

**ISSUES PAPER****Significant Issues Arising From Comments on  
Proposed Redrafted ED-ISA 560****1. General Comments****A) COMMENTS AFFECTING THE CLARITY PROJECT AS A WHOLE****(i) Conditional Requirements**

1. Two respondents (ACCA and IDW) noted that conditional requirements constitute a departure from the established Clarity redrafting criterion "...applicable in virtually all engagements...." The IDW believes such conditional requirements ought to be considered on a case-by-case basis and, when necessary, included in the redrafted ISA to ensure consistent auditor behavior (in public interest). However, it was noted that the IAASB may need to review and update the original clarity redrafting criteria if this course of action were chosen. In contrast, the ACCA has called for conditional requirements to be removed from the requirements' sections.

**Task Force Disposition**

2. The ISA 560 Task Force notes that this issue will affect the majority of, if not all, ISAs being redrafted. The current redrafting criteria do not allow for conditional requirements because requirements should be "expected to be applicable in virtually all engagements to which the Standard is relevant". The Task Force believes that to ensure audit quality is not compromised in circumstances that may not be applicable to all audits, but where it is in the public interest that auditors act in a consistent manner, it may be appropriate in some cases to include requirements conditional on certain circumstances or factors. The ISA 560 Task Force believes that the redrafting criteria may need to be updated. **Since this issue affects the redrafting of the other ISAs, this issue has been referred to the Clarity Task Force.**

**(ii) Effective Date**

3. One respondent (IRBA) requested the IAASB to consider the implication of the effective date and whether the IAASB intends to issue all the standards in the Clarity format with the same effective date, or whether early adoption of standards will be permitted on a piecemeal basis.

**Task Force Disposition**

4. The Task Force notes that this is a general issue affecting the entire Clarity Project. However, the IAASB has subsequently decided that following the completion of the Clarity Project, the effective date for all revised ISAs shall be for financial statements with periods beginning on or after December 15, 2009. ISA 560 has been amended accordingly.

B) OVERALL COMMENTS ON ISA 560

5. A clear majority of respondents expressed general support for the Standard and for the redrafting.<sup>1</sup> No respondents opposed the Standard and redrafting.

**2. Responses to ED Question No. 1**

Is the objective to be achieved by the auditor, stated in the proposed redrafted ISA, appropriate?

A) AGREEMENT

6. The majority of respondents viewed the proposed objective as appropriate.<sup>2</sup>

B) REFLECTION OF THE IDENTIFICATION OF SUBSEQUENT EVENTS

7. Five respondents identified substantive issues regarding the objective. One respondent (ACAG) suggested that not all requirements are covered by the proposed objective and noted that the objective didn't cover the impact on the auditor's report. Other comments included that the objective was either not sufficiently outcome oriented (CEBS), or should require the auditor "to have greater initiative" (IAIS). For example, IAIS argued that an auditor should obtain information and report on subsequent events that are not already reflected in the financial statements. Other respondents (AICPA, Basel, CEBS, IRBA) argued that specific mention be made of the auditor's responsibility to identify events occurring between the date of the financial statements and date of the auditor's report. Another respondent (ICJCE) commented on the need for the objective to refer to the auditor responding appropriately to events occurring between the date of financial statements and the date of the auditor's report.
8. Five respondents (Basel, CEBS, DTT, EC and Mazars) noted that the Standard does not deal with consequences for the auditor's report relating to subsequent events that materially affect the financial statements when these events occur between the date of the financial statements and the date of the auditor's report but are not properly accounted for nor adequately disclosed in the financial statements.

Task Force Disposition

9. The Task Force reconsidered the objective to assess whether it reflects all of the requirements and concluded that it does. In particular, the Task Force notes that it is the auditor's responsibility to obtain sufficient appropriate audit evidence about whether such events are appropriately reflected in the financial statements. This wording encompasses the identification of such subsequent events, including any that have not already been identified by management. Therefore, the wording of the objective does not need to be amended to refer specifically to "identification" by the auditor of events up to the date of the auditor's

---

<sup>1</sup> AICPA, APB, AUASB, Audit Commission, Basel, CEBS, CICA, CIPFA, CNCC, DTT, EC, EYG, FAR-SRS, FEE, GT, ICAEW, ICAS, ICAZ, ICPAS, ICJCE, IDW, IOSCO, KPMG, Mazars&Guerard, NAO, NIVRA, NZICA, Provincial Auditor Saskatchewan, PwC, SAI Colombia, SNAO, WAO.

