

**Meeting:** IAASB  
**Meeting Location:** New York  
**Meeting Date:** December 1–5, 2014

## Agenda Item 12

### Due Process

#### Objective of Agenda Item

1. To advise the IAASB of the status of due process for proposed International Standard on Auditing (ISA) 720 (Revised).<sup>1</sup>

#### Background

2. The IAASB Technical Director is responsible for advising the IAASB as to whether due process has been followed effectively and with proper regard for the public interest before a proposed Standard is approved.
3. The following outlines the Technical Director's conclusion and basis thereof with respect to actions up to the December 2014 IAASB meeting for the above proposed revised Standard. Before approval of the proposed revised Standard, the IAASB Technical Director, or delegate, will advise on whether due process has been followed during the course of the December 2014 meeting.

#### Due Process Up to the Date of the December 2014 IAASB Meeting

4. The Technical Director confirms to the IAASB that, up to the December 2014 IAASB meeting, the above proposed revised Standard has been developed in accordance with the IAASB's due process.
5. For the proposed ISA 720 (Revised), in summary the IAASB:
  - Approved the project proposal for commencement of work to revise extant ISA 720, 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 revised ISA.

Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Project Task Force has reported back to the IAASB CAG the results of the IAASB's deliberations.

- Considered whether it is necessary to hold a public forum or roundtables, or to issue a consultation paper or conduct field testing, in order to solicit views on a matter under consideration and concluded that a public forum, roundtable, consultation paper or field testing was not necessary.

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<sup>1</sup> ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

### *First Exposure Draft*

- Approved and issued an exposure draft of the proposed revised ISA for public comment, together with an explanatory memorandum highlighting, amongst other matters, the significant proposals of the IAASB.
- Considered analysis of the significant issues raised by respondents on the exposure draft, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters, the IAASB members:
  - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Project Task Force, that they considered should be discussed; and
  - Amended the proposed ISA accordingly.
- Consulted with the IAASB CAG on significant issues raised in comment letters on the exposure draft of the proposed ISA and the IAASB's related responses. Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Project Task Force has reported back to the IAASB CAG the results of the IAASB's deliberations.

### *Second Exposure Draft*

- Approved ISA 720 (Revised) but agreed re-exposure was necessary and accordingly issued a second exposure draft of the proposed revised ISA for public comment, together with an explanatory memorandum highlighting, amongst other matters, the significant proposals of the IAASB.
- Considered analysis of the significant issues raised by respondents on the second exposure draft, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters on the second exposure draft, the IAASB members:
  - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Project Task Force, that they considered should be discussed; and
  - Amended the proposed ISA accordingly.
- Consulted with the IAASB CAG on significant issues raised in comment letters on the second exposure draft of the proposed ISA and the IAASB's related responses. Significant comments received to date through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the Project Task Force has reported back to the IAASB CAG the results of the IAASB's deliberations.