

## Auditing Disclosures – Issues and IAASB Task Force Recommendations

### Structure of This Paper

1. This paper is structured as follows:
  - Planning and Materiality (**Section A** below)
  - Assertions (**Section B** below)
  - Presentation of the Financial Statements and Evaluating Misstatements (**Section C** below)
  - Other Issues (**Section D** below)

### A. Planning and Materiality

<i>Proposed Changes</i>	<i>ISA 210<sup>1</sup></i>	<i>Agenda Item 5-B.1</i>
<i>for:</i>		
	<i>ISA 240<sup>2</sup></i>	<i>Agenda Item 5-B.1</i>
	<i>ISA 260<sup>3</sup></i>	<i>Agenda Item 5-B.1</i>
	<i>ISA 300<sup>4</sup></i>	<i>Agenda Item 5-B.2</i>
	<i>ISA 315 (Revised)<sup>5</sup></i> <i>(excluding assertions – see Section B below)</i>	<i>Agenda Item 5-B.3</i>
	<i>ISA 320<sup>6</sup></i>	<i>Agenda Item 5-B.4</i>
	<i>ISA 330<sup>7</sup></i>	<i>Agenda Item 5-B.5</i>
	<i>ISA 580<sup>8</sup></i>	<i>Agenda Item 5-B.1</i>

2. As discussed with the IAASB in December 2012, respondents to the Discussion Paper (DP), [\*The Evolving Nature of Financial Reporting: Disclosures and Its Audit Implications\*](#), had raised the concern that auditors do not focus on their planned approach to obtain evidence on disclosures early enough and, in some cases, the audit plan does not build in sufficient time for audit procedures on disclosures.
3. In relation to materiality, respondents noted that the guidance in the ISAs is not clear on how to apply materiality to disclosures, particularly how to apply the concepts of "performance materiality"

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<sup>1</sup> ISA 210, *Agreeing the Terms of Audit Engagements*

<sup>2</sup> ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

<sup>3</sup> ISA 260, *Communication with Those Charged with Governance*

<sup>4</sup> ISA 300, *Planning an Audit of Financial Statements*

<sup>5</sup> ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

<sup>6</sup> ISA 320, *Materiality in Planning and Performing an Audit*

<sup>7</sup> ISA 330, *The Auditor's Responses to Assessed Risks*

<sup>8</sup> ISA 580, *Written Representations*

and “clearly trivial” to non-quantitative disclosures. It was also noted that the ISAs should clarify the difference in the determination of materiality for quantitative disclosures compared to what is required for qualitative disclosures.

4. In addition, respondents to the DP had the view that there is insufficient guidance on how to apply professional judgment to determine the nature and extent of work on qualitative and objective-based<sup>9</sup> disclosures arising from the unique characteristics of those types of disclosures, for example:
  - (a) Disclosures based on information that is not generated by the accounting system.
  - (b) Disclosures including estimation uncertainty and sensitivity analyses.
  - (c) Disclosure of fair value of an amount recorded on the balance sheet using a different measurement basis.
  - (d) Overarching objective-based disclosure requirements.
5. In April 2013, the IAASB discussed initial proposals by the Task Force on possible changes to ISA 300, ISA 315 (Revised) and ISA 320 to:
  - Emphasize the role and timing of planning for auditing disclosures, highlighting that the focus should be at a very early stage.
  - Include specific references to disclosures in existing application and other explanatory material, particularly in relation to understanding the entity and its environment, and aspects of internal control.
  - Provide additional considerations for auditors as to whether qualitative disclosures were material, and clarify that the concept underlying the definition of performance materiality applies to all types of disclosures.
6. In September 2013, the IAASB discussed the further changes made to respond to IAASB comments from April 2013. Among others, significant proposed changes made included the addition of:
  - Application material for the auditor to consider disclosures during the engagement team discussion required by ISA 315 (Revised);<sup>10</sup>
  - Guidance for auditing disclosures generated from processes and systems outside the general ledger system; and
  - A requirement to ISA 320 to specifically consider non-quantitative disclosures separately from determining materiality for amounts, as well as additional application material to support the requirement.
7. The proposed changes, including all that were presented to the IAASB in September 2013, were also presented to the IAASB Consultative Advisory Group (CAG) in September 2013 for their

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<sup>9</sup> One of the themes of recent financial reporting standard-setting activities has been the increased use of objective-based disclosure requirements in addition to specific disclosure requirements. For example International Financial Reporting Standard (IFRS) 7, *Financial Instruments: Disclosures*, paragraph 7, states “An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance”.

