

Meeting: IAASB
Meeting Location: Orlando
Meeting Date: December 6-10, 2010

Agenda Item

3

Engagements to Review Historical Financial Statements

Objective of Agenda Item

1. To consider remaining significant issues in the revision of ISRE 2400¹ and approve for exposure the proposed revised ISRE.

Task Force

2. Members:
 - Phil Cowperthwaite, Chair, IAASB Member
 - Dianne Azoor-Hughes, Pitcher Partners, Australia
 - Craig Crawford, IAASB Member
 - Josef Ferlings, IAASB Member (assisted by Wolf Böhm, IAASB Technical Advisor)
 - Ashif Kassam, IAASB Member
 - Josephine Jackson, IAASB Technical Advisor
 - Sylvia Smith, former IAASB Technical Advisor

Correspondent members:

- Michael Gewehr, Institut Der Wirtschaftsprüfer, Germany (assisted by Wolf Böhm)
- Jo Iwasaki, Assurance, Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales
- Carolyn McNerney, American Institute of Certified Public Accountants Accounting and Review Services Committee (assisted by Mike Glynn, AICPA)
- Isabelle Sapet, Member of International Ethics Standards Board for Accountants

¹ International Standard on Review Engagements (ISRE) 2400, *Engagements to Review Historical Financial Statements*

Background

3. The project proposal was approved at the March 2009 IAASB meeting. The IAASB considered an Issues Paper on scope and directional issues for the project at its June 2009 meeting. Issues Papers on technical aspects of revision of ISRE 2400 were considered at the September 2009 and March 2010 IAASB meetings.
4. At its June 2010 meeting, the IAASB considered significant issues in the revision of the ISRE and a first read of the draft revised ISRE. The Task Force presented revised practitioner's objectives in an engagement to review financial statements for the IAASB's consideration at its meeting held by teleconference in July 2010.
5. In July members of the Task Force participated in a roundtable discussion arranged by the Consultative Committee of Accountancy Bodies in the United Kingdom, to obtain view from UK stakeholders on this project, and on some of the key issues arising to date. In early November members of the Task Force participated in a panel discussion at the World Congress of Accountants, at which the role of both limited assurance and compilation engagements in financial reporting was discussed.
6. The Task Force received comments from Representatives of the IAASB Consultative Advisory Group (CAG) at the September 2010 meeting of the IAASB CAG.
7. At the September IAASB meeting the IAASB considered significant issues and provided input and direction to the Task Force for developing a revised draft of the ISRE with a view to approval at the December IAASB meeting.

Activities since Last IAASB Discussions

8. The Task Force held a face-to-face meeting in October, to consider the comments received at the September IAASB meeting and September IAASB CAG meeting, and to develop a revised draft of ISRE 2400. Two Task Force meetings were held by teleconference during November.
9. The Task Force Chairman has liaised with the Chairs of the ISAE 3000 and ISAE 3410 Task Forces concerning the issues that were canvassed in the IAASB survey on limited assurance carried out in October 2010, and the uptake of the results of that survey in proposed revised ISRE 2400.

Material Presented

- Agenda Item 3-A Engagements to Review Historical Financial Statements—Issues and IAASB Task Force Proposals dated December 2010
- Agenda Item 3-B Proposed Revised ISRE 2400 dated December 2010 (Clean)
- Agenda Item 3-C Proposed Revised ISRE 2400 dated December 2010 (Marked from September)
- Agenda Item 3-D Proposed flowchart diagram to illustrate a review engagement under proposed revised ISRE 2400

Actions Requested

10. The IAASB is asked to consider and comment on the issues presented in **Agenda Item 3-A**.
11. The Task Force proposes that the clean version of the proposed revised ISRE 2400 presented in **Agenda Item 3-B** be discussed at the meeting. The IAASB is asked to consider the proposed revised ISRE 2400 with a view to approval for exposure at this meeting.
12. The IAASB is asked to consider the proposed flowchart diagram presented in **Agenda Item 3-D**, for inclusion as an appendix to proposed revised ISRE 2400.