

ISA 800/805—Feedback, Issues and Drafting Team Recommendations**I. Background and Introduction**

1. An Exposure Draft (ED) was released in January 2015 to solicit views on the IAASB's proposed consequential amendments to ISA 800¹ and ISA 805² as a result of its new and revised Auditor Reporting standards. The IAASB agreed that amendments to ISA 800 and ISA 805 would be limited to the reporting in such engagements and are not intended to substantively change the underlying premise of audits of financial statements prepared in accordance with a special purpose framework (i.e., engagements to which ISA 800 applies), or audits of single financial statements and audits of an element (i.e., engagements to which ISA 805 applies) in accordance with the extant ISAs.
2. The proposals in the ED retained the approach in extant ISA 800 and extant ISA 805, whereby the reporting requirements in ISA 700 (Revised)³ and other ISAs are not repeated in proposed ISA 800 (Revised) and proposed ISA 805 (Revised). ISA 700 (Revised) contains the overarching reporting requirements applicable for auditor's reports on special purpose financial statements and single financial statements or elements, with additional requirements and guidance as considered necessary in proposed ISA 800 (Revised) and proposed ISA 805 (Revised).

A. Intent of the ISA 800 and 805 ED

3. The proposed changes to ISA 800 and ISA 805 in the ED were intended to explain how the enhancements resulting from the new and revised Auditor Reporting standards apply to those engagements. Accordingly, those proposed changes were intended to:
 - (a) Provide new application material to help auditors properly apply the new and revised Auditor Reporting standards in the context of an ISA 800 engagement (e.g., new application material to address new auditor reporting requirements related to going concern (GC), key audit matters (KAM) and other information (OI)).
 - (b) Align the layout and content of the illustrative auditor's reports in ISA 800 and ISA 805, including the ordering of elements, use of headings, and terminology, with the reporting requirements in ISA 700 (Revised) (e.g., the Opinion section is now positioned first).
 - (c) Update the circumstances that are assumed for each of the illustrative auditor's reports in the ISAs to indicate whether or not the enhancements resulting from the new and revised Auditor Reporting standards are applicable. When such enhancements or circumstances are

¹ Proposed ISA 800 (Revised), *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*, deals with special considerations in the application of the ISAs (100-700 series) to an audit of financial statements that are prepared in accordance with a special purpose framework. A special purpose framework is defined in the ISAs as a financial reporting framework designed to meet the financial information needs of specific users. The financial reporting framework may be a fair presentation framework or a compliance framework.

² Proposed ISA 805 (Revised), *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*, deals with special considerations in the application of the ISAs (100-700 series) to an audit of a single financial statement or a specific element, account or item of a financial statement (the phrase "specific element, account or item of a financial statement" is referred to hereafter as "an element").

³ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

applicable to a given illustrative auditor's report, the illustrative auditor's report has been amended accordingly.

- (d) Incorporate changes considered necessary as a result of the IAASB's finalization and approval of ISA 720 (Revised),⁴ which addresses auditor reporting on OI.

- 4. **Appendix 1** to this paper provides an overview of the auditor reporting enhancements resulting from the new and revised Auditor Reporting Standards and their proposed applicability to audits of financial statements to which ISA 800 and ISA 805 apply.

B. Overview of Respondents

- 5. **Appendix 2** to this paper includes a listing of the 43 respondents who responded to the ED, as well as an analysis by stakeholder group and geographic area. Only one Monitoring Group (MG) member, the International Association of Insurance Supervisors (IAIS), submitted a comment letter.

C. Matters Presented in this Paper

- 6. This paper summarizes the feedback on the ED, and the rationale for the significant changes made to proposed ISA 800 (Revised) and proposed ISA 805 (Revised). The revisions to proposed ISA 800 (Revised) and proposed ISA 805 (Revised) are presented in **Agenda Items J.2** and **J.3**, respectively.

ISA 810 (Revised), Engagements to Report on Summary Financial Statements

- 7. The ISA 800/805 ED included a discussion of, and a question to solicit views about the IAASB's plan with respect to next steps for ISA 810. The IAASB has issued a separate ED with respect to ISA 810. **Agenda Item J.4** includes a report back from the March 2015 CAG meeting relating to ISA 810, and an indication of how the DT or IAASB has responded to the Representatives' and Observers' comments. The IAASB took into account the feedback from the ISA 800/805 ED, in finalizing its ISA 810 ED, which was released in July 2015. The IAASB plans to consider feedback on its ISA 810 ED, and the DT's proposed revisions in response to this feedback, at its December 2015 meeting, with a view towards approving the final standard at that time. A CAG teleconference is therefore planned for December 2, 2015 to finalize discussion on the topic with the CAG.

II. Summary of Significant Comments on the ED and DT-700's Recommendations

A. DT's Approach to Analyzing Respondents' Feedback on the ED

- 8. The feedback from respondents can be categorized as follows:
 - (a) *Issues Relating to Reporting in the Context of Audits to Which ISA 800 and ISA 805 Apply and Which Arise from the New and Revised Auditor Reporting Standards.* For example, there was a suggestion that proposed ISA 800 (Revised) and proposed ISA 805 (Revised) should explain whether and how the principles for determining KAM in ISA 701⁵ should be adapted when those that prepare the financial statements also function as those charged with governance

⁴ ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*, was issued in April 2015. The final standard includes a conforming amendment to extant ISA 800. This conforming amendment is included in paragraph A13 of **Agenda Item J.1**.

⁵ ISA 701, *Communicating of Key Audit Matters in the Independent Auditor's Report*

(TCWG) (i.e., when there is not a separate body charged with oversight of the financial reporting process related to the special purpose financial statements or single financial statement or element).

- (b) *Issues Arising from Proposed Changes to ISA 800/805.* For example, there were requests for clarification about the requirement for the auditor's report on a single financial statement to include the *Material Uncertainty Related to GC* section when such a section exists in the auditor's report on the complete set of financial statements.
 - (c) *Issues that Are Out of Scope.* As noted in the ED, the IAASB agreed that amendments to ISA 800 and ISA 805 would be limited to the reporting in such engagements and are not intended to substantively change the underlying premise of audits to which ISA 800 or ISA 805 apply. For example, there was a suggestion to clarify the relationship between proposed ISA 805 (Revised) to ISAE 3000 (Revised).⁶
 - (d) *Issues that Existed in Extant ISA 800 and ISA 805.* DT-700 noted that there were some issues raised that were not new, but became more apparent with the issuance of the new and revised Auditor Reporting standards. For example, there was a suggestion that proposed ISA 800 (Revised) and proposed ISA 805 (Revised) should include a requirement for the auditor to assess whether the GC basis of accounting is relevant in the context of the engagement.
9. At its June 2015 meeting, the IAASB agreed with the DT's recommendation and determined that it would focus on the issues categorized in paragraph 8(a) and 8(b) above. Matters relating to the categories in paragraphs 8(c) and 8(d) above were determined to be outside the limited scope of the consequential amendments to ISAs 800 and 805 resulting from the new and revised Auditor Reporting standards. Accordingly, there were no revisions made to proposed ISA 800 (Revised) and proposed ISA 805 (Revised) as a result of these matters, which are summarized in **Appendix 3** to this paper.

