

ISA 800 responses in detail by paragraph

#	Org	Org Number	Org Type	Other Paragraphs	Comments	ED Amended?	Considerations and Actions
					<i>General</i>		
	E&Y	35	FIRM		We recommend that the IAASB fully debate and approve the scope of the revision to ISA 800 before ISA 700 is issued, to make certain that all relevant reporting matters are duly considered and no important issues are omitted. Further, as the IAASB issues ISA 700, it should acknowledge the possibility that ISA 700 may need to be amended in the future if issues arise as a result of the revisions to ISA 701 and ISA 800.	No	This matter was discussed at the IAASB June Meeting and it was agreed that ISA 700 would be presented for approval at the December meeting and any matters that would impact ISA 800 (or vice versa) could be discussed at that time. Furthermore, the respective Task Force groups will continue to communicate matters through the revision process.
	PAAB Jo-Burg	19	MB		The engagements covered by the proposed ISA 700 remains unclear, and if one adds the fact that ISA 800, The Independent Auditor's Report on Special Purpose Audit Engagements, is currently under development, it once more raises concerns as to how practical it is to issue ISA 700 without the completion of ISA 800. Currently, paragraph 2(b) specifically includes a single financial statement in ISA 800 while paragraph 34 of the proposed amended ISA 200, Objective and general principles governing an audit of financial statements, specifically includes a single	No	This matter was discussed at the IAASB June Meeting and it was agreed that ISA 700 would be presented for approval at the December meeting and any matters that would impact ISA 800 (or vice versa) could be discussed at that time. Furthermore, the respective Task Force groups will continue to communicate matters through the revision process.

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					<p>financial statement in the definition of financial statements, and therefore within the scope of the revised ISA 700. Furthermore, it is unclear why paragraph 2(a) to 2(d) are specified in ISA 700, as these do not constitute a complete list of what falls in the scope of ISA 800. It is also our belief that paragraph 2(c) might be more appropriately covered in an International Standard on Assurance Engagements as it does not constitute either an audit or review of historical financial information. We believe that it would be preferable for the revision of the reporting standards to be done simultaneously to ensure comprehensive coverage of all relevant aspects in any changes. We are aware that the International Auditing and Assurance Standards Board (IAASB) is working on a project which will consider the overall structure of standards (re-engineering of standards). Although not peculiar to the current exposure draft, we suggest that bold – type paragraphs appear immediately under the title of each section and are not scattered amongst the paragraph in each section as is presently the case. The principle, which the auditor has to comply with, must therefore appear up front and the guidance thereafter.</p>		

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	BASEL	32	R		We believe that the elements of ISA 800 auditor's reports should be aligned with the elements identified for ISA 700. More specifically, the descriptions of management's and the auditor's responsibilities should be the same as the respective descriptions in ISA 700, where applicable. Similarly, the examples in the Appendices to ISA 800 should reflect these conforming changes.	No	The ISA 700 task force did not make amendments to the elements described in paragraph 5 of ISA 800 as the audit report because this falls under the scope of the ISA 800 project.
1 1	IRE	12	MB	11	In the conforming changes within ISA-800, paragraph 11 mentions the IFRS, and the word "accounting" should be suppressed as well.	Yes	The change has been made. The paragraph now reads: 11. The auditor would consider whether the title of, or a note to, the financial statements makes it clear to the reader that such statements are not prepared in accordance with International Accounting Financial Reporting Standards or generally accepted accounting principles promulgated by a recognized standards setter. For example, a tax basis financial statement might be entitled...
	FEE	7		11	Paragraph 11 tried to make reference to IFRS rather than IAS by mistakenly calling it the "International Accounting Financial reporting Standards". "Accounting" can be deleted.	Yes	As noted by IRE above.
	CPA Kenya	22	MB	11	Page 48, paragraph 11: should read "International Financial Reporting Standards", not "International Accounting Financial Reporting Standards".	Yes	As noted by IRE above
	CICA	18	MB	11	The word accounting should be deleted from I"A" FRS	Yes	As noted by IRE above.
1 2	CICA	18	MB	12	Paragraph 12 The last sentence of this paragraph conflicts with paragraph 15. Paragraph 15 indicates that the opinion will either refer to the applicable financial reporting		We believe the wording is adequate because paragraph 12 is making reference to two different points and consequent accounting standards as an illustration of the point in the first sentence. Whereas the bold lettered paragraph is merely acknowledging how the auditor should report. Please note highlighted points below:

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					framework or to an identified basis of accounting. The last sentence of paragraph 12 indicates only that the opinion would refer to the identified basis of accounting.....		<p>12. The auditor may be requested to express an opinion on one or more components of financial statements, for example, a single financial statement such as a balance sheet, accounts receivable, inventory, an employee's bonus calculation or a provision for income taxes. The component might be prepared to meet the financial information needs of specific users and have limited distribution, or may be intended to meet the information needs of a wide range of users and, therefore, prepared in accordance with the relevant requirements of an <i>applicable financial reporting framework</i>. This type of engagement may be undertaken as a separate engagement or in conjunction with an audit of the entity's financial statements (see Other Reporting Responsibilities in ISA 700, "The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements"). <i>However</i>, this type of engagement does not result in a report on the financial statements taken as a whole and, accordingly, the auditor would express an opinion only as to whether the component audited is prepared, in all material respects, in <i>accordance with the identified basis of accounting</i>.</p> <p>15. The auditor's report on a component of financial statements should include a statement that indicates the applicable financial reporting framework in accordance with which the component is presented or refers to an agreement that specifies the basis of accounting used. The opinion should state whether the component is prepared, in all material respects, in accordance with the applicable financial reporting framework or identified basis of accounting. Appendix 2 to this ISA gives examples of auditor's reports on components of financial statements.</p>

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	IDW	31	MB	12	<p>The last sentence states that this type of engagement does not result in a report on the financial statements taken as a whole and, accordingly, the auditor would express an opinion only as to whether the component audited is prepared, in all material respects, in accordance with the identified basis of accounting.</p> <p>Given our comments in paragraph 17 to ISA 700 the use of the term “taken as a whole” and its relationship to an override, and the fact that these issues in relation to ISA 800 will be addressed as part of a separate IAASB project, we believe this sentence ought to be deleted.</p> <p>We would like to point out that, in accordance with our general comments, the decision to use “taken as a whole”, “fair presentation”, or “true and fair view” is a matter based upon the financial reporting framework applied and therefore the work of the IAASB Task Force on ISA 800 ought not to be prejudged in this manner.</p>	No	The ISA 700 Task force did not make this change to the exposure draft. Accordingly, this is a matter to be passed to the ISA 800 Task Force.
15	CICA	18	MB	15	In addition, paragraph 15 indicates that the auditor's report would include a statement that indicates the applicable financial reporting framework or refers to an agreement that specifies the basis of accounting used. This suggests that when the basis of accounting used is not an applicable financial reporting framework, there must be an agreement that sets out the basis of accounting. Paragraph 12 does not refer to the need for such	No	Although the ISA 700 Task force have added the term “accounting basis” for conformity with ISA 200, they did not make this change to the exposure draft to add “refer to an agreement”. Accordingly, this is a matter to be passed to the ISA 800 Task Force.

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					agreement, only that the component might be prepared to meet the information needs of specified users and have limited distribution. More guidance is required with respect to this situation - in particular: •whether the auditor can accept such an engagement when there is not an agreement, •whether the agreement needs to be in writing, and •who should be the parties to the agreement.		