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Agenda Item
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Meeting: IAASB
Meeting Location: New York
Meeting Date: May 22-26, 2006

Practice Statements and Emerging Issues
Discussion Paper

Objective of Agenda Item

1. To agree the way forward in dealing with the issues of:
 - The status and authority of International Auditing Practice Statements (IAPSs)¹; and
 - Responding to urgent or emerging issues, including interpretations (emerging issues).

Background

2. Over the last five years, the IAASB and its predecessor, the International Auditing Practices Committee (IAPC), have held various discussions about the level of authority, perceived and real, that attaches to IAPSs in response to inquiries from numerous external parties seeking clarification on their status. The IAASB Clarity project has re-invigorated these discussions, and has increased the urgency with which the IAASB needs to address these matters.
3. Further, there have been discussions on the need for the issue by the IAASB of additional guidance or other material (by means of IAPSs or otherwise) that serve to supplement the ISAs to respond to emerging issues in a timely manner. The main issue to be resolved, however, is the trade-off between the timeliness with which such guidance can be issued and the authority and due process that should attach to it.
4. Appendix I to this Paper summarizes background and related matters relevant to the consideration of the way forward.

Recommendations

5. The following sets out preliminary recommendations for the way forward in dealing with these issues. The recommendations have been developed by IAASB Staff and commented on by the IAASB Steering Committee.

¹ The considerations addressed in this paper are relevant to all Practice Statements. Reference to IAPSs only is for convenience.

6. The recommendations were discussed at the March 2006 IAASB-National Auditing Standard Setters (NSS) meeting. There were mixed opinions about the benefits of IAPSs, particularly at a national level and in relation to industry specific guidance, and some general concern about the relationship between guidance in IAPSs and the application material within ISAs. At that meeting, representatives of NSS from Canada, Germany, India and Netherlands volunteered to develop a paper that would express their shared views on the future of IAPS and the need for withdrawal or revision of existing IAPSs. Staff will report on the status of this work at the May meeting as input to the discussion on the following recommendations.

I. IAPSs

Recommendation #1:

On a prospective basis, IAPSs should be given the status equivalent to that of the application material of ISAs, and the obligations of the auditor aligned therewith.

IAPSs should be renamed “International Auditing Application Statements,” to reflect this clarification of / change in status.

7. **Discussion and basis of recommendation** – Generally, the IAASB requires some mechanism to issue more detailed authoritative guidance on specific topics. IAPSs provide a reasonable and useful way of doing this, particularly in the case where it is neither practical nor desirable to include such guidance in an ISA because of the effect it may have on the overall understandability of the ISA. The IAPS on derivatives, for example, demonstrates this point. Accordingly, it makes sense for the IAASB to continue to use IAPSs to provide guidance on the application of an ISA or the body of ISAs to a specific issue.
8. Concern has been expressed, however, about the current description of IAPSs in the Preface. Some have indicated that it is unsatisfactory in that it does not call for any sort of substantive obligation to consider the material contained in an IAPS; it can be ignored as long as the auditor can describe how requirements have been met. Further, it is unclear whether the application material in ISAs and the guidance in IAPSs are equivalent.
9. The important consideration in determining the treatment to be afforded IAPSs is the intended purpose of the material contained therein. The fact is that both the application material of an ISA and the material within an IAPS serve, in principle, the same purpose. The guidance in IAPS 1006 on auditing banks, for example, could not be interpreted as anything other than application guidance. Accordingly, it is only logical to align the authority and obligation attaching to similar material. Attempting to distinguish material that relates to the application of ISAs, on the basis of placement, has little merit, and would be artificial at best.
10. The result would be to strengthen the authority of IAPSs, or more accurately, the obligation of the auditor to consider IAPSs. At the same time, it allows for IAPSs to act as vehicles to help avoid overburdening ISAs with application material that may be of less than general application. Appendix II contains proposed changes (shown in mark-up) to the description of the authority attaching to Practice Statements, reflecting the above recommendation.