B. Overall Views from Respondents to the ED, in Particular on the ISA 805 Auditor's Report and the Auditor's Report on the Complete Set of Financial Statements

10. While many respondents⁷ expressed support for the approach taken in the ED and agreed that in principle the enhancements resulting from the new and revised Auditor Reporting standards were appropriately addressed in proposed ISA 800 (Revised) and proposed ISA 805 (Revised), there were varying degrees of concern raised about the proposed reporting requirements and application material relating to GC, KAM, and OI. Some respondents were of the view that the proposals in the ED could be enhanced with more guidance, while other respondents⁸ challenged the IAASB's underlying principles. For example, of the respondents who expressed support for the IAASB's

⁶ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

⁷ *Regulators and Oversight Authorities:* IAIS, IRBA, MAOB, PAAB; *National Auditing Standard Setters (NSS):* ASB, AUASB, CNCC, HKICPA, IDW, MAAB, NZAuASB, ZAPB; *Accounting Firms:* BDO, EYG, GTI, PWC; *Public Sector Organizations:* GAO, PAS; *Member Bodies and Other Professional Organizations:* ACCA, AIA, CAANZ, CPAA, FEE, IAA, IBR-IRE, ICAEW, ICAP, ISCA, KICPA, MICPA, RCA, SAICA, SMPC; *Individuals and Others:* DJuvenal

⁸ NSS: CAASB, NBA; *Accounting Firms:* DTT, KPMG

proposals in principle, thirteen respondents,⁹ including the MG member, sought further clarification about how an auditor of a single financial statement or element should: (i) determine the effects on the ISA 800 or ISA 805 auditor's report; or (ii) refer to the auditor's report on the complete set of financial statements, in particular as it relates to GC and OI.

11. One respondent¹⁰ expressed fundamental concerns with the IAASB's proposed approach with respect to including a reference in the ISA 805 auditor's report, suggesting that the IAASB should instead consider a requirement to prohibit auditors from including such a reference. As further discussed below, there were also concerns raised about how the ISA 805 auditor's report should refer to the KAM section in the auditor's report on the complete set of financial statements.
12. Generally, respondents were more supportive of the proposals in proposed ISA 800 (Revised). Most of the feedback on the ED related to proposed ISA 805 (Revised), due to the unique nature of those engagements. DT-700 discussed these matters with the IAASB at its June 2015 meeting and has made revisions to both proposed ISA 800 (Revised) and proposed ISA 805 (Revised) as a result of this feedback.

Summary of Drafting Team Recommendations in Relation to Proposed ISA 805 (Revised)

13. DT-700's analysis of the responses to the ED suggests that the proposed approach in the ED (i.e., proposed ISA 805 (Revised)) relating to how to consider the potential implications for the ISA 805 auditor's report when the auditor is also engaged to audit the entity's complete set of financial statements was generally not well-understood by the respondents. While these requirements existed in extant ISA 805¹¹ (in particular those relating to material uncertainty (MU) related to GC as part of Emphasis of Matter (EOM) paragraphs, and an uncorrected material inconsistency related to OI as part of Other Matter (OM) paragraphs), having them more explicitly addressed in proposed ISA 805 (Revised) as a result of the new and revised Auditor Reporting standards suggests the need for more extensive clarifications than originally envisioned.
14. DT-700 has developed further revisions to proposed ISA 805 (Revised) building on the overarching principles in extant ISA 805,¹² to provide further guidance to assist auditors in light of the new auditor reporting requirements, in particular those relating to GC, KAM and OI. Those revisions are intended to:
 - (a) Acknowledge the need for auditor judgment to determine whether a reference should be included in the ISA 805 auditor's report to indicate the existence of matters in the auditor's report on the complete set of financial statements.
 - (b) Better explain how the auditor should determine when it is, or is not, relevant to refer in the ISA 805 auditor's report to matters included in the auditor's report on the complete set of financial statements (i.e., a modified opinion, EOM or OM paragraph, MU related to GC section, communication of KAM, or a statement that describes an uncorrected material misstatement of OI).

⁹ *Regulators and Oversight Authorities:* IAIS; IRBA, NSS; ASB, CAASB, IDW, NBA; *Accounting Firms:* BDO, EYG, MNP, RSM; *Member Bodies and Other Professional Organizations:* FEE, ICAEW, ISCA

¹⁰ *Accounting Firms:* DTT

¹¹ See extant ISA 805, paragraphs 12–17.

¹² See extant ISA 805, paragraphs 14 and A17.

- (c) Address concerns about the possibility of having inconsistency across ISA 805 auditor's reports where the auditor determined to (or not to) include such a reference.
 - (d) Address implementation challenges that may arise when the ISA 805 auditor's report and the auditor's report on the complete set of financial statements are issued by different auditors.
15. DT-700's recommendations in response to the feedback received on exposure are included in paragraphs 14 and A25–A29 of **Agenda Item J.3** and are intended to:
- (a) Expand on the requirement for auditors to consider the implications of matters, including KAM, in the auditor's report on the complete set of financial statements on the audit to which ISA 805 applies (in addition to the implications on the ISA 805 auditor's report) (see paragraph 14 of **Agenda Item J.3**).
 - (b) Better explain the factors that may be relevant to the auditor's consideration of the implications of the matters that are included in the auditor's report on the complete set of financial statements for the audit of the single financial statement, or the specific element of a financial statement, and the auditor's report thereon (see paragraphs A25–A26 of **Agenda Item J.3**).
 - (c) Continue to explain the voluntary nature of the communication of KAM in the context of an audit to which ISA 805 applies (see paragraph A22 of **Agenda Item J.3**).
 - (d) Highlight the potential implications of communication of KAM in the auditor's report on the complete set of general purpose financial statements, in particular the potential effect on the audit to which ISA 805 applies (see paragraph A27 of **Agenda Item J.3**).
 - (e) Assist auditors who choose to include a reference in the ISA 805 auditor's report to highlight certain matters that are included in the auditor's report on the complete set of financial statements (see paragraphs A28–A29 of **Agenda Item J.3**).
16. On balance, DT-700 agrees with the view of respondents that, due to the unique nature of ISA 805 engagements, it is necessary to continue to retain the flexibility envisaged in extant ISA 805 for the auditor to consider the implications of communications in the auditor's report on the complete set of financial statements for both the auditor's report on the specific element and the engagement to audit that element. DT-700 also believed that clarification of the application material could be a useful means of addressing concerns from respondents that more is needed in the standard to assist auditors in making those judgments. These recommendations take into account the feedback in relation to the issues further described in paragraphs 10–12 of this paper, which are also relevant to proposed ISA 800 (Revised).
17. The IAASB was supportive of this approach at its June 2015 meeting, having considered and rejected a recommendation by DT-700 to require a reference to the auditor's report on the complete set of financial statements in all cases on the basis that this standardized information may not be relevant to users.

