

Meeting: IAASB
Meeting Location: New York, USA
Meeting Dates: December 1–5, 2014

Agenda Item 2

ISA 720 (Revised) – The Auditor’s Responsibilities Relating to Other Information

Objective of the Agenda Item

1. To consider Task Force proposals and a revised draft of ISA 720.
2. To finalize and approve this standard, together with the conforming amendments, for submission to the Public Interest Oversight Board (PIOB).

Task Force

3. Full members:
 - Cédric Gélard, Chair, IAASB Member (supported by Isabelle Tracq-Sengeissen, IAASB Technical Advisor)
 - Valdir Coscodai, IAASB Member
 - Marek Grabowski, IAASB Member
 - Megan Zietsman, IAASB Member
 - Susan Jones, IAASB Technical Advisor

The Task Force was also assisted by Dan Montgomery, IAASB Deputy Chair (supported by Denise Weber, IAASB Technical Advisor).

Activities since Last IAASB Discussion

4. Since the October 2014 IAASB teleconference, the Task Force met via teleconference on five occasions and physically in October 2014 to discuss issues and the comments of the IAASB and IAASB Consultative Advisory Group (CAG) at their respective meetings.
5. The leadership of the Task Force and staff met also via teleconference with representatives of the International Forum of Independent Audit Regulators (IFIAR). At that meeting, views were exchanged on the work effort required by the ISA, as well as its scope, documentation requirements and reporting requirements. Particular areas of focus for IFIAR representatives included:
 - The link between material inconsistencies and material misstatements in the work effort;
 - How to make it clear in the auditor’s report that the auditor has not tested the entirety of the items in the other information for a material inconsistency; and
 - The importance of enhancing the requirements regarding the action to be taken by the auditor if other information is received after the date of issuance of the audit report and is materially misstated.

Material Presented

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| Agenda Item 2-A | ISA 720 – Other Information— Issues and IAASB Task Force Recommendations |
| Agenda Item 2-B | Proposed ISA 720 (Revised), <i>The Auditor’s Responsibilities Relating to Other Information</i> (Marked from September/October IAASB Meeting) |
| Agenda Item 2-C | Proposed ISA 720 (Revised) (Marked from ED) |
| Agenda Item 2-D | Proposed ISA 720 (Revised) (Clean) |
| Agenda Item 2-E | Proposed Conforming Amendments |
- The discussion of proposed ISA 720 (Revised) will follow **Agenda Item 2-B**, and the IAASB is asked to refer to this version in their preparation.
 - For this Agenda Item, and when considered necessary to provide context to the magnitude of responses, the following descriptive terms have been used:
 - A few respondents = 2-3;
 - Some respondents = 4-6;
 - Several respondents = 7-11;
 - Many respondents = 12-34; and
 - A majority of respondents = 35 or more.

Action Requested

- The IAASB is asked to consider the issues and Task Force proposals presented in **Agenda Item 2-A**, and whether there are issues raised by respondents to ED-720 (2014),¹ in addition to those already addressed by the Task Force, that should be discussed by the IAASB.
- The IAASB is asked to approve proposed ISA 720 (Revised) as a final standard, together with the conforming amendments as noted in **Agenda Item 2-E**.

¹ Exposure Draft of Proposed ISA 720 (Revised), *The Auditor’s Responsibilities Relating to Other Information*