11. A potential drawback is that this approach may encourage the IAASB to reduce the amount of application material in ISAs on the grounds that it could subsequently be included in IAPSS, which may of course never be drafted. Recommendation #2, below, should also help to counteract this potential drawback.
12. The alternative, as suggested by some NSS, is to place the relevant material within the application material of the ISAs, thereby retaining only one source of guidance. This would, however, appear less acceptable; without some form of 'release-valve' for additional authoritative application guidance, there may either be gaps in the literature to be filled, or ISAs that are overburdened with extensive application material.
13. Some concern was also noted by some NSS about elevating the authority of IAPSS, particularly with their current content. The recommendation to align the status of IAPSS, however, is intended to be applied prospectively, based on an updated and revised set of IAPSS as contemplated in Recommendation #3.
14. Further, some concern has been expressed in relation to the issue of industry specific guidance that is authoritative on an international basis. It is accepted that there is little benefit in developing such guidance if it is not useful or applicable internationally. However, it may be premature to rule out the development of international guidance on the application of ISAs to a specific industry; it may be that there is a need for such guidance (e.g., some stakeholders have suggested the need for guidance in connection with the insurance industry), despite the fact that some of the more globally advanced jurisdictions may have developed national guidance. The consideration of whether to address industry specific issues should therefore be considered case-by-case.
15. Should the status of IAPSS be aligned with that of the application material of the ISAs, as recommended, it would require the drafting of IAPSS to be clear in terms of the scope of the IAPSS, and the ISA(s) and requirements to which the guidance relates (accordingly, greater use of cross-referencing would appear necessary that is currently provided in extant IAPSS). Further, IAPSS would need to be unambiguous in its wording when actions or procedures that may be considered by the auditor are identified – that is, these need to be free of imperatives and the present tense. While one may view documents that lack imperatives as permissive, it is not inconsistent with the practice considered for application material in the ISAs.
16. If the status is aligned, it follows that the due process needs to be the same as for an ISA. Accordingly, IAPSS would continue to be considered authoritative pronouncements, issued under IAASB's stated due process and included within the IFAC Handbook.
17. Because stakeholders will demand that any form of authoritative guidance from the IAASB² be subject to an appropriate due process (which limits the timeliness in which the IAASB can respond to emerging issues), emerging issues need to be dealt with as a separate

² Or guidance perceived to be from the IAASB, as evidenced by concern by some when IAASB Staff issued guidance on first-time application of IFRS.

consideration from the general issue of the future role of IAPSS. Recommendations in regard to dealing with emerging issues are outlined in the section “Responding to Emerging Issues” below.

Recommendation #2:

The IAASB should determine the general guidelines it will use for determining whether material should be included in the application material of an ISA or within an IAPS.

18. **Discussion and basis of recommendation** – The need for a basis on which to decide whether material should be included in the application material of an ISA or within an IAPS has arisen in a number of discussions of the IAPC and the IAASB, and in some of the responses to the September 2004 Clarity consultation on the question of the status and future role of IAPSS. Resolving this would serve to clarify further the intended role of IAPSS. It would also assist in determining the nature and extent of application material in an ISA, the consideration of which may become increasingly pronounced as the IAASB considers further the way in which ISAs can become more concise as part of its work to enhance the clarity of its ISAs.
19. Possible guidelines may include:
- “Material which may be appropriate for inclusion in an IAPS but not an ISA ordinarily includes specialized guidance:
- Whose application is time-dependent, for example guidance pertaining to the initial implementation of a pronouncement (i.e., event specific).
 - That is issue-specific (or industry-specific, if it is determined that any such industry guidance would be specific enough to be useful and applicable internationally).
 - That elaborates upon the application of the ISAs in relation to a specific characteristic or circumstances in which an engagement might take place (i.e., transaction or circumstance specific).”
20. It is not suggested that such guidelines be published. Rather, they would be used internally by the IAASB for decision-making purposes.

Recommendation #3:

The IAASB should establish an action plan for updating and revising the relevant IAPSS.

21. **Discussion and basis of recommendation** – No attempt has been made to conform the existing IAPSS to new or revised ISAs, and therefore they are largely out-of-date. They shall become further out-of-date once the ISAs have been updated through the Clarity project. This results in an unacceptable situation in terms of the issued and effective body of pronouncements which auditors are expected to comply with or consider. Accordingly, the

preceding recommendations for the way forward for IAPs are only relevant if the IAASB intends, and is able, to apply adequate resources to their development and maintenance.

22. It is appropriate first to consider whether there are any of the IAPs that do not appear to have continuing relevance and therefore should be withdrawn without replacement. Attention could then turn to considering the need for, and priority of, revision of those that have continuing relevance. The assistance of interested national standard setters and others (for example, The Basel Committee on Banking Supervision in relation to the banking IAPs) would help accelerate such considerations.
23. The development of an action plan that outlines the priority and timing of future revisions should serve to ensure that continuing attention is given to the issue of the maintenance and development of relevant guidance.
24. Appendix III contains Staff's preliminary suggestions.