C. Key Audit Matters (KAM)

18. With respect to KAM, all but four respondents¹³ expressed support for the IAASB's decision not to require the communication of KAM for audits of listed entities in the context of engagements to which

¹³ *Regulators and Oversight Authorities: IAIS; Accounting Firms: KPMG, MNP; Member Bodies and Other Professional Organizations: SMPC*

ISA 800 or ISA 805 apply. Of these, the MG respondent was of the view that KAM should be required for all audits of complete sets of special purpose financial statements. This view was similar to their feedback on the ED for ISA 700 – IAIS was of the view that ISA 700 (Revised) should require KAM for entities other than listed entities.

19. On the other hand, two accounting firm respondents were of the view that the concept of KAM is not applicable to engagements to which ISA 800 or ISA 805 apply.¹⁴ Further, one respondent,¹⁵ on behalf of the SMP community, continued to express the view that permitting voluntary application of KAM in any circumstances (i.e., in an ISA 700 auditor’s report or an ISA 800 or 805 auditor’s report) may:
- Lead to confusion among stakeholders and could potentially increase the expectation gap, and
 - Create a competitive disadvantage for SMPs as larger accounting firms may be perceived to be providing a better service with the communication of KAM.

Communication with TCWG

20. Three respondents¹⁶ were of the view that more guidance is needed to explain how voluntary application of ISA 701 would be possible, in particular in those circumstances when a separate TCWG function does not exist. Those respondents suggested a need for paragraph A12 of proposed ISA 800 (Revised) to be revisited to determine whether new application material is needed to further explain whether, and how, an auditor might voluntarily determine KAM when TCWG also prepare the financial statements.

Reference to KAM in the Auditor’s Report on the Complete Set of Financial Statements

21. Eight respondents¹⁷ questioned how, and in what level of detail, KAM in the auditor’s report on the complete set of financial statements (i.e., the ISA 700 (Revised) auditor’s report or potentially the ISA 800 auditor’s report, herein referred to as “complete-set KAM”), should be referred to in the auditor’s report on a single financial statement or an element (i.e., an ISA 805 auditor’s report). Similar to the feedback received for GC, five respondents¹⁸ indicated that the proposed treatment for how the ISA 805 auditor’s report should refer to complete-set KAM was unclear. Those respondents:
- (a) Asked for more guidance in proposed ISA 805 (Revised) to assist auditors to determine what is meant by the phrase “...only the relevant KAM.”
 - (b) Challenged the use of the OM paragraph as illustrated in Appendix 2, Illustration 3 of proposed ISA 805 (Revised), noting that having only a generic reference to KAM was unhelpful from a user perspective and was not sufficient to allow users to understand the thought process behind the auditor’s need to make such a communication.

¹⁴ *Accounting Firms:* KPMG, MNP

¹⁵ *Member Bodies and Other Professional Organizations:* SMPC

¹⁶ *Regulators and Oversight Authorities:* IRBA; *NSS:* JICPA; *Member Bodies and Other Professional Organizations:* KICPA

¹⁷ *NSS:* ASB, CAASB, JICPA, NBA; *Accounting Firms:* DTT, PWC; *Member Bodies and Other Professional Organizations:* ACCA, IBR-IRE

¹⁸ *Regulators and Oversight Authorities:* IRBA, MAOB; *NSS:* ASB; *Accounting Firms:* EYG; *Member Bodies and Other Professional Organizations:* ACCA

- (c) Suggested drafting suggestions to improve the new application material and illustrations. For example, one respondent suggested that the alternate wording in paragraph 31 of the explanatory memorandum (EM)¹⁹ be used in the illustration, as it would be more helpful and relevant to users of the ISA 805 auditor's report.
 - (d) Three respondents²⁰ suggested that more guidance be provided for when the auditor is engaged to perform an engagement to which ISA 805 applies with a different period ending for reporting to the complete set of financial statements. Those respondents were of the view that it is also important that the proposed ISA includes guidance for auditors in circumstances when the reference would be to another auditor's complete-set KAM.
 - (e) One respondent²¹ suggested that a new requirement be added to proposed ISA 805 (Revised) to make it clear that the reference to the existence of the KAM section that is communicated in the auditor's report on the complete set of financial statements in the ISA 805 auditor's report should be done using an OM paragraph in accordance with ISA 706 (Revised).²²
22. On the other hand, there was a respondent²³ who was of the view that the ISA 805 auditor's report should stand on its own and should not refer to complete-set KAM. This respondent was of the view that the ISA 805 auditor's report should only address KAM if the auditor had voluntarily applied ISA 701 in its entirety (i.e., it was suggested that paragraph A19 of proposed ISA 805 (Revised) be retained and that paragraph A23 be deleted).
23. Paragraph A19 of proposed ISA 805 (Revised) in the ED was intended to explain that the ISA 805 auditor should take into account the communication of KAM in the auditor's report on the complete set of financial statements in deciding to voluntarily apply ISA 701 in the ISA 805 engagement. On balance, the responses to the ED indicate that this point was not widely understood, in particular among accounting firms. Two respondents²⁴ requested that proposed ISA 805 (Revised) better explain the relationship between paragraphs A19 and A23 of proposed ISA 805 (Revised).