<sup>10</sup> ISA 315, paragraph 10

views. The IFAC Small and Medium Practices (SMP) Committee also provided views on all the proposed changes.

#### *Task Force Recommendations*

8. The Task Force is of the view that the package of proposed changes to ISA 300, ISA 315 and ISA 320, together with other supplementary changes identified,<sup>11</sup> appropriately respond to the issues that were raised in the DP relating to the planning phase of the audit. The following sets out the proposed changes corresponding to the issues that have been raised:

- **Auditors need to focus on disclosures early in the audit process.**

- Addition of **paragraph A12b in ISA 300**—Highlights that attention at an early stage in the audit is beneficial and provides examples of matters the auditor may identify early so that adequate consideration can be given when *planning the audit*.
- Expanding matters that may be discussed during the *engagement team discussion*, which is often held early during the audit process and provides an opportunity for engagement team members to think together about areas of possible misstatement. Paragraph **A21a in ISA 315 (Revised)** focuses the auditor on disclosure-related issues during the engagement team discussion. Changes are also proposed to **paragraph A11 in ISA 240** to specifically reference discussion about disclosures when the engagement team discusses the risks of material misstatement due to fraud.

Amendments have been made to the material presented at the September 2013 IAASB meeting in response to concerns raised that a proposed change to ISA 240 relating to the engagement team discussion should be reflected only in ISA 315 as ISA 240 relates to fraud. However, the Task Force has the view that it is still appropriate to keep the proposed change in ISA 240 to also focus auditors on possible financial reporting disclosure misstatements arising from fraud, even if rare, during the engagement team discussion.

- Including an explicit reminder to management in the *audit engagement letter* that it is management's responsibility to provide support for the disclosures in the financial statements (see **paragraph A23 in ISA 210**).<sup>12</sup> This is intended to help focus management on disclosures early in the audit process.
  - Including relevant and significant changes in the financial reporting framework that may affect disclosures in the *matters that are communicated with those charged with governance* during the discussion of the planned scope and timing of the audit (see **paragraph A12 in ISA 260**)
- **There is an insufficient focus by auditors on disclosures generated by systems and processes that are not part of the general ledger system.**
  - As disclosures continue to evolve, an increasing amount of the information supporting disclosures is not generated by the general ledger system. To focus auditors on this

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<sup>11</sup> As part of the deliberations, the Task Force also identified changes to other key standards that are an integral part of the audit process.

<sup>12</sup> A conforming change has also been made in ISA 580, *Written Representations*, in the Illustrative Representation Letter

other “source” of information, the Task Force has added **paragraph A12a in ISA 300** and **paragraph A89a in ISA 315 (Revised)** (which provides examples of these other kinds of systems and processes that may generate the information to be audited). The Task Force has further clarified what these systems and processes are, as concern had been raised by some IAASB members, the IAASB CAG and the IFAC SMP Committee on the material presented at the September 2013 meeting.

Paragraph 18 in ISA 315 (Revised) clearly sets out that the auditor needs to obtain an understanding of “the information system, including the relevant business processes, relevant to financial reporting, including...”. In the Task Force’s view, this would incorporate the systems and processes used to generate disclosures, but the Task Force felt that the changes as described above will help focus auditors on these other sources of information.

- In **paragraph A23 in ISA 210**, further reference is made to agreeing with management that support will be available for the information in the notes to the financial statements, in particular from those systems and process that are not part of the general ledger system. Corresponding changes have also been proposed to the example audit engagement letter in ISA 210 and to the illustrative representation letter in ISA 580.

At the September IAASB meeting, some concern was raised that only disclosures were being highlighted, but it would be beneficial to include management’s responsibility to provide support for all of the information included in the financial statements, not only disclosures. However, the Task Force is of the view that limiting this to disclosures gives emphasis to an area where traditionally evidence was often more difficult to obtain.

- **The audit plan does not build in sufficient time for audit procedures on disclosures.**
  - Guidance on specific consideration of the timing for audit procedures for those disclosures that are not audited with the underlying numbers has been added to **paragraph A13a in ISA 330**.
- **The ISAs are not clear on how to apply materiality to disclosures, particularly non-quantitative disclosures.**
  - Addition of a new requirement in **paragraph 11a in ISA 320**<sup>13</sup> to distinguish considerations about non-quantitative disclosures from disclosures of amounts for which determined materiality (i.e., an amount) will apply. Application material has been added in **paragraph A12a** to provide examples of when non-quantitative disclosures may be considered “material”.