II. Responding to Emerging Issues

25. There has been general support for the idea that the IAASB should seek to respond to emerging issues. Specifically, the IAASB has been urged to consider the type of vehicles that might be appropriate for the issue of additional guidance (either authoritative or non-authoritative) that:
 - i. responds to issues requiring the interpretation of an ISA or that allows for such issues to be addressed in lieu of or pending full revision of the ISA, and
 - ii. helps raise awareness of emerging issues, but that does not carry obligations on the auditor,while avoiding the application of full due process and maintaining an appropriate structure to IAASB pronouncements.
26. The main issue to be resolved, however, is the trade-off between the timeliness with which such guidance can be issued and the authority and due process that should attach to it. This issue is made more difficult by the fact that different views exist as to the sources from which a document may derive its authority, and the consequences thereof.

INTERPRETATIONS

Recommendation #4:

The IAASB should consider the issue of interpretations where a need exists to modify, clarify or interpret an ISA(s) (e.g., where unsatisfactory or conflicting interpretations of an ISA(s) have developed, or are likely to develop) in lieu of or pending full revision of the ISA.

Any form of interpretation of an ISA should be considered authoritative, and therefore addressed and approved by the IAASB. Such interpretation should be effected in a manner appropriate in the circumstances, following a shorter than normal exposure period where necessary.

27. **Discussion and basis of recommendation** – In dealing with the trade-off between timeliness, authority and due process, it has been suggested that some form of ‘less formal’ process be considered for the issue of interpretations. This option has been explored on a preliminary basis by the IAASB as it considered the establishment of an ‘urgent issues’ committee, for which varying degrees of support was received.
28. The follow observations were of significance in the formulation of the recommendation:
- It is unreasonable to assume that any interpretation that is substantive in nature could be effected through a non-authoritative document or outside IAASB due process.
 - Whatever process is involved, if a substantive matter requires an interpretation of an ISA(s), such an interpretation is unlikely to be developed and agreed more quickly than 2-3 months; such a time period would allow for IAASB consideration within its meeting schedule (assuming that time can be made available on the agenda of a given meeting).
 - The process of issuing such interpretation could be expedited satisfactorily within the existing provisions of due process by taking advantage, for example, of a shorter than normal exposure period to deal with an urgent matter of public interest.

Accordingly, it would seem to make little sense to circumvent the IAASB review and approval process.

29. In terms of the precise form of an interpretation, it would appear appropriate for the IAASB to retain as much flexibility as possible until it gains further experience in dealing with such matters and has had an opportunity to determine through practice what is most effective in different circumstances. For example, one of the following methods may be most suitable, depending on the circumstances:
- Amendment of, or inclusion of a footnote in, an ISA (accompanied by a press release);
 - An addendum to an ISA, labelled as an “Interpretation” (following the practice of the IESBA (Ethics)); or
 - The issue of an IAPS (where the interpretation deals with the application of a requirement) effected through a short exposure period.

OTHER PAPERS

Recommendation #5:

When the IAASB does not believe an interpretation of an ISA is required to respond to an emerging issue, but concludes that some discussion paper (e.g., to help generate awareness on a particular topic, for example, XBRL) or informal guidance would be appropriate, the IAASB should commission this from some other group established for that specific purpose.

No obligation or authority should attach to these documents. Subject to the IAASB (or a subgroup thereof) being satisfied with the quality of the documents, they should be published

on the IAASB website only, designated as non-authoritative, and issued outside IAASB's stated due process.