Drafting Team Recommendations

Applicability of KAM in Audits to Which ISA 800 and ISA 805 Apply

24. At the time that the IAASB considered whether to require the auditor of a complete set of special purpose financial statements or of a single financial statement or element to communicate KAM in the auditor's report, it was noted that the call for KAM came primarily from users of complete sets of general purpose financial statements of listed entities. Accordingly, the IAASB concluded that, on an

¹⁹ The illustration in paragraph 31 of the EM to the ED states:

Other Matter

The Key Audit Matters section of our auditor's report on the complete set of audited financial statements of the Company for the year ended December 31, 20X1 included the description(s) of [include the sub-heading of each of the key audit matters determined to be relevant]. We believe this matter also is relevant to users of this report.

²⁰ *Regulators and Oversight Authorities:* IRBA; *NSS:* MAASB; *Accounting Firms:* EYG

²¹ *Accounting Firms:* PWC

²² ISA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*

²³ *NSS:* CAASB

²⁴ *NSS:* ASB; *Accounting Firms:* GTI

initial basis, the IAASB should not require KAM to be communicated in ISA 800 or ISA 805 auditor's reports, but rather allow for practice to emerge in this area. Recognizing that auditors' reports on other than complete sets of general purpose financial statements of listed entities could benefit from having KAM communicated in their auditors' reports, the new and revised Auditor Reporting standards allowed for law or regulation to require the auditor to communicate KAM in the auditor's report in certain cases, or for the auditor to decide to voluntarily communicate KAM, in particular at the request of TCWG or management in light of the needs of the specific users for which the financial statements are prepared.²⁵

25. The IAASB has considered DT-700's recommendation and agrees that no changes are needed to proposed ISA 800 (Revised) and proposed ISA 805 (Revised) with respect to the applicability of KAM. The IAASB is of the view that the guidance in the new and revised Auditor Reporting standards is appropriately flexible, allowing for industry regulators, SMP constituents, and NSS to promulgate law, regulation, or standards to require the communication of KAM in accordance with ISA 701 for audits of other than complete sets of general purpose financial statements of listed entities. Further, the IAASB is the view that this issue could be usefully revisited as part of the IAASB's planned post-implementation review of the new and revised Auditor Reporting standards.
26. As noted in paragraph 15, DT-700 has sought to further clarify proposed ISA 805 (Revised) in response to feedback from the ED to explain the interaction of KAM in the auditor's report on the complete set of financial statements and both (i) the possibility of referring to this information in the ISA 800 or ISA 805 auditor's report, as well as (ii) the potential voluntary application of ISA 701 in the context of the ISA 805 engagement. Changes have also been made to proposed ISA 800 (Revised) in this regard (see paragraphs A19-A20 of **Agenda Item J.2**)

D. Other Information (OI)

27. Respondents generally expressed support for the IAASB's approach with respect to OI, but there were suggestions made for:
 - (a) The reporting requirement related to material misstatement of OI in proposed ISA 805 (Revised) to be clarified. It was suggested that paragraph 15 of proposed ISA 805 (Revised) be revised to deal with reporting on material misstated of OI separately from the reporting on a MU related to GC.²⁶
 - (b) The second sentence in paragraph A13 of proposed ISA 800 (Revised) to be more closely aligned with the terminology and principles in ISA 720 (Revised) and the other paragraphs in proposed ISA 800 (Revised).²⁷
 - (c) Revisions to the new application material relating to OI to, for example, to:
 - o Address when and whether the OI section would be included in the ISA 800 or ISA 805 auditor's report.²⁸

²⁵ See ISA 700 (Revised), paragraph A57.

²⁶ *Regulators and Oversight Authorities: IRBA; Member Bodies and Other Professional Organization: FEE*

²⁷ *NSS: IDW; Accounting Firms: DTT*

²⁸ *Regulators and Oversight Authorities: IAIS*

- Provide illustrative wording to assist auditors of single financial statements or elements in referring to the OI section in auditor's reports on the complete set of financial statements when it includes a statement about material misstatement of OI.
- Provide more guidance to assist auditors in addressing the practical challenges of reporting on OI, such as the potential for redundant reporting on the same annual report in both auditor's reports, when the auditor is engaged to audit both the complete set of financial statements, and an element of those financial statements.²⁹

Drafting Team Recommendations

15. DT-700 agreed with respondents who were of the view that further clarification is needed in the application to proposed ISA 805 (Revised) to clarify the applicability of ISA 720 (Revised) and has taken on suggestions to incorporate some of the wording that was included in the ED. Additionally, the wording in the application material about OI in proposed ISA 800 (Revised) and proposed ISA 805 (Revised) have been further aligned to the language used in the finalized ISA 720 (Revised) (see paragraph A13 of **Agenda Item J.2** and paragraph A23 of **Agenda Item J.3**, respectively).

E. Disclosure of the Name of the Engagement Partner (EP)

28. The proposals in the ED were intended to incorporate the new and revised auditor reporting requirements including those intended to enhance transparency in the public interest, such as the naming of the EP for audits of financial statements of listed entities. Accordingly, the ED included an amendment to ISA 700 (Revised) that would require the disclosure of the name of the EP in the auditor's report for audits of listed entities to which ISA 800 and ISA 805 apply.
29. The majority of the respondents were supportive of the IAASB's proposal regarding the disclosure of the name of the EP in the ISA 800 and ISA 805 auditor's report for audits of listed entities, while six respondents³⁰ disagreed, noting that:
- The purpose of audits to which ISA 800 and ISA 805 apply, as well as the intended users of the of the resulting auditor's reports, are different from that of general purpose financial statements or complete sets of financial statements.
 - The reporting deliverables for audits to which ISA 800 or ISA 805 apply are seldom available in the public domain.
 - The IAASB's approach with respect to the applicability of the requirement relating to the naming of the EP should be the same as for KAM.
 - Because of the differences in legal and regulatory environments, the decision to require the disclosure of the EP's name in the auditor's report should be dealt with at the national level.
30. One NSS respondent questioned whether the requirement to disclose the name of the EP extended to audit engagements of listed entities to which proposed ISA 800 (Revised) or proposed ISA 805 (Revised) applies, suggesting a lack of understanding about the linkage between ISA 700 (Revised) and the related consequential amendment applied to the proposals in the ED.

