

**Meeting:** IAASB  
**Meeting Location:** Teleconference  
**Meeting Date:** July 29, 2010

## Agenda Item

# 1

### **Engagements to Review Financial Statements (the Practitioner's Objectives)**

#### **Objective of Agenda Item**

1. To discuss revised wording developed by the IAASB Task Force for the draft revised standard on engagements to review financial statements, regarding the practitioner's objectives in the engagement.

#### **Task Force**

2. The Task Force comprises:

##### Full Members

- Phil Cowperthwaite, Chair, IAASB Member
- Dianne Azoor-Hughes, Pitcher Partners
- Craig Crawford, IAASB Member (assisted by Sylvia Smith)
- Josef Ferlings, IAASB Member (assisted by Wolf Böhm)
- Josephine Jackson, IAASB Technical Advisor
- Ashif Kassam, IAASB Member.

##### Correspondent Members

- Michael Gewehr, Institut Der Wirtschaftsprüfer (assisted by Wolf Böhm)
- Jo Iwasaki, Assurance, Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales
- Carolyn Mc Nerney, Chair of the American Institute of Certified Public Accountants Accounting and Review Services Committee (assisted by Mike Glynn)
- Isabelle Sapet, Member, International Ethics Standards Board for Accountants

#### **Background**

3. At the IAASB meeting in June 2010 the Board discussed the draft revised standard on review

engagements as developed by the project Task Force to date<sup>1</sup>.

4. Paragraphs 12 and 13 of the revised standard discussed at that meeting addressed the practitioner's objectives in the engagement. The Board's comments on paragraph 12 broadly centered on the need to reflect more strongly in the wording of the objectives that performance of the review is mainly based on performing procedures that lead the practitioner to form a conclusion on the financial statements as a whole expressed in the negative form. Paragraph 13 described how the stated objectives drive performance of the engagement by the practitioner.
5. In considering and responding to the Board's comments, the Task Force drew upon the concepts and descriptions in relation to limited assurance reflected in the *International Framework for Assurance Engagements* ('the Framework'), as the conceptual foundation for the review as a form of limited assurance engagement.
6. As the Task Force intends to present an Exposure Draft of the revised standard for consideration by the Board at the September 2010 IAASB meeting, the Task Force views it as beneficial to obtain feedback from the Board at this stage on the amended proposed objectives paragraphs, prior to presenting the Exposure Draft. This will assist the Task Force to be able to present the Exposure Draft for the IAASB's consideration and approval at that meeting.

### **Material Presented**

Agenda Item 1-A Engagements to Review Financial Statements (the Practitioner's Objectives) – Issues and IAASB Task Force proposals dated July 2010

### **Action Requested**

7. The Board is asked for its views on the amended wording of the practitioner's objectives and the accompanying essential explanatory material, as presented in **Agenda Item 1-A**.

---

<sup>1</sup> <http://www.ifac.org/IAASB/Meeting-BGPapers.php?MID=0208&ViewCat=1299>