30. **Discussion and basis of recommendation** – In order to help raise awareness of emerging issues in a timely manner without placing obligations on the auditor any guidance should:
- Make absolutely clear that it is non-authoritative.
 - Not be subject to due process, which would result in nothing getting issued.
 - Draw upon other resources.
31. This recommendation seeks to respond to the considerations noted above, while also limiting the potential for authority to be thought to attach to such documents by distancing them from both:
- The decision-making process of the IAASB (except for the authorization for the development of guidance); and
 - The Handbook in which IAASB's documents reside (the latter reflecting the view by some that authority could be implied by virtue of its inclusion in the same document as the authoritative material issued by the IAASB).
32. Two further advantages exist with this structure: (i) it limits the impact on the resources of the IAASB; and (ii) avoids the need to create a 'standing' IFAC, IAASB or non-IFAC group (which may or may not be active for extended periods).
33. It was noted at the March IAASB-NSS meeting that documents such as Discussion Papers issued nationally in response to emerging issues have helped promote useful debate and constructive input into future standard setting activities. Accordingly, action toward similar types of documents was generally supported.
34. To avoid the possibility that one might interpret such documents as in some way authoritative, it would be noted they do not form part of the IAASB's authoritative pronouncements, and that no general obligation is imposed on the auditor as a result of their issue.

Related Considerations

Recommendation #6:

The IAASB should set out in the Preface the hierarchy of IAASB's authoritative pronouncements and other non-authoritative papers.

35. **Basis of recommendation** - The authority of documents may continue to be challenged unless a specific hierarchy is established. A statement articulating clearly the distinction between ISAs and IAPs and non-authoritative documents should alleviate any remaining concerns.

36. Appendix IV contains a proposed statement of the hierarchy of IAASB pronouncements and other non-authoritative papers.

Action Requested

The IAASB is asked to consider the recommendations outlined above for IAPSs and addressing emerging issues.

As a way forward, the following is recommended, subject to IAASB's views on the above:

- Existing IAPSs should be reviewed by the IAASB, with the assistance of NSS, for purpose of determining whether they should be withdrawn or revised.
- The IAASB's intentions with respect to the authority of IAPSs, along with its views on the revision or withdrawal of individual IAPSs, and for responding to emerging issues, should be exposed by way of a short consultation document.
- Subject to responses to the consultation, a revisions work plan should be developed and implemented.

The IAASB is asked to agree the way forward.

Appendix I

Relevant Matters for Consideration

RECOMMENDATION OF THE IAPC REVIEW TASK FORCE

1. In 2001, the IAPC Review Task Force submitted its report and recommendations to the IFAC Board on changes that were necessary to the way in which the IAPC operated. This report contained the following relevant recommendation:

“Apart from ISAs, IAPC also issues International Auditing Practice Statements (IAPSSs) to provide practical assistance to auditors in applying the ISAs. Since, by their nature, IAPSSs do not introduce new auditing standards, we recommend that the review and approval process be streamlined in order to improve efficiency, and that any constitutional changes needed to put this recommendation in place be made.”

“As IAPC continues to develop high quality standards it will also need to provide practical guidance and interpretation, including, perhaps, industry and subject matter-specific guidance. Such guidance would be of particular value to auditors in those parts of the world where auditing practice is still developing. Furthermore, on a broader level, IFAC will need to address its role in meeting the needs of auditors in the implementation of standards through educational and training activities.”

PRESENT STATUS OF IAPSS

2. Paragraphs 20 and 21 of the Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services describe IAPSSs and the authority attaching thereto as follows:

“International Auditing Practice Statements (IAPSSs) are issued to provide interpretive guidance and practical assistance to professional accountants in implementing ISAs and to promote good practice...

Professional accountants should be aware of and consider Practice Statements applicable to the engagement. A professional accountant who does not consider and apply the guidance included in a relevant Practice Statement should be prepared to explain how the basic principles and essential procedures in the IAASB’s Engagement Standard(s) addressed by the Practice Statement have been complied with.”

3. Existing IAPSSs have been developed and approved following substantially the same due process as that afforded ISAs. The due process for IAPSSs and ISAs going forward calls for identical considerations, with the exception of the issue of a document explaining the basis of conclusions for final ISAs.
4. There are currently eight IAPSSs:
 - Three relate to banking (IAPSSs 1000, 1004 and 1006; IAPSS 1000 however may be out of date and no longer relevant);

- One is being phased out as ISAs are revised (IAPS 1005 (Considerations for Smaller Entities)); and
 - The remaining four may have ongoing audit significance (IAPSs 1010 (Environment); 1012 (Derivatives); 1013 (E-commerce); and 1014 (Reporting – Compliance with IFRS)).
5. No attempt has been made to update individual IAPSs as new or revised ISAs are issued. The IAPSs are therefore largely inconsistent, or soon to be inconsistent, with the ISAs, and some may be out-of-date.