²⁹ *Accounting Firms*: EYG

³⁰ NSS: CAASB; *Accounting Firms*: BDO, GTI, MNP; *Member Bodies and Other Professional Organizations*: ISCA, KICPA

Drafting Team Recommendation

31. The IAASB has also considered DT-700's recommendation with respect to the proposed requirements relating to naming the EP and has confirmed its original position to require the inclusion of the name of the EP for audits of listed entities to which ISA 800 and ISA 805 apply. The IAASB was of the view that this requirement continues to be appropriate for listed entities in light of the calls for increased transparency in this area.
32. The proposed changes to the application material in paragraph A18 of **Agenda Item J.2** and paragraph A24 of **Agenda Item J.3** are intended to make it more explicit that the requirements relating to the name of the EP included in ISA 700 (Revised) also apply in the case of ISA 800 and ISA 805 engagements for listed entities. Accordingly, a separate requirement is not included in proposed ISA 800 (Revised) or proposed ISA 805 (Revised).

F. Going Concern (GC)

*The Auditor's Responsibilities in Accordance with ISA 570 (Revised)*³¹

33. DT-700 acknowledged that, in accordance with ISA 570 (Revised), the auditor's responsibilities are to:
- (a) Obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the GC basis of accounting in the preparation of the financial statements, and
 - (b) To conclude, based on the audit evidence obtained, whether a MU exists about the entity's ability to continue as a GC.
34. Paragraph 2 of ISA 570 (Revised) specifically notes that special purpose financial statements may or may not be prepared in accordance with a financial reporting framework for which the GC basis of accounting is relevant (e.g., the GC basis of accounting is not relevant for some financial statements prepared on a tax basis in particular jurisdictions). This issue was acknowledged in extant ISA 570 and further clarified by the Board in its revisions to ISA 570 as part of the auditor reporting project.

Implications of the New and Revised Auditor Reporting Standards and the ISA 800 and ISA 805 ED

35. The enhanced auditor's reporting responsibilities with respect to GC are dealt with in both ISA 570 (Revised) and ISA 700 (Revised). New application material was included in the ISA 800 and ISA 805 ED to explain:
- The applicability of ISA 570 (Revised) and the auditor's responsibilities with respect to management's use of the GC basis of accounting for audits to which ISA 800 or ISA 805 apply;³² and
 - The imposition of a reporting responsibility for auditors in the ISA 805 auditor's report when a *Material Uncertainty Relating to Going Concern* section exists in the auditor's report on the

³¹ ISA 570 (Revised), *Going Concern*

³² See paragraph A16 of proposed ISA 800 (Revised) and paragraph A17 of proposed ISA 805 (Revised) at in the ISA 800/805 ED, pages 23 and page 44 respectively.

complete set of financial statements,³³ in light of the IAASB's view that this information would always be relevant to users' understanding of the audit to which ISA 805 applies.

Feedback on the ED

36. Though the majority of the respondents expressed support for the IAASB's proposed requirements and guidance in both proposed ISA 800 (Revised) and proposed ISA 805 (Revised), thirteen respondents³⁴ expressed concerns with respect to the new guidance relating to GC. Four respondents³⁵ suggested that paragraphs 15 and A24 of proposed ISA 805 (Revised) relating to a MU related to GC be revised and that the IAASB should further consider:

- Whether the requirement in paragraph 15(b) of proposed ISA 805 (Revised) for the auditor to determine the effect of information on a MU related to GC is still needed in light of the proposed new requirement for auditors to repeat the MU related to GC section in the ISA 805 auditor's report.³⁶ There was a view that the requirement should reflect the need for auditor judgment to determine the reporting effect on the ISA 805 auditor's report of having a MU related to GC in the auditor's report on a complete set of financial statements.
- Whether the MU related to GC section should always be repeated in the ISA 805 auditor's report when there is a MU related to GC section in the auditor's report on the complete set of financial statements. It was noted that the relevancy of the MU related to GC may differ between the audits of a single financial statement and a complete set of financial statements due to, for example, different reporting period endings, and application of different financial reporting frameworks.
- Whether more guidance is needed in proposed ISA 805 (Revised) to alert auditors that the provisions of ISA 570 (Revised) apply.

37. Seven respondents³⁷ questioned the need for, or the appropriateness of, requiring explicit descriptions about management's and the auditor's responsibilities with respect to GC. Of those respondents, four³⁸ were of the view that proposed ISA 800 (Revised) and proposed ISA 805 should address the fact that the GC basis of accounting may not always be relevant and, as such, ISA 570 (Revised) as well as the requirements to describe management's and the auditor's responsibilities

³³ Previous paragraph 15(b) of proposed ISA 805 required the auditor to include the *Material Uncertainty Related to Going Concern* section in the ISA 805 auditor's report, when such a section was included in the auditor's report on the complete set of financial statements. The ED also included guidance in paragraph A24 of proposed ISA 805 (Revised) that explained that:

"When the auditor's report on the entity's complete set of financial statements includes a "Material Uncertainty Related to Going Concern" section, paragraph 15 of this ISA requires that the auditor include this section in the auditor's report on the financial statement or on the specific element of those financial statements because matters related to going concern are deemed to always be relevant to the users' understanding of the financial statement or the specific element or the related auditor's report."

See ISA 800/805 ED, page 45.

³⁴ *Regulators and Oversight Authorities:* IAIS, IRBA; *NSS:* ASB, CAASB, NBA; *Accounting Firms:* BDO, DTT, GTI, KPMG, MNP, PWC, RSM; *Member Bodies and Other Professional Organizations:* FEE

³⁵ *NSS:* CAASB; *Member Bodies and Other Professional Organizations:* IBR-IRE; *Accounting Firms:* DTT, PWC

³⁶ *NSS:* JICPA; *Accounting Firms:* EYG

³⁷ *Regulators and Oversight Authorities:* IRBA; *NSS:* ASB, CAASB; *Accounting Firms:* BDO, DTT, GTI, KPMG

³⁸ *Regulators and Oversight Authorities:* IRBA; *NSS:* CAASB; *Accounting Firms:* BDO, GTI

with respect to GC in ISA 700 (Revised) may not always apply. Two respondents³⁹ challenged the need for having the full description of the responsibilities about GC in an ISA 805 auditor's report.

38. Also, the MG respondent⁴⁰ suggested that the auditor's report or the notes to the financial statements should explicitly indicate when the GC basis of accounting is not relevant and, in such cases, explicitly indicate that the auditor reporting requirements to describe management's responsibilities and the auditor's responsibilities with respect to GC do not apply.

