


**International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

**Agenda Item**
**11**
**Committee:** IAASB

**Meeting Location:** Lima

**Meeting Date:** March 7-11, 2005

**Proposed ISA 800 (Revised), “The Independent Auditor’s Report on Other Historical Financial Information” and Proposed ISA 810, “The Independent Auditor’s Report on Summarized Audited Historical Financial Information”**

**Objectives of Agenda Item**

1. To review the proposed revised ISA 800, “The Independent Auditor’s Report on Other Historical Financial Information” and ISA 810, “The Independent Auditor’s Report on Summarized Audited Historical Financial Information” and, if considered appropriate, approve it for public exposure.

**Background**

2. The task force members are as follows: Sukanta Dutt (Chair), John Archambault, Josef Ferlings (supported by Wolfgang Böhm), Jonas Hällström (INTOSAI) and John Kelly (South Africa).
3. The revised project timetable is as follows:

March 2005	Approval of proposed exposure draft
September 2005	Consideration of summary of significant comments
December 2005	Full review of comments received and first read of proposed final standard
March 2006	Approval of proposed final standard

**Activities Since Last IAASB Discussions**

4. The task force met in South Africa on January 12-13, 2005. In addition, the task force had two telephone conferences.
5. The task force believes that it has responded to the comments of the IAASB raised at the December 2004 meeting. Due to the volume of changes (which included structural changes) the task force agreed not to present a mark-up copy of the proposed revised documents to the IAASB.

**Matters for Consideration by the IAASB**

6. The proposed explanatory memorandum (Agenda Item 11-D) discusses the most important matters addressed by the task force in revising extant ISA 800, “The Auditor’s Report on Special Purpose Audit Engagements.”
7. In addition, the IAASB is asked to consider the matters set out below.

**CIRCUMSTANCES WHERE THE TERMS OF THE AUDIT OPINION ARE PRESCRIBED IN LAW OR REGULATION**

8. ISA 700 explains that, *unless otherwise required by law or regulation*, the auditor uses the terms “give a true and fair view” or “presents fairly, in all material respects,” in the audit opinion on general purpose financial statements prepared in accordance with a financial reporting framework designed to achieve fair presentation. Proposed revised ISA 800 contains the same explanation in the context of other historical financial information prepared in accordance with a financial reporting framework designed to achieve fair presentation.
9. Proposed revised ISA 800 acknowledges that circumstances may exist where there is no obligation on the responsible party to achieve fair presentation in preparing and presenting the other historical financial information in accordance with the applicable financial reporting framework. Consequently, the auditor may not be in a position to require departure from, or disclosures beyond, the specific requirements of the framework in order to achieve fair presentation. In these circumstances, the auditor does not use the terms “give a true and fair view” or “presents fairly, in all material respects,” to express the audit opinion on the other historical financial information. The auditor may use the term “prepared, in all material respects, in accordance with the applicable financial reporting framework.”
10. The task force debated whether the above guidance should read: “.... *unless otherwise required by law or regulation*, the auditor does not use the terms “give a true and fair view” or “presents fairly, in all material respects,” ...” Although limited to circumstances where required to do so by law or regulation, this will allow the auditor to use these terms in audit opinions on other historical financial information prepared in accordance with financial reporting frameworks not designed to achieve fair presentation, or in circumstances where the auditor was not in a position to apply the “stand-back provisions.” Consequently, it is proposed not to include the words “unless otherwise required by law or regulation” in the above guidance. Does the IAASB agree?

**ISA NUMBERING**

11. The task force proposes that the proposed revised and new ISAs are renumbered to confirm their interrelationship. It is proposed that the proposed revised ISA 800 should be ISA 701, the proposed revised ISA 701 should be ISA 702, and the proposed ISA 702 should be ISA 703. Proposed ISA 810 could then be ISA 800. Does the IAASB agree?

### **Material Presented**

Agenda Paper 11-A (Pages 303 – 330)	Proposed ISA 800 (Revised), “The Independent Auditor’s Report on Other Historical Financial Information”
Agenda Paper 11-B (Pages 331 – 352)	Proposed ISA 810 (Revised), “The Independent Auditor’s Report on Summarized Audited Historical Financial Information”
Agenda Paper 11-C (Pages 353 – 356)	Proposed Conforming Amendments
Agenda Paper 11-D (Pages 357 – 364)	Proposed Explanatory Memorandum

### **Action Requested**

The IAASB is asked to review and, if considered appropriate, approve the proposed revised ISA 800 and proposed ISA 810 for public exposure.

[Blank Page]