THE APPROVAL PROCESS

6. To some, a large part of the authority of a document derives from the due process that the document goes through. The fact that IAPSs and ISAs follow precisely the same due process, yet are assigned different authorities, is viewed by some as inconsistent and confusing. It certainly suggests, in some quarters, that IAPSs have the same authority as their underlying ISA(s). This issue is compounded by questions about the relationship between the IAPSs and the explanatory material/application material of ISAs.
7. If this view on authority is accepted, the consideration is, therefore, whether some different form of due process for IAPSs (while maintaining their status as authoritative documents) is a reasonable option to demarcate them further from ISAs. However, the question of whether any form of abbreviated due process for documents issued by the IAASB is acceptable has raised different reactions from different stakeholders.

STATEMENTS OF MEMBER OBLIGATIONS

8. The Statements of Member Obligations (SMO) (with which IFAC member bodies must comply) include SMO 3, which states, in part:
- “Member bodies should use their best endeavors:*
- (a) *To incorporate the International Standards and related Practice Statements issued by the IAASB into their national standards or related other pronouncements, or where responsibility for the development of national standards or related other pronouncements lies with third parties, to persuade those responsible to incorporate the International Standards and related Practice Statements into their national standards or related other pronouncements; and*
 - (b) *To assist with the implementation of International Standards and related Practice Statements, or national standards and related other pronouncements that incorporate International Standards and related Practice Statements.”*
9. Member bodies, and those charged with adoption of ISAs, are now seeking clarification of whether IAPSs need to be adopted (and translated) in order to show convergence with ISAs.

COMMENTS RECEIVED ON THE CLARITY CONSULTATION PAPER

10. The IAASB June 2005 Agenda Paper 9-D.2 contained a number of comments received on the September 2004 Clarity Consultation Paper related to the status of IAPSs. The comments covered a wide range of views, including the following:

- The European Commission asserts that: “... *We do not support the idea of an expedited approval process following from the fact that IAPs may carry lower authority. In our view, although not meant to contain professional requirements in addition to ISAs, the IAPs carry some authority deriving directly from the subject that is being dealt with.*”
 - Basel proposes that: “...*Approval of a Practice Statement by simple majority could be sufficient.*”
 - FEE observes that: “...*Although the theoretical authority of the Practice Statements is explained in the International Standards, FEE has found that in practice, many professional accountants do not have a clear view on the authority of the Practice Statements and their linkage to the other International Standards.*”
 - ICAEW suggests: “...*The description and authority of Practice Statements is clear and understandable (auditors required to explain compliance with the basic principles and essential procedures in ISAs where they have not considered and applied guidance in IAPs). However, the authority of IAPs is seen in some quarters as weak. It is also inconsistent with the authority of explanatory material in ISAs (auditors required to consider the whole text of a standard in order to understand and apply the basic principles and essential procedures).*”
 - IOSCO states: “... *We are concerned, however, that the distinction between what is appropriately placed in a Practice Statement and what is appropriately placed in a Standard is not always clear and understandable.*”
11. Other member bodies call for a fundamental review of the nature and content of the IAPs.
 12. Generally, following the Clarity project, there is an expectation that present tense statements will be addressed. There are many such statements in the existing IAPs. The IAASB work plan over the next few years, however, has limited or no capacity for a revision or updating of the IAPs following the present due process.

ADDRESSING EMERGING ISSUES

13. Related to the issue of providing guidance to assist auditors in applying ISAs, a recent discussion topic of the IAASB has also been whether, and how, it should respond to “emerging or urgent” auditing issues.
14. Presently, the IAASB does not have a mechanism (or a meeting structure) that allows for the timely issue of interpretive or application guidance on emerging auditing issues, or that permits the clarification, or supplementing, of an ISA in advance or in lieu of a full revision thereof. Central to addressing emerging issues is the ability to issue guidance in a manner more expeditious than the current operating practices of the IAASB permit. The need for such a mechanism has generally been accepted by the IAASB, although the specifics of how such a mechanism might work have not been yet worked out.

Appendix II

Proposed Description of, and Obligations Associated with, Practice Statements Issued by the International Auditing and Assurance Standards Board

Below are proposed changes (shown in mark-up) to the description of the authority attaching to Practice Statements, as contained in the Clarity ED on the proposed amended Preface.

Kindly noted that the third and fourth sentences of the third paragraph below draw upon the description of application material as proposed in the amended Preface, and is therefore subject to any revision as a result of the Clarity consultation.