Discussion at the June 2015 IAASB Meeting

39. The IAASB supported the view of respondents to the ED that requiring a reference to the auditor's report in all cases would not be appropriate, and agreed to retain the approach in extant ISA 805 for the auditor to consider the implications of a MU related to GC described in the auditor's report on the complete set of financial statements on the ISA 805 report as well as the ISA 805 engagement. One IAASB member also suggested that DT-700 further elaborate on the relationship with ISA 570 (Revised) if the GC basis of accounting is not relevant in the context of the audit to which ISA 805 applies, but a *Material Uncertainty Related to Going Concern* section exists in the auditor's report on the complete set of financial statements.

Drafting Team Recommendations

DT-700's Views Relating to Applicability of ISA 570 (Revised) When the GC Basis of Accounting Is Not Relevant

40. DT-700 considered the concerns raised and concluded that:
- (a) The applicability of ISA 570 (Revised) with respect to general purpose and special purpose financial statements is appropriately dealt with in ISA 570 (Revised), and it would not be appropriate to infer additional responsibilities related to the work effort to address material uncertainties within proposed ISA 800 (Revised) and proposed ISA 805 (Revised) given how this has been articulated in ISA 570 (Revised).
 - (b) Revisions to the IAASB's proposals in its ED relating to the inclusion of the descriptions of management's and the auditor's responsibilities with respect to GC are needed to better explain that the requirements paragraphs 34(b) and 39(b)(iv) of ISA 700 (Revised) *may not* be applicable depending upon whether ISA 570 (Revised) is determined to be applicable.⁴¹
 - (c) Even when the GC basis of accounting is not relevant, the auditor may nevertheless consider it appropriate to refer in the ISA 800 or ISA 805 auditor's report to a *Material Uncertainty Related to Going Concern* section in the auditor's report on the entity's complete set of financial statements. Further explanations of this point as well as specific examples are included the revised standards (see paragraph A20 of **Agenda Item J.2** and paragraphs A19–A21 and A29

³⁹ NSS: ASB; *Accounting Firms*: GTI

⁴⁰ *Regulators and Oversight Authorities*: IAIS

⁴¹ Conforming changes resulting from the Disclosures and OI/ ISA 720 projects resulted in changes to the paragraph numbers in ISA 700 (Revised). Except for in Appendix 1, those changes are reflected within this paper whenever reference to ISA 700 (Revised) is made, and therefore are different from the January 2015 released version of ISA 700 (Revised).

of **Agenda Item J.3**).

41. In both standards, DT-700 has revised the application material to explicitly direct auditors to refer to ISA 570 (Revised) for guidance with respect to the applicability of ISA 570 (Revised). As discussed above, in proposed ISA 805 (Revised), new application material indicates that auditors may refer to a *Material Uncertainty Relating to Going Concern* section in the auditor's report on the complete set of financial statements, even when the GC basis of accounting is not relevant under the financial reporting framework that applies to the presentation of the single financial statement or specific element of a financial statement. Similar application material has also been added in proposed ISA 800 (Revised). This additional application material serves a similar purpose as the originally proposed requirement to repeat this information, as it signals to auditors that the discussion of MU in the auditor's report on the complete set of financial statements may be relevant to users of ISA 800 and ISA 805 auditor's reports, even if material uncertainties are not relevant in an ISA 800 or ISA 805 engagement due to the provisions of the applicable financial reporting framework.

G. Applicability of ISA 800 in Audits to Which ISA 805 Applies

42. The IAIS, the sole MG respondent to the ED suggested that further guidance be included in the ISAs to better explain the interaction between ISA 800 and ISA 805. DT-700 affirmed that the requirements in ISA 700 (Revised) apply, adapted as necessary, to all audits to which ISA 805 applies. DT-700 also agreed that the requirements in proposed ISA 800 (Revised), adapted as necessary, also applies in an ISA 805 audit in cases when the complete set of financial statements was prepared in accordance with a special purpose framework. DT-700 observed that this point was addressed in the scope section of proposed ISA 805 (Revised).
43. To be responsive to the questions raised, DT-700 as of the view that it would be helpful to further clarify in the reporting and forming an opinion requirements section of proposed ISA 805 (Revised) that proposed ISA 800 (Revised) applies, adapted as necessary, when the financial reporting framework that was used to prepare the financial statements is a special purpose framework (see paragraph 11 of **Agenda Item J.3**).

Matter for CAG Consideration

1. Representatives and Observers are asked to provide input on the issues outlined above and DT-700's suggested further revisions to the requirement in paragraph 14 and the corresponding application material in proposed ISA 805 (Revised) (**Agenda Item J.3**), including with respect to the applicability of the requirements in ISA 570 (Revised) in audits to which ISA 800 and ISA 805 apply (see paragraphs 39–40 of this paper).

H. Inclusion of a Reference in the ISA 800 Auditor's Report to the Auditor's Report on the Complete Set of General Purpose Financial Statements

44. In some instances, an auditor's report on a set of special purpose financial statements and auditor's report on a set of general purpose financial statements are issued for the same entity. DT-700 accepted the view of those respondents⁴² who noted that in these cases, it would be useful for the ISA 800 auditor's report to also include a reference, when applicable, to a modified opinion, EOM or OM paragraph, MU related to GC section, communication of KAM, or a statement that describes an

⁴² *Regulators and Oversight Authorities: IAIS; NSS: NBA*

uncorrected material misstatement of OI in the auditor's report on the general purpose financial statements.

45. DT-700 observed that the auditor's report in illustration 3 of the Appendix in extant ISA 800 included a reference to the auditor's report on the complete set of general purpose financial statements. Consequently, DT-700 agreed that it would be helpful to have application material in proposed ISA 800 (Revised) that is consistent with its updated approach in proposed ISA 805 (Revised) to support this illustration. DT-700 is of the view that this new application material is responsive to the requests from some respondents to the ED for guidance to assist auditors who wish to include a reference in the ISA 800 auditor's report to matters in the auditor's report on the complete set of general purpose financial statements (see paragraphs A19–A20 of **Agenda Item J.2**).

Matters for CAG Consideration

2. Representatives and Observers are asked to provide input on DT-700's suggested changes to proposed ISA 800 (Revised) as included in **Agenda Item J.2**.
3. Representatives and Observers are asked to share any further comments on matters relevant to finalizing the consequential amendments to ISA 800 and ISA 805.

Note: This table is reproduced from paragraph 10 of the ED, but further summarized where needed to be appropriate. The references are to the version of ISA 700 (Revised) as approved in September 2014 and released in January 2015, which is available at www.iaasb.org/auditor-reporting. It does not include DT-700's recommendations.

