

**Draft Minutes of the 67th Meeting of the
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
Held on January 22, 2015 by teleconference**

Voting Members

Present: Arnold Schilder (Chairman)
Charles Landes (Deputy Chair)
Jean Blascos
Fiona Campbell
Valdir Coscodai
Robert Dohrer
Karin French
Marek Grabowski
Jonas Hällström
Merran Kelsall
Annette Köhler
Brendan Murtagh
Marc Pickeur
Ron Salole
Rich Sharko
Sayaka Sumida
Jianhua Tang
Megan Zietsman

Technical Advisors

Sue Almond (Mr. Murtagh)
Wolf Böhm (Ms. Köhler)
Jennifer Burns (Ms. Zietsman)
Ahava Goldman (Mr. Dohrer)
Hiram Hasty (Mr. Landes)
Josephine Jackson (Mr. Grabowski)
Susan Jones (Mr. Blascos)
Sachiko Kai (Mr. ~~Sekiguchi~~ Sumida)
Maria Manasses (Ms. French)
Jamie Shannon (Mr. Sharko)
Greg Shields (Mr. ~~Wiersema~~ Salole)
Denise Weber (Mr. ~~Montgomery~~ Campbell)

Apologies:

Alejandro Gonzalez (Mr. Coscodai)
Len Jui (Mr. Tang)
Richard Mifsud (Ms. Kelsall)
Alexandra Popovic (Mr. Hällström)
Inge Vanbeveren (Mr. Pickeur)

Non-Voting Observers

Present: Norio Igarashi (Japanese Financial Services Authority)
Apology: Linda de Beer (IAASB Consultative Advisory Group (CAG) Chairman), Juan Maria Arteagoitia (European Commission)

Public Interest Oversight Board (PIOB) Observer

Present: Chandu Bhawe

IAASB Technical Staff

Present: Kathleen Healy (Technical Director), Beverley Bahlmann, Brett James, Diane Jules, Nancy Kamp-Roelands, Jasper van den Hout

Apology: James Gunn (Managing Director, Professional Standards), Sara Ashton, Michael Nugent

International Auditing and Assurance Standards Board (IAASB) agenda materials referred to in these minutes can be accessed at <http://www.ifac.org/auditing-assurance/meetings/iaasb-conference-call-january-22-2015>. These minutes are a summary of the decisions made at the January 2015 IAASB teleconference, in light of the issues and recommendations in the agenda material put forth by the Task Force and Staff supporting the Disclosures project. These recommendations are made taking into account feedback from respondents to the IAASB's public consultations, in particular Exposure Drafts of the IAASB's proposals, consideration of previous discussions of the Board and its Consultative Advisory Group (CAG), and feedback from stakeholders through outreach activities.

1. Welcome

Prof. Schilder welcomed all participants to the teleconference.

2. Disclosures – Issues and Revised Proposed Requirements in ISA 315 (Revised),¹ ISA 330² and ISA 700 (Revised)³

The Task Force proposed that, in view of the changes being proposed to emphasize 'information from accounting records that are outside the general and subsidiary ledgers,' the phrase should also be included in paragraph 18(c) of ISA 315 (Revised), in relation to accounting records.⁴ The Board expressed reservations that as a result of this, the Task Force may have inadvertently scoped in a required understanding of systems and processes that may not be relevant to the audit. For example, it was noted that by including 'accounting records that are outside the general and subsidiary ledgers' in paragraph 18(c) the Task Force may have inadvertently increased the auditors' work effort in areas that are not relevant to the audit. A similar concern was raised regarding the auditors' responsibility to obtain an understanding of the controls surrounding journal entries. The Task Force was asked to clarify that an understanding of controls over accounting records from outside the general and subsidiary ledgers was limited to understanding controls over journal entries used to capture this information. The Task Force was also asked to further consider the related application material to ensure that there were no unintended consequences as a result of the introduction of a number of examples of information in 'accounting records outside the general and subsidiary ledgers'.

¹ ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

² ISA 330, *The Auditor's Responses to Assessed Risks*

³ ISA 700, *Forming an Opinion and Reporting on Financial Statements*

⁴ Proposed revisions to ISA 315, paragraph 18

The IAASB also considered the articulation of the requirements that had been elevated from application material in ISAs 330 and 700 (Revised)⁵ in response to the Board's request at the December 2014 meeting that further consideration be given to the drafting of the requirements. The Task Force was asked to further consider the drafting of these requirements.

A few Board members had concerns with the concept of "all relevant" information being included in the auditor's evaluation about whether the information presented in the financial statements is relevant, reliable, comparable and understandable.⁶ Notwithstanding that this had been included to recognize the completeness of the information in terms of the applicable financial reporting framework, the Task Force agreed to further consider the best way to incorporate the concept of the completeness of the information.

The Task Force also agreed to several editorial changes suggested by Board members.

Way Forward

The proposed changes to the ISAs for auditing disclosures, including the proposed revised requirements in ISA 315 (Revised), ISA 330 and ISA 700 (Revised), will be presented for approval at the March 2015 IAASB meeting.

3. PIOB Observer's Remarks

Mr. Bhave noted that he had no further comments.

4. Next Meeting

The next meeting of the IAASB is scheduled for March 16–20, 2014 in Brussels, Belgium.

5. Closing

Prof. Schilder thanked the IAASB members, technical advisors, observers, and Staff for their contributions to the meeting. He then closed the meeting.

⁵ In relation to proposed changes in the requirements in ISA 330, Paragraph 24 and ISA 700, paragraphs 13(a) and 13(d).

⁶ ISA 700, paragraph 13(d)