The Authority Attaching to Application Practice Statements Issued by the International Auditing and Assurance Standards Board

- x. International Auditing Application Practice Statements (IAAPSs) ~~are issued to provide interpretive guidance and practical assistance to professional accountants in implementing ISAs and to promote good practice~~ contain additional application material that provides further explanation and guidance on the requirements of ISAs in the context of a particular topic, and may identify and describe other procedures or actions relating to the activities of the auditor. Application Statements may be applicable only in particular cases or in the circumstances of certain entities.
- x. International Review Engagement Application Practice Statements (IREAPSs), International Assurance Engagement Practice-Application Statements (IAEAPSs) and International Related Services Practice-Application Statements (IRSAPSs) are issued to serve the same purpose for implementation of ISREs, ISAEs and ISRSs respectively.
- x. Application Statements have the status equivalent to that of the application material contained in the International Standards. Accordingly, pProfessional accountants have a responsibility to should be aware of and consider Application Practice Statements applicable to the engagement. This responsibility does not impose a requirement for the professional accountant to perform the procedures or actions that may be contained in an Application Statement. Rather, they require the professional accountant's attention and understanding; whether the professional accountant carries out such procedures or actions in the engagement will depend on the exercise of professional judgment in the circumstances consistent with the objective stated in the relevant International Standard(s). A professional accountant who does not consider and apply the guidance included in a relevant Practice Statement should be prepared to explain how:
- ~~the basic principles and essential procedures in the IAASB's Engagement Standard(s), for those [issued/effective] before [date]; or~~
 - ~~the requirements in the IAASB's Engagement Standards, for those [issued/effective] after [date]~~
- ~~addressed by the Practice Statement have been complied with.~~

Appendix III

Dealing with Existing IAPSs

Without prejudicing the possible recommendations arising from a detailed review and debate on the status of existing IAPSs and the need for their revision or withdrawal, Staff's preliminary suggestions are as follows:

- I. Withdraw immediately, with no further action:
 - IAPS 1000 (Bank confirmation)
 - IAPS 1010 (Environmental matters)
- II. Withdraw once transfer of material to ISAs is completed under the Clarity project:
 - IAPS 1005 (Small entity considerations)
- III. Update, and re-issue as an Other Paper (via commissioning work by a group established for this purpose (see Recommendation #5)):
 - IAPS 1004 (Relationship with Banking Supervisors) (alternatively, reposition it within, or as an appendix to, banking IAPS 1006) (subject to discussion with the Basel Committee)
 - IAPS 1013 (E-commerce)
- IV. Update or revise (via the IAASB):
 - IAPS 1012 (Derivatives)
 - IAPS 1014 (Reporting on Compliance with IFRS)
 - IAPS 1006 (Audit of Banks) (in cooperation with the Basel Committee, and subject to views on the issue of industry-specific IAPSs)

The timetable for work on updating or revision of IAPSs should occur at a point where the redrafting of majority of ISAs has sufficiently progressed.

Appendix IV

Proposed Statement of Hierarchy of IAASB Pronouncements and Other Non-authoritative Papers

Below is a proposed statement of the hierarchy of IAASB pronouncements and other non-authoritative papers. The statement (shown in mark-up) would be included within the Preface immediately preceding the statement of authority attaching to International Standards and Practice Statements issued by the IAASB.

IAASB Authoritative Pronouncements

- x. The authoritative pronouncements of the IAASB comprise International Standards and Application Statements. Both are issued following IAASB's stated due process and are contained in the IFAC Handbook of International Auditing, Assurance, and Ethics Pronouncements.
- x. The obligations associated with, and further description of, International Standards and Application Statements issued by the IAASB are provided below.

Other Non-Authoritative Papers

- x. Other non-authoritative papers may be published on the IAASB website. They may include, for example, material commissioned in response to emerging international assurance issues that serve to promote discussion or debate on quality control, auditing, review, other assurance and related services issues affecting the accounting profession, or that present findings or describe matters of interest relating thereto.
- x. Such non-authoritative papers do not form part of the IAASB's International Standards and Application Statements. No general or specific obligation is imposed on professional accountants as a result of their publication on the IAASB website.

The Authority Attaching to International Standards Issued by the International Auditing and Assurance Standards Board

- 10. International Standards on Auditing (ISAs) are to be applied...*[remainder as per proposed amended Preface in the Clarity ED.]*