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Agenda Item

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Committee: IAASB

Meeting Location: Seoul

Meeting Date: September 21-25, 2009

Due Process

Objective of Agenda Item

1. To advise the IAASB of the status of due process for the proposed International Standard on Assurance Engagements (ISAE) 3402¹ scheduled for approval at the September 2009 IAASB meeting.

Background

2. IAASB due process requires the Technical Director, IAASB, to advise the IAASB as to whether the IAASB's stated due process has been followed before a final International Standard is approved for issue. For this purpose, IAASB's working procedures require that the IAASB be provided with a written report outlining the basis for this conclusion with respect to actions up to the date of the meeting.

Due Process Up to the Date of the September 2009 IAASB Meeting

3. The Technical Director confirms to the IAASB that up to the date of the September 2009 IAASB meeting, the proposed ISAE 3402 has been developed in accordance with IAASB's due process.
4. Proposed ISAE 3402 is a new ISAE, developed and exposed in accordance with IAASB's Clarity conventions. For this ISAE, the IAASB:
 - Approved a project proposal for the development of the new ISAE, and consulted with the IAASB Consultative Advisory Group (CAG) on the proposal.
 - Consulted with the IAASB CAG on significant issues during the development of the proposed ISAE.
 - Approved and issued an exposure draft of the proposed ISAE for public comment, together with an explanatory memorandum highlighting, amongst other matters, the significant proposals of the proposed ISAE.
 - Consulted with the IAASB CAG on significant issues raised by respondents on the exposure draft.

¹ ISAE 3402, "Assurance Reports on Controls at a Service Organization."

Due Process
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- Considered an analysis of the main issues raised by respondents on the exposure draft and, with members having familiarized themselves with the issues raised in comment letters:
 - Deliberated significant matters raised in the comment letters received; and
 - Amended the proposed ISAE accordingly.

Discussions to date, and those planned for the September IAASB meeting, include consideration of the need to consult further (i.e., hold a public forum or roundtable, or issue a consultation paper, or to conduct a field test of the proposals) on proposals in the draft ISAE.

5. Before approval by the IAASB of ISAE 3402 at the September 2009 IAASB meeting, the Technical Director, IAASB, will advise the IAASB on whether established due process has been followed during the course of the meeting.