



**International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA  
Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

**Agenda Item**

**12**

**Committee:** IAASB  
**Meeting Location:** New York  
**Meeting Date:** March 10-14, 2008

**Going Concern**

**Objectives of Agenda Item**

1. To consider the significant comments received on exposure, and to review and approve a revised draft of the proposed ISA 570 (Redrafted), “Going Concern.”

**Task Force Composition**

2. The members of the Task Force are:
  - Denise Esdon (Chair, IAASB Deputy Chair)
  - Diana Hillier (IAASB member)
3. The redrafting support was provided by the Institut der Wirtschaftsprüfer (IDW), and in particular, by Wolf Böhm (IAASB Technical Advisor) and Gillian Waldbauer (IDW Technical Manager).

**Background**

4. The IAASB approved the exposure draft of ISA 570 (Redrafted), “Going Concern” at its February 2007 meeting. The comment deadline was May 31, 2007. The IAASB received 45 comment letters on the exposure draft. A list of respondents is included as an Appendix to the Issues Paper (**Agenda Item 12-A**).

**Activities of the Task Force Since Last IAASB Discussions**

5. Following the exposure of proposed ISA 570 (Redrafted), “Going Concern” the Task Force held a conference call to discuss the comments received on exposure and the proposed amendments to the ISA. Given the significant comments relating to the consideration of the going concern assumption in the audits of public sector entities, the Task Force also sought the views of representatives from the public sector on the IAASB.

## Material Presented

Agenda Item 12-A      Issues Paper – Significant Issues Arising from Comments on Proposed  
(Pages 477 – 494)      ED-ISA 570 (Redrafted)

Agenda Item 12-B      Proposed ISA 570 (Redrafted) – **(MARK UP BASED ON EXPOSURE  
(Pages 495 – 514)      DRAFT)**

Agenda Item 12-C      Proposed ISA 570 (Redrafted) **(CLEAN)**  
(Pages 515 – 530)

## Draft to be Discussed During the Meeting

6. The Task Force proposes that the IAASB discuss the mark-up version of the revised draft during the meeting (**Agenda Item 12-B**) with reference to the Issues Paper covering the significant issues arising from comments on the Exposure Draft (**Agenda Item 12-A**).

## Re-exposure

7. The task force believes that the changes proposed in the revised draft of the proposed ISA 570 (Redrafted) are responsive to the significant comments received on exposure, and do not introduce new or substantively different principles. Accordingly, the task force is of the view that re-exposure is not necessary.

## Action Requested

8. The IAASB is asked to:
  - Consider the issues presented based on the respondents' comments on the exposure draft;
  - Consider the Task Force's proposed amendments to the proposed ISA 570 (Redrafted); and
  - Approve ISA 570 (Redrafted) for issuance as a final ISA.