Overview of the Enhancements Addressed by the New and Revised Auditor Reporting Standards and Their Applicability to ISA 800 and ISA 805 Engagements

The following table summarizes the IAASB's proposed enhancements (reproduced from the ED) resulting from the new and revised Auditor Reporting standards, including the IAASB's decisions regarding their applicability in the context of audits to which ISA 800 and ISA 805 applies.

Enhancements Resulting from New and Revised Auditor Reporting ISAs	Applicability to an ISA 800 Engagement	Applicability to an ISA 805 Engagement
<p>New section in the auditor's report to address KAM for audits of complete sets of general purpose financial statements of listed entities</p>	<ul style="list-style-type: none"> ISA 701 applies only when law or regulation requires the communication of KAM in an ISA 800 engagement, or when the auditor decides to communicate KAM on a voluntary basis 	<ul style="list-style-type: none"> ISA 701 applies only when law or regulation requires the communication of KAM in an ISA 805 engagement, or when the auditor decides to communicate KAM on a voluntary basis Reference to KAM communicated in the auditor's report on the complete set of financial statements by means of an OM paragraph may be made in the ISA 805 auditor's report
<p>GC:</p> <ul style="list-style-type: none"> A separate section with the heading "Material Uncertainty Related to Going Concern" is required in the auditor's report when a MU exists about the entity's ability to continue as a GC. Consistent with extant ISA 570, the auditor's opinion is modified when required under the circumstances of the engagement. New requirements to describe the respective responsibilities of management and the auditor for GC in all auditor's reports 	<p>ISA 570 (Revised) and the requirements in paragraphs 29, 33(b), and 38(b)(iv) of ISA 700 (Revised) apply when the GC basis of accounting is relevant.</p> <p><i>Update: The IAASB has reconsidered this requirement (see section II. F of this paper, in particular paragraphs 40-41). The Material Uncertainty Related to Going Concern section will not be required to be repeated when not relevant.</i></p>	<ul style="list-style-type: none"> ISA 570 (Revised) and the requirements in paragraphs 29, 33(b), and 38(b)(iv) of ISA 700 (Revised) apply when the GC basis of accounting is relevant. If the auditor's report on the complete set of financial statements includes a "Material Uncertainty Related to Going Concern" section, this section is required to be repeated in the ISA 805 auditor's report. <p><i>Update: The IAASB has reconsidered this requirement (see</i></p>

Enhancements Resulting from New and Revised Auditor Reporting ISAs	Applicability to an ISA 800 Engagement	Applicability to an ISA 805 Engagement
<ul style="list-style-type: none"> If events or conditions have been identified that may cast significant doubt on the entity’s ability to continue as a GC but the auditor concludes that no MU exists, new requirement to evaluate the adequacy of disclosure about these events or conditions in view of the requirements of the applicable financial reporting framework 		<p><i>section II. F of this paper, in particular paragraphs 40-41). The Material Uncertainty Related to Going Concern section will not be required to be repeated when not relevant</i></p>
<p>Explicit statement required in all auditor’s reports that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit and has fulfilled the auditor’s other ethical responsibilities in accordance with these requirements, with identification of the jurisdiction of origin of those requirements or reference to the International Ethics Standards Board for Accountants’ <i>Code of Ethics for Professional Accountants</i> (IESBA Code)</p>	<p>Required – addressed by paragraph 28(c) of ISA 700 (Revised).</p>	<p>Required – addressed by paragraph 28(c) of ISA 700 (Revised).</p>
<p>Disclosure of the name of the EP in the auditor’s report for audits of financial statements of listed entities with a “harm’s way” exemption</p>	<p>Required for audits of listed entities (see new application material in proposed ISA 800 (Revised) and proposed conforming amendments to ISA 700 (Revised)).</p>	<p>Required for audits of listed entities (see new application material in proposed ISA 805 (Revised) and conforming amendments to ISA 700 (Revised)).</p>
<p>Opinion section required to be presented first, followed by the Basis for Opinion section, unless law or regulation prescribe otherwise</p>	<p>Required – addressed by paragraphs 23 and 28 of ISA 700 (Revised).</p>	<p>Required – addressed by paragraphs 23 and 28 of ISA 700 (Revised).</p>
<p>Improved description of the responsibilities of the auditor and key features of an audit.</p>	<p>Required – addressed by paragraphs 38–40 of ISA 700 (Revised).</p>	<p>Required – addressed by paragraphs 38–40 of ISA 700 (Revised).</p>

Appendix 2

List of Respondents to the Exposure Draft—Proposed Consequential Amendments to ISA 800 and 805

Note: Members of the MG are shown in bold below.

#	Abbrev.	Respondent (43)	Region
Regulators and Oversight Authorities (4)			
1.	IAIS	International Association of Insurance Supervisors	GLOBAL
2.	IRBA	Independent Regulatory Board for Auditors (South Africa)	MEA
3.	PAAB	Public Accountants and Auditors Board (Zimbabwe)	MEA
4.	MAOB	Audit Oversight Board, Securities Exchange Commission Malaysia	AP
National Auditing Standard Setters (11)			
5.	ASB	American Institute of Certified Public Accountants Auditing Standards Board	NA
6.	AUASB	Australian Auditing and Assurance Standards Board	AP
7.	CAASB	Canadian Auditing and Assurance Standards Board	NA
8.	CNCC	Compagnie Nationale des Commissaires aux Comptes	EU
9.	HKICPA	Hong Kong Institute of Certified Public Accountants	AP
10.	IDW	Institut der Wirtschaftsprüfer	EU
11.	JICPA	The Japanese Institute of Certified Public Accountants	AP
12.	MAASB	Auditing and Assurance Standards Board of Malaysian Institute of Accountants	AP
13.	NBA	Nederlandse Beroepsorganisatie van Accountants	EU
14.	NZAuASB	New Zealand Auditing and Assurance Standards Board	AP
15.	ZAPB	Zimbabwe Accounting and Auditing Practices Board	MEA
Accounting Firms (8)⁴³			
16.	BDO*	BDO International Limited	GLOBAL
17.	DTT*	Deloitte Touche Tohmatsu Limited	GLOBAL
18.	EYG*	Ernst & Young Global Limited	GLOBAL
19.	GTI*	Grant Thornton International Ltd	GLOBAL
20.	KPMG*	KPMG IFRG Limited (Network)	GLOBAL
21.	MNP	MNP LLP	NA
22.	PWC*	PricewaterhouseCoopers International Limited	GLOBAL

⁴³ Forum of Firms members are indicated with a *. The Forum of Firms is an association of international networks of accounting firms that perform [transnational audits](#). Members of the Forum have committed to adhere to and promote the consistent application of high-quality audit practices worldwide, and use the ISAs as the basis for their audit methodologies.