At the September 2013 IAASB meeting, it had been noted that ISA 320 was the standard that requires materiality to be determined, but that the concept is

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<sup>13</sup> The proposed changes to ISA 320 are not expected to be affected by the work of the International Accounting Standards Board (IASB) in this area (see paragraph 28). The IASB does not intend to change their definition of materiality, but is in the process of clarifying how to apply the concept for financial reporting purposes. The changes being proposed here are not affected by the proposed IASB changes, but the Task Force will continue to monitor the progress of these changes. In addition, the IAASB is working with the IASB and the International Organization of Securities Commissions (IOSCO) on an initiative to consider further guidance to help promote consistency in this area.

operationalized in ISA 315 (Revised), and therefore distinguishing materiality for non-quantitative disclosures may be better placed in that standard. The Task Force further reflected on this, but is of the view that including a new requirement related to non-quantitative disclosures in ISA 320 will help to make it clear that, while “determining materiality” for these types of disclosures is not possible at the planning stage, the auditor still needs to give appropriate consideration to these disclosures.

## B. Assertions

<i>Proposed Changes for:</i>	<i>Assertions</i>	<i>Agenda Item 5-B.3 (see paragraphs A123–A125a)</i>
	<i>ISA 200<sup>14</sup></i>	<i>Agenda Item 5-B.1</i>

### *Background*

9. Respondents to the DP had noted that there was insufficient guidance on performing risk assessments on note disclosures, in particular to address at what level the risk assessments should be carried out (i.e., at the financial statement level or individual disclosure level). Notwithstanding that no gaps in the requirements<sup>15</sup> have been identified by the Task Force relating to these required risk assessments, the Task Force had the view that further consideration about the appropriateness of the assertions, which drive the auditor’s risk assessment, may be helpful to auditors, promote consistency in their application and further promote auditor focus on disclosures during the planning stage of the audit.
10. Since the end of 2012, the Task Force has been exploring changes to the assertions for presentation and disclosure, in particular considering whether they are appropriate and useful when auditing disclosures. The IAASB has discussed various approaches to changes, both in April 2013 and September 2013, including:
- Separating presentation from disclosure;
  - Changing the assertions within presentation and disclosure;
  - Changing the descriptions of the assertions; and
  - A combination of changing the assertions and changing the descriptions.

Mixed views, from both Task Force members and the IAASB, have been expressed on the changes put forth to date.

11. In addition, the CAG was asked for its views on the possible changes at its September 2013 meeting. The CAG supported changes to the assertions for presentation and disclosure, but had mixed views on the proposed changes. One CAG Representative expressed concern about changing the assertions for presentation and disclosure without considering whether changes were also necessary to the other assertions.<sup>16</sup>

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<sup>14</sup> ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

<sup>15</sup> ISA 315, paragraphs 25(a) and (b)

<sup>16</sup> At this time, there has been no indication that change would be needed for the assertions for classes of transactions and events, and account balances. The IAASB’s recent ISA Implementation Monitoring project had not highlighted this area as being problematic or requiring further consideration by the IAASB.

### Task Force Recommendations

12. Both the Task Force and the IAASB are of the view that any changes to the assertions would only be beneficial to auditors if they are made more straightforward and appropriate, and consider the evolving types of disclosures that are being reflected in financial reports.
13. The Task Force considered not making any changes to the assertions or postponing any changes to the assertions until a project for a more fundamental revision of ISA 315 was undertaken, such as that which is included in the proposed future strategy for the period 2015–2019.<sup>17</sup>
14. However, taking into account the various approaches that have been explored, and the comments received from both the IAASB and the CAG, and in order to achieve the objective of enhancing the usefulness of the assertions, the Task Force determined a more substantive change to the assertions may be appropriate. The Task Force continues to have the view that appropriate changes to the assertions, as well as the other changes to the ISAs that are being proposed, would be more likely to impact auditor behavior, and therefore enhance audit quality. In addition, the Task Force also has the view that a more substantive revision of ISA 315 will not likely occur in the near term and, thus, changes in this area through the Disclosures project would contribute to improving practice in this area on a more timely basis.
15. Changes to the assertions, set out in **paragraphs A123–A125a in ISA 315 (Revised)**, include:
  - (i) Deleting the separate assertion for “presentation and disclosure.”
  - (ii) Combining the assertions for “disclosures” with those for classes of transactions and events, and account balances.
  - (iii) Adding guidance for the appropriate assertions to consider with respect to those disclosures that are not directly related to classes of transactions and events, or account balances.
  - (iv) Including guidance on the auditor’s considerations with respect to “presentation” in the evaluation stage of the audit (see also the proposed changes to ISA 700<sup>18</sup>).