<sup>2</sup> ACCA, APB, AUASB, Audit Commission, Auditor General NZ, BDO, CICA, CIPFA, CNCC, DTT, EYG, FAR-SRS, FEE, GT, HKICPA, IBR-IRE, ICAEW, ICA Ireland, ICAP, ICAS, ICPAS, IDW, IRBA, JICPA, KPMG, Mazars & Guerard, NAO, NIVRA, NZICA, Provincial Auditor Saskatchewan, PwC, SAI Columbia, ZICA

report that have not been identified by management; rather, such identification is a pre-requisite step towards concluding on whether the higher-level objectives have been achieved. In addition, focusing the wording of the objective on obtaining sufficient appropriate audit evidence is consistent with the approach IAASB has adopted in other ISAs on specific issues, e.g., ISA 550, and is in alignment with the objective of the auditor in ISA 200.

10. The Task Force believes that there is no need to introduce into ISA 560 separate reporting requirements in relation to subsequent events occurring between the date of the financial statements and the date of the auditor's report because the reporting standards (e.g., ISA 700, ISAs 705 and 706) already deal with reporting requirements of auditors when misstatements have been identified before the date of the auditor's report. In other words, the consequences of management inaction when the auditor determines a material misstatement pursuant to paragraph 8 are spelled out in ISA 705. Furthermore, the addition of such text in the objective would result in a misalignment of the requirements section with the objectives. In addition, the first bullet point of paragraph 13 refers to the impact on the auditor's report, pursuant to ISA 705, of subsequent events becoming known to the auditor after the date of the auditor's report but before that report has been issued to the entity, where these events are not adequately reflected in the financial statements. Accordingly no amendment has been made to deal with the auditor's reporting responsibilities in relation to subsequent events.

### 3. Responses to ED Question No. 2

Have the criteria identified by the IAASB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in performance and the use of professional judgment by auditors?

#### A) AGREEMENT

11. The majority of respondents generally agreed that criteria identified by the IAASB for determining whether a requirement should be specified have been applied appropriately and consistently, subject to specific comments.<sup>3</sup>

#### B) APPLICABILITY OF CERTAIN OF THE REQUIREMENTS OF PARAGRAPH 7

##### (i) *Availability of Information*

12. A number of respondents remarked that not all procedures required by paragraph 7, and in particular:

- “(b) reading minutes of the meetings of the entity's owners, management and those charged with governance held after the date of the financial statements and inquiring about matters discussed at meetings for which minutes are not yet available”, and
- “(c) reading the entity's latest available interim external financial statements and interim internal management financial statements”

<sup>3</sup> ACAG, AICPA, AUASB, Audit Commission, Auditor General NZ, BDO, CICA, CIPFA, CNCC, DTT, EYG, FAR-SRS, FEE, GT, HKICPA, IAIS, IBR-IRE, ICA Ireland, ICAP, ICAS, ICJCE, ICPAS, KPMG, Mazars, NAO, NIVRA, NZICA, Provincial Auditor Saskatchewan, PwC, SAI Columbia, SNAO, ZICA.

can be performed in virtually all engagements because not all the information listed will exist in every entity at the time the audit is performed. Some respondents (ACCA, BDO, IRBA) suggested moving these to Application and Other Explanatory Material to accompany the guidance on paragraph 6; another respondent (ICAEW) suggested moving the explanatory material in A7 (now A11) into paragraph 7 if the material in paragraph 7 is not moved to the Application and Other Explanatory Material. Two respondents (CNCC, JICPA) suggested separating these conditional elements from the main requirement.

#### Task Force Disposition

13. The Task Force believes that when such information exists, it must always be subject to procedures required by paragraph 7, but agrees that it would be clearer to rephrase these items as conditional requirements by adding the text “if any”, where appropriate, and placing them subsequent to the non-conditional requirements of this paragraph. Paragraph 7 has been amended accordingly.

#### *(ii) Extent of Requirements*

14. One respondent (DTT) suggests that, if the auditor performs the procedures set forth in paragraph 7(a)-(d) and no issues have been identified, the auditor will have obtained sufficient appropriate evidence related to subsequent events, and hence not need do anything further.

