAASB member noted the view that the objective of proposed ISA 720 (Revised) had become less clear as a result of the comments on the auditor reporting element. This member supported raising the bar, but noted that this needed to be in connection with the work effort required to support the financial statement audit. This member also noted that users may derive assurance from a statement in the auditor's report on Other Information, regardless of a disclaimer.

Mr. Gélard highlighted that respondents' comments on the objective were mixed, with some focused on raising the bar and improving the quality of the Other Information. He agreed with those IAASB members who noted that changing the objective may not affect the work effort to a significant degree.

After discussing the matter further, the IAASB agreed that the Task Force will need clear direction from the IAASB at its September 2013 meeting, noting that the project has evolved from the project proposal in light of the perceived need for, and implications of, a reporting obligation.

Prof. Schilder thanked the Task Force for initiating this discussion and appreciated the practical approaches adopted by the Task Force. He highlighted that extant ISA 720 was very clearly linked to an audit of financial statements, but also referred to the need for the auditor to "respond appropriately" to Other Information. He noted that ED-720 was an auditing standard, and any need for an association standard should be addressed separately.

A few IAASB members noted that the reporting requirement, regardless of disclaimer that no assurance was provided, nevertheless may be perceived as providing a degree of assurance. Another IAASB member noted that the reporting requirement needed to be very clear, as the auditor's work effort would be directed at obtaining evidence to support the statement in the auditor's report. This member noted that any confusion in the reporting requirement would result in questions about whether the auditor is obtaining assurance and expressing an assurance conclusion on the Other Information.

SCOPE OF OTHER INFORMATION

The IAASB broadly supported focusing the definition of Other Information on the annual report or similar documents as a way of more clearly delineating the boundaries of Other Information. It was noted that annual reports are often defined in legislation, making the definition easy to apply in practice. However, other members questioned aspects of the Task Force's proposal, noting variously that:

- In some jurisdictions, the annual report may be available only several months after the publication of the financial statements.
- The application of the proposal to scope-in documents similar to an annual report to non-listed entities should be considered by the Task Force, as such entities may not issue an “annual report” but may issue a “president’s letter” or similar communication without the auditor’s knowledge and which may be issued some months after the financial statements.
- The definition of Other Information should be principles-based, and not rely on a specific example such as an annual report that may be difficult to apply in all jurisdictions.

The IAASB also discussed the treatment of documents that the auditor agrees with management should be Other Information. Some members believed that such documents should be the subject of a separate engagement as they are outside the scope of a financial statement audit.

DOCUMENTS RECEIVED AFTER THE DATE OF THE AUDITOR’S REPORT

The IAASB discussed the Task Force proposal for the auditor to continue to have responsibilities for in-scope documents received after the date of the auditor’s report, and asked the Task Force to further explore the following:

- How to precisely describe circumstances when the auditor believes it is necessary to reissue the auditor’s report. Reissuing the auditor’s report would be difficult in some jurisdictions that limit or prohibit reissuing the auditor’s report, and may give rise to confusion in securities markets. Any reissued report should be clear about the auditor’s incremental work effort from the first report issued.
- Whether reporting on such documents, if needed, could be accomplished by a separate report.

Those members that disagree with the basis for the project that underlies ED-720 also noted that having the auditor be responsible for documents that would otherwise be in-scope after the date of the auditor’s report is inconsistent with first of the possible reasons for the auditor’s association with other information (to support the audit of the financial statements), and that such responsibility is not necessarily needed to meet the second responsibility (avoidance of association with misleading information) because the auditor is not associated with information issued after the date of the auditor’s report if the information with which the auditor is associated prior to that date is described in the report.

WORK EFFORT

The IAASB discussed the Task Force’s proposed changes to paragraph 11 of ED-720 and the definition of “misstatement of fact”, commenting as follows:

- Some members supported the Task Force’s separation of the “read” and “consider” requirements. Some members made this support contingent upon the word “consider” not exceeding the meaning given to it in the other ISAs.
- An IAASB member did not support the use of the definitions of “inconsistency” and “material misstatement of fact” included in extant ISA 720, noting that the key issue is the link between the Other Information and the financial statements and the application of the auditor’s understanding to the Other Information. He noted that this needed to be clearly operationalized in the requirements and application material and is the basis for the proposed reporting requirement.

IAASB CAG Chairman's Remarks

Ms. de Beer noted that the initial scope of the project was not only to update ISA 720, but was also to clarify uncertainties related to its use, which may result in an expanded work effort for the auditor. She added that it will be important that ISA 720 is “fit for purpose” in a changing environment where other types of reporting are emerging, for example, integrated reporting. Ms. de Beer noted that the IAASB needed to agree on the scope and other matters in a timely manner in order to prevent any delays in issuing the final standard, as there is an urgent need for a revised ISA 720.

7. PIOB Observer's Remarks

Mr. Ward noted the need for a formal rapid response mechanism, as standards would be needed more rapidly to respond to crises as they arose, recognizing the need for due process. He noted that the time needed for perfect standards was no longer a reality, and that the IAASB should be considering how to fast-track its standards when needed, which in effect had been illustrated by the progress on the auditor reporting initiative. He added that this fast-track process would need to be undertaken again when addressing changes to ISA 570 in light of possible changes to the financial reporting standards.

Mr. Ward highlighted that the progress made on the auditor reporting process was more than an academic exercise, and was critical to the capital markets and the accounting profession. He added that, to achieve success in developing the auditor reporting standards and supporting their successful implementation, the IAASB needed to communicate, especially with firms, which it had done successfully. Going forward, he noted that the success of the standards would be in their application – if the reporting became a “laundry list” or mediocre reporting of KAM, the standards and the accounting profession may become irrelevant. He encouraged the IAASB to be proactive during the exposure period, especially with firms, to ensure that the intent of the proposals is widely communicated and understood. He concluded that the approval of the ED of the auditor reporting standards was in the public interest.

8. IAASB CAG Chairman's Remarks

Ms. de Beer commended the IAASB on balancing the different views received on its auditor reporting proposals, in particular from the CAG, and added that significant progress had been made.

Ms. de Beer encouraged IAASB members to attend a CAG meeting and observe the debates to understand the type of issues being discussed and obtain further context to the views brought to the IAASB meetings by the CAG Chairman. Prof. Schilder noted the next CAG meeting would be held on September 9–10, 2013.

9. Next Meeting

The next meeting of the IAASB is scheduled for September 16–20, 2013 in New York, USA.

10. Closing

Prof. Schilder thanked the IAASB members, technical advisors, observers and staff for their contributions to the meeting. He then closed the meeting.