#	Abbrev.	Respondent (43)	Region
23.	RSM*	RSM International	GLOBAL
Public Sector Organizations (2)			
24.	GAO	United States Government Accountability Office	NA
25.	PAS	Provincial Auditor Saskatchewan	NA
Member Bodies and Other Professional Organizations (16)			
26.	ACCA	Association of Chartered Certified Accountants	GLOBAL
27.	AIA	Association of International Accountants	EU
28.	CAANZ	Chartered Accountants Australia and New Zealand (previously ICAA)	AP
29.	CPAA	CPA Australia	AP
30.	FEE	Fédération des Experts Comptables Européens - Federation of European Accountants	EU
31.	IBR-IRE	Institut des Réviseurs d'Entreprise/ Instituut van de Bedrijfsrevisoren	EU
32.	ICAEW	Institute of Chartered Accountants in England and Wales	EU
33.	ICAI	Institute of Chartered Accountants of India	AP
34.	ICAP	The Institute of Chartered Accountants of Pakistan	AP
35.	ISCA	Institute of Singapore Chartered Accountants	AP
36.	IAA	Interamerican Accounting Association	SA
37.	KICPA	Korean Institute of Certified Public Accountants	AP
38.	MICPA	The Malaysian Institute of Certified Public Accountants	AP
39.	RCA	Russian Collegium of Auditors	EU
40.	SAICA	South African Institute of Chartered Accountants	MEA
41.	SMPC	IFAC Small and Medium Practices Committee	GLOBAL
Individuals and Others (2)			
42.	CBarnard	Chris Barnard (Affiliated with ESMA, Germany)	EU
43.	DJuvenal	Denise Silva Ferreira Juvenal	SA

The respondents to the ED comprised the following:

Category of Respondent	No.	Percentage
Investors and Analysts	0	0%
TCWG	0	0%
Regulators and Audit Oversight Bodies	4	9%
NSS	11	26%
Accounting Firms	8	18%
Public Sector Auditors	2	5%
Preparers	0	0%
Member Bodies and Other Professional Organizations	16	37%
Academics	0	0%
Individuals and Others	2	5%
Total	43	100%

Feedback that Goes Beyond Scope of the ED

1. As noted in Section II.A of this paper, some respondents provided feedback and suggested amendments to proposed ISA 800 (Revised) and proposed ISA 805 (Revised) that went beyond reporting and, as such, may result in substantively changing the underlying premise of audits of financial statements to which ISAs 800 or 805 apply. This feedback is summarized below, but has not been further considered by DT-700.

Issues that Are Out of Scope

2. Three respondents⁴⁴ requested more guidance to clarify the interaction between ISA 800 and ISA 805, in particular as it related to how paragraphs A16–A19 would apply in the context of an audit on a single financial statement, or an element in accordance with a special purpose framework when an entity's complete set of financial statements is prepared in accordance with International Financial Reporting Standards (IFRSs), or local general accepted accounting principles (GAAP).

Issues that Existed in Extant ISA 800 and ISA 805

Issues Raised by a MG Member

3. The MG member⁴⁵ suggested that the requirements for auditor communications with TCWG in the context of audits of special purpose financial statements be expanded. Specifically, it was suggested that, whenever the auditor's report is publicly available, auditor communication with TCWG should be required, even though TCWG do not have responsibility for overseeing the preparation of special purpose financial statements (i.e., change paragraph A12 of proposed ISA 800 (Revised)). DT-700 has suggested revisions to proposed ISA 800 (Revised) (see paragraph A12 of **Agenda Item J.2**) and added new application material in proposed ISA 805 (Revised) (see paragraph A11 of **Agenda Item J.3**) to clarify its view that ISA 260 (Revised) is always applicable to ISA audits, including ISA 800 and ISA 805 engagements, but is of the view that changes beyond this are outside the scope of this project.
4. This respondent also suggested a change to paragraph 6(b) of proposed ISA 800 (Revised), explaining that, in the context of a special purpose framework, requirements related to presentation and content of the notes can be less detailed and formalized than, for instance, under IFRSs. It was further explained that an auditor should have a different approach depending on whether the financial reporting framework may be a fair presentation framework or a compliance framework. The respondent was of the view that in this case it was important for the IAASB to emphasize in proposed ISA 800 (Revised) the difficulties specific to assessing adequacy of the notes in this particular context.
5. With respect to the scope of proposed ISA 805 (Revised), this respondent also suggested that it would be beneficial for the IAASB to provide more clarity on the definition of what could be considered a "single financial statement". This respondent also suggested that the meaning of the term "not published together" in paragraph 18 of proposed ISA 805 (Revised) should be further explained. For instance, if both reports are available at the same time on the website of the entity, should they be considered as published together?

⁴⁴ *Regulators and Oversight Authorities: IAIS, IRBA; Accounting Firms: PWC*

⁴⁵ *Regulators and Oversight Authorities: IAIS*

Comments from Other Respondents

6. One respondent⁴⁶ was of the view that using the term “...adapted as necessary in the necessary circumstances of the engagement...” in paragraph 11 of proposed ISA 805 (Revised), but not in paragraph 11 of proposed ISA 800 (Revised), was confusing, in particular with respect to the application of reporting requirements relating to GC.
7. With respect to GC, two respondents⁴⁷ noted that there may be practical application challenges resulting from the application of ISA 570 (Revised) when proposed ISA 800 (Revised) and proposed ISA 805 (Revised) apply, in particular when the auditor of a single financial statement is different from the auditor of the entity's complete set of general purpose financial statements.
8. One respondent⁴⁸ asked that the IAASB clarify and better explain the linkage between paragraph A6 of ISA 805 and paragraph 5 of ISAE 3000 (Revised).
9. One respondent⁴⁹ suggested edits to paragraph A7 of proposed ISA 805 (Revised) to clarify the applicability and scope of the standard.

⁴⁶ *Accounting Firms*: RSM

⁴⁷ *Accounting Firms*: BDO, KPMG

⁴⁸ *Member Bodies and Other Professional Organizations*: ACCA

⁴⁹ *Accounting Firms*: DTT