#### Task Force Disposition

15. The Task Force does not believe this is appropriate, since the procedures set forth in paragraph 7(a)-(d) are not the only procedures that might lead to the identification of subsequent events. The Task Force believes that the nature of the procedures that an auditor needs to perform to comply with the requirement in paragraph 6 will depend on the results of the auditor’s risk assessment in the particular engagement circumstances. The auditor does not view subsequent events in isolation, so the procedures required by paragraph 7 cannot be viewed as complete on their own. Indeed, paragraph 7 appears to imply that there are other procedures that may be necessary, because even though it requires the procedures include (a) – (d), it does not limit the procedures required to these specific procedures.

#### C) NEGATIVE REQUIREMENTS

16. Some respondents suggested moving text serving to delineate or limit the responsibility of the auditor from the requirements section into application material arguing that it is explanatory in nature (ACAG, ACCA, EC, GT). Examples of such text include:
  - Paragraph 6: “The auditor is not, however, expected to perform additional audit procedures on all matters to which previously applied audit procedures have provided satisfactory conclusions,”
  - Paragraph 9: “The auditor has no obligation to perform any audit procedures regarding the financial statements after the date of the auditor’s report,” and
  - Paragraph 13: “After the financial statements have been issued, the auditor has no obligation to perform any audit procedures regarding such financial statements”

One respondent (AICPA) recommended deleting the first sentence of paragraph 13.

17. In contrast, some respondents suggested moving text serving to delineate or limit the responsibility of the auditor from application material into the requirements section as essential guidance (FEE, IBR-IRE, IDW), in particular:

Paragraph A10: "When, in some jurisdictions, law, regulation or the financial reporting framework may permit management not to issue the amended financial statements, the auditor need not issue a new auditor's report."

#### Task Force Disposition

18. The Task Force is generally of the view that text clearly serving to delineate or limit the responsibility of the auditor arising from a requirement may, in some circumstances, be essential to limiting the effect of requirements, and therefore should be placed together with that requirement within the requirements section. However, the Task Force believes that this needs to be determined on a case-by-case basis and had differing views in respect of paragraph A10 of the exposure draft. The Task Force agrees that the points in paragraphs 6, 9 and 13, of the Proposed Standard are needed in the requirements section together with the respective requirements that they limit and despite differing views has moved text from paragraph A10.1 to new paragraph 11 (formerly paragraph 10 of the exposure draft) to clarify the extent of the auditor's responsibility in when management is not required to issue amended financial statements.

#### D) LACK OF REQUIREMENTS OR APPLICATION MATERIAL IN RELATION TO COMMON SUBSEQUENT EVENTS PROCEDURES

19. One respondent (IOSCO) suggests that there appears to be a lack of requirements and guidance in relation to work that would be routinely done by an auditor to identify subsequent events, such as examining books, records, bank statements (for cash receipts and disbursements) etc, subsequent to the date of the financial statements.

#### Task Force Disposition

20. The Task Force agrees that routine procedures such as those mentioned by the respondent are also covered in a principles-based manner by the first sentence of paragraph 6 in connection with the first sentence of paragraph 7 and the first half of the second sentence of paragraph 7. Paragraph A3 (now A7) suggests that the audit procedures in paragraph 6 are in addition to those which may be applied to specific transactions occurring after the date of the financial statements to obtain audit evidence as to account balances as at that date (e.g., testing of inventory cut-off and payments to creditors). The Task Force believes that paragraph 6 requires the auditor to perform procedures over and above those specifically mentioned in paragraph 7; paragraph A3 (now A7) gives examples of the sort of procedures meant. To the extent that these procedures are relevant to matters affected by subsequent events the auditor is required to perform additional work.

21. The Task Force believes that the current description of the requirements and application guidance faithfully clarifies the existing standard but has amended the wording of paragraph 6 and added guidance to paragraph A3 (now A7) to clarify that procedures performed for other purposes may be useful in obtaining sufficient appropriate audit evidence in respect of subsequent events.

#### 4. Responses to ED Question No. 3

Do you agree with the changes described above as being necessary to the clarity of the redrafted ISA, including whether considerations in the audit of small entities and public sector entities have been dealt with appropriately? In particular, do you have any comments on the public sector issue requiring additional consideration described in the section on the considerations in the audits of small entities and public sector entities above?

