



**International Federation of Accountants**

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## Agenda Item

# 5

**Committee:** IAASB

**Meeting Location:** New York

**Meeting Date:** October 25-27, 2006

### Special Reports

#### Objectives of Agenda Item

To approve the “close off” versions of ISA 800, “Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement” and relevant amendments to ISA 200, “Objective and General Principles Governing an Audit of Financial Statements,” ISA 210, “Terms of Audit Engagements,” and ISA 700 (Revised), “The Independent Auditor’s Report on General Purpose Financial Statements” after consideration of the following matters:

- Proposed amendments to the requirement to include an Emphasis of Matter paragraph in the auditor’s report when the financial reporting framework is deficient and management provide additional disclosures in the financial statements to avoid misleading users (ISA 210, paragraphs 22 and 23 and proposed conforming amendment to ISA 706, “Emphasis of Matter Paragraphs or Other Matter(s) Paragraphs in the Independent Auditor’s Report), and
- The guidance on accepting an engagement to audit a specific element, account or item of a financial statement (ISA 800, paragraphs 22-26).

#### Task Force

Members of the Task Force are:

- Sukanta Dutt Chair and IAASB Member
- John Archambault Former IAASB Member  
(Supported by Technical Advisor Susan Jones)
- Josef Ferlings IAASB Member (Supported by Technical Advisor, Wolf Boehm)
- Jonas Hällström Non-IAASB Member – INTOSAI
- John Kelly Non-IAASB Member – South Africa
- Sylvia Smith Technical Advisor to IAASB Member

#### Material Presented

Agenda Item 5-A Proposed Amended ISA 200, “Objective and General Principles Governing an Audit of Financial Statements” (MARK-UP from September 22 IAASB Draft)  
(Pages 2513 – 2518)

Agenda Item 5-B Proposed Amended ISA 210, “Terms of Audit Engagements” (MARK-UP from September 22 IAASB Draft)  
(Pages 2519 – 2526)

Agenda Item 5-C (Pages 2527 – 2546)	Proposed Amended ISA 700 (Revised), “The Independent Auditor’s Report on General Purpose Financial Statements” (MARK-UP from September 22 Draft)
Agenda Item 5-D (Pages 2547 – 2548)	Proposed Conforming Amendment to ISA 706, “Emphasis of Matter Paragraphs or Other Matter(s) Paragraphs in the Independent Auditor’s Report”
Agenda Item 5-E (Pages 2549 – 2566)	Proposed ISA 800, “Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement” (MARK-UP from September 22 Draft)

Note that the mark-ups show both the amendments agreed at the discussion on September 22, 2006, and the subsequent amendments to deal with the two open matters described above. Text related to the two open matters has been highlighted.

**Action Requested**

The IAASB is asked to review ISA 210, paragraphs 22-23, and ISA 800, paragraphs 22-26, and to approve the “close off” versions of ISAs 200, 210, 700 (Revised) and 800. As agreed at the September 2006 IAASB meeting, discussion will be confined to the amendments proposed to deal with the two open matters.