The Task Force’s recommendations for each of the changes above follows.

- (i) Deleting the Separate Assertion for “Presentation and Disclosure”
16. The responses to the DP noted that it was not clear how to apply this assertion to disclosures in the notes to the financial statements. Empirical evidence also indicates that other standard setters and a number of firms do not use the assertions within “presentation and disclosure,” but rather have one assertion for presentation and disclosure. The Task Force had previously considered this option, but agreed that one assertion would not be as useful in explaining the details of what should be considered when auditing disclosures. Therefore, to effect the changes below the assertion has been deleted and the concepts therein “redistributed”.

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<sup>17</sup> The planned revision of ISA 315 (Revised) has been included in the IAASB’s Proposed Consultation Paper, *Work Program for 2015–2019* (see **Agenda Item 3-A**). Subject to comments on consultation, other priorities of the IAASB, and approval by the IAASB of the scope of any project to revise ISA 315, any decision to postpone revision of the assertions for presentation and disclosure may pre-judge the scope of any future project.

<sup>18</sup> ISA 700, *Forming an Opinion and Reporting on Financial Statements*

- (ii) Combining the Assertions for “Disclosure” with Those for Classes of Transactions and Events, and Account Balances

17. The Task Force is of the view that this change helps to advocate the audit of related disclosures concurrently with the underlying classes of transactions and events, or account balances. In proposing this change, the Task Force has ensured that all of the assertions in the extant standard under “presentation and disclosure” are still captured, with the exception of “understandability”, which relates to “presentation” and is discussed further below. This change will also correspond more appropriately to the underlying requirement in paragraph 25(b) in ISA 315 (Revised), which states:

The auditor shall identify and assess the risk of material misstatement at... the assertion level for classes of transactions, account balances and disclosures...

- (iii) Adding Guidance for the Appropriate Assertions to Consider with Respect to Those Disclosures that Are Not Directly Related to Classes of Transactions and Events, or Account Balances

18. The Task Force is of the view that this change will assist auditors in understanding that they need to consider the same assertions with respect to disclosures, notwithstanding that they do not directly relate to underlying classes of transactions and events, or account balances. However, the proposed guidance makes clear that not every assertion would necessarily apply.

- (iv) Including Guidance on the Auditor’s Considerations with Respect to “Presentation” in the Evaluation Stage of the Audit

19. On further reflection, the Task Force deliberated whether considerations around “presentation” could be operationalized at the planning stage of the audit, or were more appropriately left to the stage of the audit when the financial statements would most likely be complete. The Task Force believes that adding additional explanatory material to ISA 700 (see **paragraphs A3a to A3c**) will be the most useful. It should be noted, however, that consideration of “presentation” is not eliminated from planning procedures as it is still contemplated in ISA 330,<sup>19</sup> paragraph 24 which states:

The auditor shall perform audit procedures to evaluate whether the overall presentation of the financial statements, including the related disclosures, is in accordance with the applicable financial reporting framework.

The applicable application material for this requirement in **paragraph A59 in ISA 330** has also been revised to clarify the work effort that more closely relates to the requirements in paragraphs 13(d)–(e) in ISA 700.

20. In addition, eliminating “presentation” as an assertion at the planning stage also addresses concerns raised that presentation is not addressed in the requirement to assess the risk of material misstatement at the assertion level for “classes of transactions, account balances and disclosures”) (see paragraph 25(b) in ISA 315 (Revised)).

21. At the September IAASB meeting, concern had been raised that the term “disclosure” was used in different contexts and may therefore be confusing. In extant ISAs, the term is used as an “assertion”, and also to mean the presentation in the financial statements of information required by the applicable financial reporting framework. By incorporating disclosures in the assertions for

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<sup>19</sup> ISA 330, *The Auditor’s Responses to Assessed Risks*

classes of transactions and events, and account balances, and not as a separate assertion, the confusion may be obviated. The meaning attributed to “disclosures” would therefore be the presentation of information in the financial statements required by an applicable financial reporting framework.