##### A) AGREEMENT

22. The majority of respondents that commented on this issue agreed that considerations in the audit of small entities and public sector entities have been dealt with appropriately.<sup>4</sup> Some respondents provided no comment.<sup>5</sup>

##### B) PUBLIC SECTOR REQUIREMENTS OR GUIDANCE

23. A few respondents provided specific responses about circumstances in which the auditor of financial statements of a public sector entity is prohibited by law or regulation from issuing a new auditor's report on the amended financial statements. For example:
- The AUASB and Auditor-General NZ note they know of no law or regulations that would prohibit an auditor from issuing a new audit report on any amended financial statements prepared by a public sector entity.
  - In the UK (Audit Commission, CIPFA), in respect of English local authorities, the auditor issues a certificate of completion of the audit, usually at the same time as the opinion on the financial statements. The effect of the certificate is to bring to an end the auditor's statutory functions in respect of the financial statements.
  - The SAI Columbia provided information as to the procedures in Columbia.
24. Some respondents (Audit Commission, CIPFA) suggested a "caveat", or at least guidance, be introduced for auditors of public sector entities to clarify that re-issuing the financial statements and the audit opinion may not be permitted by law or regulation and that in these circumstances, the appropriate course of action might be to report to the appropriate statutory body (ICAEW, NAO).

---

<sup>4</sup> ACAG, AICPA, AUASB, Auditor General NZ, CICA, CIPFA, DTT, EYG, FAR-SRS, FEE, IBR-IRE, ICAIreland, ICAP, ICAS, ICJCE, IDW, JICPA, NIVRA, NZICA, Provincial Auditor Saskatchewan

<sup>5</sup> Basel, CEBS, CNCC, EC, HKICPA, IAIS, KPMG, PwC

## Task Force Disposition

25. The Public Sector Guidance (A12) currently provided deals only with situations in which the public sector entity has not issued amended financial statements (exactly the situation described by the respondents, although, it does not go as far as saying that management may be prohibited by public sector law or regulation from amending previously issued financial statements) – not situations where the public sector entity chooses to amend the financial statements. In this case, the proposed redrafted Standard takes the view that the responsibilities of auditors are the same, whether in the private or public sector. However, further guidance to clarify the public sector situation appears to be necessary to prevent misinterpretation of the proposed guidance. Consequently, the Task Force added further guidance in paragraph A20.

## C) SME DEFINITION

26. One respondent (CICA) believes that the ISA needs to define what is meant by “smaller entities”.

## Task Force Disposition

27. The characteristics of SMEs are discussed in IAPS 1005. As this question is relevant to all of the ISAs (which will be including specific guidance for smaller entities), the ISA 560 Task Force assumes that this information will be placed in the “package” of ISAs as part of the Clarity Project. A definition is not practicable, given that circumstances vary from jurisdiction to jurisdiction. Since it is unclear whether all of the guidance in IAPS 1005 will be included in the other redrafted ISAs, this issue has been referred to the Clarity Task Force.

**5. Responses to ED Question No. 4**

Do you agree with the IAASB’s proposed treatment of the issue in relation to the application of the proposed redrafted ISA 560 to securities offering documents as noted above?

## A) AGREEMENT

28. Many respondents expressed support for the proposed treatment<sup>6</sup>. Some respondents did not express a view<sup>7</sup>. No respondents suggested that text relating to securities offering documents be retained as a requirement.

## B) REMOVAL OF ALL REFERENCE TO SECURITIES OFFERING DOCUMENTS

29. Although some respondents (ACCA, APB, Auditor General NZ, CIPFA, IBR-IRE, ICA Ireland, ICAS, ICJCE, NAO, NIVRA, PwC) agreed that paragraph 20 of extant ISA 560 should not be treated as a requirement, they suggested it be deleted altogether. One respondent (EC) supported deletion of the application material referring to securities offerings, as the respondent believes this should [not] be a matter to be dealt with in ISAs.

<sup>6</sup> AUASB, Auditor General NZ, BDO, CICA, CNCC, DTT, EYG, FAR-SRS, GT, HKICPA, IAIS, ICAEW, ICAP, IDW, JICPA, KPMG, NZICA, Provincial Auditor Saskatchewan, SAI Columbia.

<sup>7</sup> Audit Commission, Basel, CEBS, SNAO.

