



International Federation of Accountants

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Agenda Item

9

Committee: IAASB
Meeting Location: Madrid, Spain
Meeting Date: September 24-28, 2007

Communication with Those Charged with Governance

Objectives of Agenda Item

1. To review issues raised on the exposure of proposed ISA 260 (Revised and Redrafted), “Communication with Those Charged with Governance.”
2. To approve the revised wording of ISA 260 (Revised and Redrafted).

Task Force

3. Members of the task force are:
 - Ian McPhee (chairman), IAASB member (supported by Richard Mifsud (TA))
 - Abdullah Yusuf, IAASB member (supported by Shahid Hussain (TA)).
4. Wolf Böhm (IdW), a member of the task force that prepared the close-off version of ISA 260 (Revised), has also assisted the task force.

Background

5. The IAASB approved the close-off version of ISA 260 (Revised) at its May 2006 meeting. That approval followed a full revision process in the “old” format, including consideration of comments received on the exposure of ISA 260 (Revised).
6. In October 2006, the IAASB exposed proposed ISA 260 (Revised and Redrafted), representing the redrafting of the close off version of ISA 260 (Revised) to apply IAASB’s Clarity drafting conventions. The comment period of this exposure draft ended February 15, 2007. The IAASB received forty-four comment letters from:
 - IFAC Member Bodies (20)
 - Regulators (5)
 - Firms (7)
 - Government organizations (6)
 - Others (6)
7. Comment letters are available at <http://www.ifac.org/IAASB/ExposureDrafts.php>. Respondents are listed in the Appendix to this memorandum.

Activities since Last IAASB Discussions

8. The task force met in conjunction with the July 2007 IAASB meeting to review comments received.

Overview of Exposure Draft Comments

9. Respondents were generally supportive of the exposure draft. A summary of significant issues raised by respondents is included as Agenda Item 9-A.

Material Presented

Agenda Item 9-A (Pages 2777 – 2784)	Communication – Issues Paper
Agenda Item 9-B (Pages 2784 – 2810)	ISA 260 (Revised and Redrafted) (Clean)
Agenda Item 9-C (Pages 2811 – 2838)	ISA 260 (Revised and Redrafted) (Mark-up)

Draft to be Discussed during the Meeting

The task force proposes that the IAASB discuss the **mark-up** version of the revised draft during the meeting (**Agenda Item 9-C**).

Action Requested

The IAASB is asked to:

- Consider the issues raised by respondents, and the changes proposed by the task force; and
- Approve ISA 260 (Revised and Redrafted) for issue as a final ISA.

Appendix**List of Respondents**

ACAG	Australasian Council of Auditors-General	Government Organization
ACCA	The Association of Chartered Certified Accountants	Member Body
AICPA	American Institute of Certified Public Accountants	Member Body
APB	Auditing Practices Board (United Kingdom)	Other
Aud Com	Audit Commission	Government Organization
AUASB	Australian Government, Auditing and Assurance Standards Board	Government Organization
Basel	Basel Committee on Banking Supervision	Regulator
BDO	BDO Global Coordination B.V	Firm
CAASB	The Canadian Institute of Chartered Accountants	Member Body
CPAA	CPA Australia	Member Body
CIPFA	Chartered Institute of Public Finance and Accountancy	Member Body
CEBS	Committee of European Banking Supervisors	Regulator
CNCC	Compagnie Nationale des Commissaires aux Comptes + Conseil Supérieur de l'Ordre des Experts-Comptables	Member Body
CPAB	Canadian Public Accountability Board	Other
DTT	Deloitte Touche Tohmatsu	Firm
EC	European Commission	Regulator
EYG	Ernst & Young Global	Firm
FEE	Federation des Experts Comptables Europeens	Other
FAR	FAR SRS	Member Body
GT	Grant Thornton International	Firm
Hermes	Hermes Management Pensions Ltd	Other
HKICPA	Hong Kong Institute of Certified Public Accountants	Member Body
IAIS	International Association of Insurance Supervisors	Regulator
IRE	Institut des Réviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren	Member Body
ICAEW	The Institute of Chartered Accountants in England and Wales	Member Body
ICAI	The Institute of Chartered Accountants in Ireland	Member Body
ICAP	Institute of Chartered Accountants of Pakistan	Member Body
ICAS	The Institute of Chartered Accountants of Scotland	Member Body
ICPAK	Institute of Certified Public Accountants of Kenya	Member Body
ICPAS	Institute of Certified Public Accountants of Singapore	Member Body
IdW	Institut der Wirtschaftsprüfer	Member Body
INTOSAI	International Organization of Supreme Audit Institutions	Government Organization
IOSCO	International Organization of Securities Commissions	Regulator
IRBA	Independent Regulatory Board for Auditors	Other

JICPA	The Japanese Institute of Certified Public Accountants	Member Body
J Maresca	Joseph Maresca	Other
KPMG	KPMG	Firm
Mazars	Mazars & Guerard	Firm
NAO	National Audit Office	Government
NIVRA	Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA)	Member Body
NZICA	New Zealand Institute of Chartered Accountants	Member Body
PwC	PricewaterhouseCoopers	Firm
PA Saskatchewan	Provincial Auditor Saskatchewan	Government Organization
ZICPA	Zambia Institute of Chartered Accountants	Member Body