22. In addition to the changes to the assertions as explained above, the Task Force believes it would also be beneficial to revise the definition of “financial statements” in **paragraph 13(f) in ISA 200**, to make clear that, when it is used throughout the ISAs, this term includes the disclosures required by the applicable financial reporting framework, and also includes disclosures that form part of the financial statements but are incorporated by cross-reference when permitted to do so by the applicable financial reporting framework. The amendment also further clarifies what is meant by disclosures.

### C. Presentation of the Financial Statements and Evaluating Misstatements

<i>Proposed Changes for:</i>	<i>ISA 450<sup>20</sup></i>	<i>Agenda Item 5-B.6</i>
	<i>ISA 700</i>	<i>Agenda Item 5-B.7</i>

#### *Background*

23. Respondents to the DP expressed a view that there is insufficient guidance on what constitutes a material misstatement in disclosures for both qualitative and quantitative information, as well as in relation to accumulating misstatements in note disclosures (particularly those that are expressed in non-monetary terms), including how to combine these misstatements with misstatements arising from accounts and balances disclosed on the face of the financial statements.
24. The respondents also suggested that the ISAs do not provide a useful basis for identifying and eliminating excessive disclosures; and also that there is insufficient guidance to support the requirement in paragraph 14 of ISA 700 to consider whether management's compliance with specific requirements of the accounting framework provide sufficient information for the financial statements to be presented fairly. It was also noted that this has become increasingly challenging as the accounting standards incorporate more objective-based disclosure requirements, in particular whether these are complete.

#### *Task Force Recommendation*

25. The following sets out the applicable changes to address the issues that have been raised:
- **Guidance for misstatements in non-quantitative disclosures, including aggregation of such misstatements**
    - In September 2013, the IAASB discussed the proposed enhancements to the application material in ISA 450, including:
      - (a) Further examples of misstatements to emphasize misstatements may also occur in disclosures (**paragraph A1 in ISA 450**);
      - (b) Highlighting that misstatements in non-quantitative disclosures cannot be accumulated in the same way as misstatements in amounts (**paragraph A3a in**

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<sup>20</sup> ISA 450, *Evaluation of Misstatements Identified during the Audit*

**ISA 450**), but nevertheless need to be considered for their effect on the financial statements as a whole (**paragraph A13a in ISA 450**); and

- (c) To consider that individual misstatements in disclosures, although not material collectively, could be indicative of misleading trends (**paragraph A17a in ISA 450**).

Changes to address concerns raised by the IAASB in September 2013 have been made in the paragraphs presented in **Agenda Item 5-B.6**.

- **Evaluating the presentation of the financial statements**

- The IAASB also reflected on the evaluation of disclosures when forming an opinion on the financial statements. At its September 2013 meeting, the IAASB explored changing the requirements to align with the revised assertions, as this may be a reasonable conclusion on the work that had been planned and performed. However, a few IAASB members were of the view that this changed the character of the evaluation and urged the Task Force to further consider whether doing so was necessary. The IAASB also suggested that further consideration be given to developing more guidance to help auditors understand the work effort that is required to support these evaluations.
- The Task Force continued to reflect on the requirements for evaluating the financial statements (including the disclosures) in both paragraphs 13 and 14 of ISA 700 (the “stand back” review). On balance, the Task Force is of the view that no changes are necessary to the requirements in either paragraph, as they are sufficiently robust. These paragraphs state, in part:

13. In particular, the auditor shall evaluate whether, in view of the requirements of the applicable financial reporting framework:

....

- (d) The information presented in the financial statements is relevant, reliable, comparable, and understandable;
- (e) The financial statements provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements; and (Ref: Para. A4)

The Task Force is not proposing changes to paragraph 13(d), as this is still consistent with what the preparers of the financial statements are required to comply with in International Accounting Standard (IAS) 1.<sup>21</sup> Notwithstanding other accounting frameworks may not contain the same requirement, the principles, in the Task Force’s view, are thorough, and should therefore be maintained.

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<sup>21</sup> IAS 1, *Presentation of Financial Statements*, paragraph 17(b) states “a fair presentation also requires an entity to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information”. The IASB intends to undertake a long term project on the revision of IAS 1, but as the timing and scope of that project is not known at this time, it is assumed that this requirement will remain in the accounting standards in the medium-term.