#### Task Force Disposition

30. The Task Force agrees that the ISAs govern audits, but not other engagements in relation to financial information. The text of paragraph A2 (now A3) merely draws attention, by means of an example, to potential considerations that might otherwise be overlooked. As such, this guidance serves to alert auditors only and is seen by many to be useful for that reason. In addition, at least one respondent thought that putting this in the application guidance was already a weakening of the extant standard (IRBA). Based upon the decision taken in conjunction with the redrafting of ISA 720 (in which guidance in relation to securities offering was retained) and given the plurality of support for the proposed treatment, the Task Force believes that the guidance should be retained.

#### C) CONSIDERATION OF THE NEED FOR AN INTERNATIONAL STANDARD

31. Several respondents (HKICPA, KPMG, Mazars, NAO, ACAG, Auditor General NZ) took the view that either the guidance in ISA 560 needs to be strengthened to identify the auditor's minimum procedures in the context of securities offerings, or argued that there is a need for international standards on investment circular reporting. One respondent (IOSCO) agreed with the disposition of the matter into the application guidance on the condition that a new, high-priority project is commenced on this issue.

#### Task Force Disposition

32. Referred to the IAASB Steering Committee for further consideration.

### 6. Responses to ED Question No. 5

Do you agree with the IAASB's treatment of the restriction of subsequent events procedures and dual dating of the auditor's report for amended financial statements?

#### A) AGREEMENT

33. The majority of respondents expressed support for the proposed treatment.<sup>8</sup> Further respondents declined to express an opinion. (Auditor General NZ, Basel, CEBS, EC, SNAO).

#### B) DISAGREE

34. Some respondents (NIVRA ICAS, IRBA) believed that the change proposed is a substantive change from the extant ISA or disagreed with the proposed elevation of this material within the requirements section. Other respondents (APB, AuASB, PwC) supported the elevation in paragraph 16, which applies to reports issued to supersede those already in the public domain, but disagreed that the circumstances should be extended to facts that become known before the date the financial statements are issued. These respondents viewed the extension as being a substantive change and more difficult to understand because it would be easy to issue a new report in those circumstances (see further discussion under (d) below). One

<sup>8</sup> ACAG, ACCA, AICPA, , Audit Commission, BDO, CICA, CIPFA, DTT, EYG, FAR-SRS, FEE, GT, HKICPA, IAIS, IBR-IRE, ICAIreland, ICAP, ICAS, ICJCE, IDW, IOSCO, Mazars, NAO, NZICA, Provincial Auditor Saskatchewan, SAI Columbia.



respondent (JICPA) argued the issue should be addressed in application guidance, rather than in the requirements, to avoid the ISAs incorporating alternative treatments.

#### Task Force Disposition

35. Since there were different views on whether the extant ISA allowed dual dating, it is apparent that the extant ISA was unclear on whether dual dating is permitted. In line with the mandate of the Clarity Project, the proposed ISA seeks to clarify whether dual dating is permitted: this can only be achieved by making a decision to allow or disallow it. The IAASB and hence the Task Force took the view to clarify that dual dating should be permitted, but only in certain circumstances and to clarify those circumstances. The Task Force views this as clarification rather than a substantive change.
36. The Task Force notes that the majority of respondents did not disagree with the treatment, including many regulators and users of audit reports. It seems appropriate to retain the proposed requirements. In addition, as noted above, the Task Force has amended the wording to make it clearer when dual dating is permissible. See the explanation for the Task Force disposition in c) below.

#### C) REFERENCE TO LOCAL REGULATIONS

37. Several (CNCC, HKICPA, JICPA, KPMG, NIVRA, PwC) respondents suggested the text of extant ISA 560 referring to local regulation should be retained rather than changed to refer to financial reporting framework. Other respondents (AICPA, GT, KPMG) preferred the wording of extant paragraph 19 “in some jurisdictions, laws, regulation or the financial reporting framework may permit management not to issue the amended financial statements”

#### Task Force Disposition

38. To respond to the comments that local regulation should be retained, the Task Force has amended the text to read “...when law, regulation or the financial reporting framework allows management”.

