



**International Federation of Accountants**

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**Agenda Item**

**6**

**Committee:** IAASB  
**Meeting Location:** Cape Town  
**Meeting Date:** December 5-9, 2005

**Materiality**

**Objectives of Agenda Item**

1. To complete the review of significant comments received on the exposure draft of proposed ISA 320 (Revised), “Materiality in the Identification and Evaluation of Misstatements,” and the related recommendations. (The exposure draft was issued in December 2004 and the comment date was April 30, 2005.)
2. To review a proposed ISA 320 (Revised), “Materiality in Planning and Performing an Audit, and a proposed ISA XXX, “Evaluation of Misstatements Identified During the Audit,” presented in the “old format.”

**Task Force Members**

The members of the Task Force are:

Denise Esdon (Chair)	IAASB member
Lyn Graham	US ASB member
Jon Grant	UK APB member and IAASB technical advisor
Diana Hillier	IAASB technical advisor
David Lindsell	UK APB member
Graham Pimlot	UK APB member
Robert Tizzano	IAASB member

**Activities Since Last IAASB Discussions**

The Task Force met on October 27-28 and held a telephone conference on November 8 to consider the comments received from the IAASB in October 2005 and finalize the material for this meeting.

**Material Presented**

Agenda Paper 6-A (Pages 2591-2602)	Materiality in the Identification and Evaluation of Misstatements
Agenda Paper 6-B (Pages 2603-2610)	Proposed ISA 320, “Materiality in Planning and Performing an Audit” – Clean
Agenda Paper 6-C (Pages 2611-2618)	Proposed ISA XXX, “Evaluation of Misstatements Identified During the Audit” – Clean
Agenda Paper 6-D (Pages TBD)	An ISA on Forming the Audit Opinion
Agenda Paper 6-E (Pages TBD)	The Auditor’s Consideration of Management’s Materiality
Agenda Paper 6-F (Pages 2619-2628)	Proposed ISA 320, “Materiality in Planning and Performing an Audit” – Marked from ED Text
Agenda Paper 6-G (Pages 2629-2638)	Proposed ISA XXX, “Evaluation of Misstatements Identified During the Audit” – Marked from ED Text

**Action Requested**

The IAASB is asked to review Agenda Item 6-A, *Materiality in the Identification and Evaluation of Misstatements*, as well as the proposed ISAs (see Agenda Items 6-B and 6-C).

**The comment letters are available from:**

**<http://www.ifac.org/Guidance/EXD-Comments.php?EDID=0038&Group=All+Responses>**