14. When the financial statements are prepared in accordance with a fair presentation framework, the evaluation required by paragraphs 12–13 shall also include whether the financial statements achieve fair presentation. The auditor’s evaluation as to whether the financial statements achieve fair presentation shall include consideration of:
- (a) The overall presentation, structure and content of the financial statements; and
  - (b) Whether the financial statements, including the related notes, represent the underlying transactions and events in a manner that achieves fair presentation.
- Notwithstanding that no changes will be proposed to the requirements, the Task Force is of the view that additional application material to further guide auditors when carrying out the evaluation in terms of the applicable financial reporting framework, is appropriate. Therefore additional guidance has been included in relation to the auditor’s work effort when:
    - Determining whether the accounting policies have been adequately disclosed in the financial statements (**paragraph A3a in ISA 700**);
    - Evaluating the understandability of the financial statements (**paragraph A3b in ISA 700**); and
    - Considering the adequacy of disclosures (**paragraph A3c in ISA 700**).
  - The Task Force has also added guidance for the ‘fair presentation’ evaluation in ISA 700, paragraph 14, including clarifying that fair presentation may include disclosures that are not necessarily required by the financial reporting framework, and providing the auditor with additional actions that may be considered as part of this evaluation (**paragraphs A4a–A4c in ISA 700**).
26. The Task Force believes that the changes that are being proposed would be responsive to the comments from the IAASB, CAG, IFAC SMP Committee and others.

## D. Other Matters Considered by the Task Force

### *IASB Disclosures Initiative*

27. Disclosures in financial statements continue to be an area of focus for both accounting and auditing standard setters.
28. In October 2013, the IASB announced the formation of a new staff group to work on its Disclosures Initiative. The IASB has been in the process of developing short- and medium-term strategies to address concerns about how financial information is disclosed. Its short term steps include amendments to IAS 1 and the establishment of a Working Group (with participation by the IAASB and IOSCO) to further consider guidance on materiality for disclosures (see below). Medium-term steps include a research project on applicable standards relating to overall presentation and disclosure, such as IAS 1, IAS 7<sup>22</sup> and IAS 8,<sup>23</sup> as well as a review of the disclosure requirements in

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<sup>22</sup> IAS 7, *Statement of Cash Flows*

<sup>23</sup> IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

existing standards (all of which will be used in developing the “disclosure framework”). At its October meeting, the Disclosures Task Force received an update from the IASB Staff involved in the IASB’s Disclosures Initiative. The Task Force views this interaction as an important component of the project, and believes it is important to continue to monitor the IASB’s project and, to the extent appropriate, work with the IASB staff in this area. This interaction between the two groups also enabled a sharing of views on common areas of concern, such as materiality.

#### Materiality Initiative

29. Members of the Disclosures Task Force, and Staff, are involved in the IASB’s “materiality” initiative,<sup>24</sup> which also include a representative from IOSCO. A teleconference of this group is planned for early December 2013, and the Task Force Chair will provide an oral update as to the planned activities of this group, if any, at the December 2013 IAASB meeting.

#### Other

30. The IASB’s work in this area illustrates its commitment to improving financial statement disclosures. As set out in the IAASB’s 2012 [Feedback Statement](#) on the responses to the DP, many stakeholders have a role to play in relation to disclosures. The continued focus in this area, as well as the progress being made by others, suggests that a timely response by the IAASB in this area would also be beneficial to all. Therefore the Task Force is of the view that, taking into account the progress made on the possible changes to the ISAs, and subject to the discussions with the IAASB at the December 2013 meeting, an Exposure Draft of the package of changes should be presented to the IAASB for approval at the March 2014 meeting.
31. As part of this package, the Task Force intends to address any conforming amendments to other IAASB standards as appropriate (for example consideration will be given to whether the changes are required to the ISA 800-series, and if so, the Task Force plans to work with the ISA 700 Drafting Team as it also contemplates changes to those standards).
32. The Task Force also intends to continue to progress the educational guide based on the proposed changes to the ISAs because, in the Task Force’s view, this continues to be an important part of the package for addressing the audit implications of disclosures. It is expected that the nature of this guidance (i.e. an International Auditing Practice Note or Staff Questions and Answers) as well as its content, will be discussed by the IAASB later in 2014.

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<sup>24</sup> An initial call of the representatives in this group was held in early August 2013. The objective of the call was information gathering, and the IASB Staff has been further considering whether the group should move forward, and how, on materiality.