#### D) NEED FOR EXPLANATORY TEXT AS TO TIMING

39. Several respondents (APB, NIVRA, PwC, IBR-IRE, FEE, CNCC, KPMG) appeared to be confused as to why there would be a need for dual dating when an auditor’s report has not been issued to the entity. In respect of paragraph 12, many respondents expressed confusion as to why when an auditor’s report is dated but not issued, it cannot be replaced (i.e. withdrawn), rather than dual dated. Others noted that dual dating would be confusing to users (ICA Ireland) and auditors (AUASB, HKICPA, Mazars) because it is not clear what “dual dating” is. One respondent (HKICPA) requested guidance to explain dual dating.

#### Task Force Disposition

40. Some members of the Task Force believe that additional application guidance would help prevent confusion amongst those unfamiliar with the practice of dual dating. Accordingly, the Task Force has included additional explanatory material in paragraphs A15 and A16. One Task Force member, however, is sympathetic to the arguments raised by those respondents who questioned the desirability of dual dating in circumstances when the audit report has

been dated but not released to the entity. Even if this option remains, the Task Force member believes that paragraph A16 is unnecessary as A15 describes the practice of dual dating sufficiently, and the additional guidance may simply add more confusion. The IAASB is requested to give specific consideration to this issue.

E) WITHDRAWAL OF AUDITOR’S REPORT

41. Two respondents (EYG and EC) suggested the auditor be empowered to withdraw the original audit report and issue a new one rather than “take action” to prevent reliance on the auditor’s report as required by paragraphs 13 (second bullet point) and 17.

Task Force Disposition

42. The Task Force believes withdrawal of the original auditor’s report to be taking action “in light of the auditor’s legal rights and obligations” in some circumstances, but does not believe the ISAs can mandate such a course of action due to differing legal and regulatory requirements in different jurisdictions.

F) EXAMPLE OF AN AUDITOR’S REPORT

43. One respondent (HKICPA) suggested an example of an auditor’s report be provided to illustrate dual dating.

Task Force Disposition

44. The Task Force believes this to be useful, as the practice of dual dating may not be well understood in those jurisdictions not commonly using dual dating. The Task Force has added application guidance to include such an example into paragraph A15 of the application material of the Standard:

## 7. Other Issues

A) CALLS FOR ADDITIONAL GUIDANCE

45. One respondent (CGR) calls for an expansion of the scope of this ISA on the grounds that audits in the public sector may extend to further reporting duties of the entities being audited. This respondent is of the opinion that the subsequent events defined in ED ISA 560 are insufficient for public sector auditors.
46. Further, the same respondent calls for a paragraph to clarify the responsibilities of the auditor relating to lack of knowledge of public and private activities (i.e., a disclaimer) not reflected in the financial statements.

Task Force Disposition

47. The Task Force notes that these comments are beyond the scope of the Clarity Project. The ISAs are not designed to cover audits of other than of historical financial information and so do not cover the reporting cited in the respondent’s comment. Similarly ISAs do not generally set forth the disclaimers of auditor responsibility for activities of the entity whose financial statements are being audited.

B) DISTINGUISHING BETWEEN MANAGEMENT RESPONSIBILITIES FOR AMENDING THE FINANCIAL STATEMENTS AND THOSE OF THE AUDITOR.

48. Several respondents (ACAG, AICPA, DTT, GT) believe it is necessary to better distinguish those responsibilities of management from those of the auditor in relation to amending the financial statements. They contend that management, not the auditor, is responsible for determining whether the financial statements need amendment. One respondent (AUASB) does not support a requirement making the auditor responsible for determining whether the financial statements need amendment. The auditor would assess whether this is necessary, but not make a determination. They also point out that the auditor cannot determine management's future actions.

Task Force Disposition

49. The Task Force agrees that the wording needs to be amended to make it clear that management is responsible for any amendments to the financial statements after the financial statements have been issued, and that the auditor's responsibilities are separate from those of management. However, the Task Force also believes the word "determine" is appropriate in paragraphs 9(b) and 14(b) of the Proposed Standard, since the auditor needs to reach an opinion independent from that of management. The Task Force amended the other affected paragraphs accordingly.

C) REQUIREMENTS OF PARAGRAPHS 6 AND 7

50. There seems to be some confusion about the relationship between paragraphs 6 and 7, since a few respondents (APB, GT, IRBA) commented that a cross-reference to paragraph 6 ought to be extended to paragraph 7.

Task Force Disposition

51. The Task Force notes that although paragraph 6 requires the auditor to perform procedures that may go beyond, but, at the same time, include those stipulated in paragraph 7 the reference could be made to paragraphs 6 and 7 to avoid confusion. The Task Force has amended the references accordingly throughout the Standard.

D) WRITTEN REPRESENTATIONS (CONFORMING AMENDMENTS FROM ISA 580)

52. The exposure draft does not require the auditor to request management to make any written representation in respect of subsequent events. However, application guidance (proposed paragraph A9) suggests the auditor may consider it necessary and appropriate to consider whether specific written representations covering particular subsequent events may be necessary to obtain sufficient appropriate audit evidence. The ISA 580 Task Force proposed a conforming amendment to ISA 560 that would require the auditor to request written representations from management in relation to subsequent events.

Task Force Disposition

53. On the basis that ISA 580 will not cover written representations relating to subsequent events, the Task Force accepts that such a requirement should be included in ISA 560 and has added an additional paragraph in the requirements section (new paragraph 9): "The auditor

shall request management and, where appropriate, those charged with governance to provide a written representation that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.”

## APPENDIX

### List of Respondents

Member Bodies:	21
Firms:	7
Regulators:	5
Government Organizations:	8
Others:	5

Ref	Organization	Type	Total
AICPA	American Institute of Certified Public Accountants	MB	1
ACCA	The Association of Chartered Certified Accountants	MB	2
APB	Auditing Practices Board (United Kingdom)	Other	3
Auditor-General, NZ	Office of the Auditor-General of New Zealand	Government Organization	4
ACAG	Australasian Council of Auditors-General	Government Organization	5
Au AASB	Australian Government, Auditing and Assurance Standards Board	Government Organization	6
Audit Commission	Audit Commission	Government Organization	7
Basel	Basel Committee on Banking Supervision	Regulator	8
BDO	BDO Global Coordination B.V	Firm	9
CICA	The Canadian Institute of Chartered Accountants	MB	10
CGR	Contraloría General de la República de Chile	Other	11
CIPFA	Chartered Institute of Public Finance and Accountancy	MB	12
CEBS	Committee of European Banking Supervisors	Regulator	13
CNCC-CSOEC	Compagnie Nationale des Commissaires aux Comptes/Conseil Supérieur de l'Ordre des Experts-Comptables	MB	14
DTT	Deloitte Touche Tohmatsu	Firm	15
EC	European Commission	Regulator	16
E&Y	Ernst & Young Global	Firm	17
FEE	Federation des Experts Comptables Europeens	Other	18
FAR SRS	FAR SRS (Sweden)	MB	19
GT	Grant Thornton International	Firm	20
HKICPA	Hong Kong Institute of Certified Public Accountants	MB	21
IDW	Institut der Wirtschaftsprüfer	MB	22

IBR-IRE	Institut des Reviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren	MB	23
ICPAS	Institute of Certified Public Accountants of Singapore	MB	24
ICAEW	The Institute of Chartered Accountants in England and Wales	MB	25
ICAI	The Institute of Chartered Accountants in India	MB	26
ICAI	The Institute of Chartered Accountants in Ireland	MB	27
ICAP	Institute of Chartered Accountants of Pakistan	MB	28
ICAS	The Institute of Chartered Accountants of Scotland	MB	29
ICAZ	The Institute of Chartered Accountants of Zimbabwe	MB	30
IAIS	International Association of Insurance Supervisors	Regulator	31
ICJCE	Instituto de Censores Jurados de Cuentas de España	MB	32
IOSCO	International Organization of Securities Commissions	Regulator	33
IRBA	Independent Regulatory Board for Auditors	Other	34
JICPA	The Japanese Institute of Certified Public Accountants	MB	35
KPMG	KPMG	Firm	36
MAZARS & GUERARD	MAZARS & GUERARD	Firm	37
NAO	National Audit Office	Government Organization	38
NZICA	New Zealand Institute of Chartered Accountants	MB	39
NIVRA	Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA)	MB	40
PwC	PricewaterhouseCoopers	Firm	41
Prov. Aud. Sas.	Provincial Auditor Saskatchewan	Government Organization	42
SAI Columbia	SAI Columbia	Other	43
SNAO	Swedish National Audit Office	Government Organization	44
WAO	Wales Audit Office	Other	45
ZICA	The Zambia Institute of Chartered Accountants	MB	46