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IAASB COMPLETES CLARITY PROJECT; NEW WEB PAGE FEATURES FULL SUITE OF STANDARDS AND RESOURCES

(New York/March 3, 2009) – The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the International Federation of Accountants (IFAC), has completed its Clarity Project* with the release of the final seven clarified International Standards on Auditing (ISAs), following the consideration and approval by the Public Interest Oversight Board (PIOB) of due process. As a result of this landmark achievement, auditors worldwide will have access to 36 newly updated and clarified ISAs and a clarified International Standard on Quality Control. The standards are all featured in a new [Clarity Center](http://www.ifac.org/IAASB/) on the IAASB website (<http://www.ifac.org/IAASB/>).

With the completion of the Clarity Project, the IAASB has issued all its auditing standards in a form designed to enhance the understanding and implementation of them, as well as to facilitate translation. The clarified standards are effective for audits of financial statements for periods beginning on or after December 15, 2009.

IAASB Chair Arnold Schilder remarked, “The significant accomplishment of bringing the Clarity Project to a close—on schedule—would not have been possible without the dedicated leadership of my predecessor, John Kellas, and the tireless efforts of the IAASB members and technical advisors. We are pleased to now make the full suite of standards available so that our stakeholders can take the necessary steps to ensure these standards are properly implemented in advance of their effective date.”

Titles of the seven final clarified ISAs are as follows:

- ISA 210 (Redrafted), *Agreeing the Terms of Audit Engagements*;
- ISA 265, *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*;
- ISA 402 (Revised and Redrafted), *Audit Considerations Relating to an Entity Using a Service Organization*;
- ISA 700 (Redrafted), *Forming an Opinion and Reporting on Financial Statements*;

- ISA 800 (Revised and Redrafted), *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*;
- ISA 805 (Revised and Redrafted), *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*; and
- ISA 810 (Revised and Redrafted), *Engagements to Report on Summary Financial Statements*.

The Clarity Center of the IAASB website features updated versions of each of the standards, which can be used as the basis for translations. These versions incorporate conforming amendments to the standards, as well as changes in the approved clarified ISAs as a result of a review for consistency and other matters of clarity agreed upon by the IAASB at its December 2008 meeting. The IAASB also plans to publish the set of clarified ISAs in a handbook, expected to be released in April 2009.

“We anticipate that the completion of the Clarity Project will bring further momentum to the convergence process,” commented Jim Sylph, IFAC Executive Director, Professional Standards, emphasizing, “Implementation is the next priority and firms and others should take action at the earliest opportunity to deal with all the necessary aspects of implementation.” National standard setters, IFAC member bodies, regulators and oversight bodies, and other stakeholders are encouraged to visit the Clarity Center at <http://web.ifac.org/clarity-center/index> for further information, including frequently asked questions (FAQs) and upcoming video modules.

About the IAASB and IFAC

The objective of the IAASB, an independent standard-setting board within IFAC, is to serve the public interest by setting high-quality auditing and assurance standards and by facilitating the convergence of international and national standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in the global auditing and assurance profession. The Public Interest Oversight Board oversees the activities of the IAASB, and, as one element of that oversight, establishes the criteria for its due process and working procedures.

IFAC (www.ifac.org) is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 157 members and associates in 122 countries and jurisdictions, representing more than 2.5 million accountants in public practice, education, government service, industry, and commerce. In addition to setting international auditing and assurance standards through the IAASB, IFAC, through its independent standard-setting boards, sets ethics, education, and public sector accounting standards. It also issues guidance to encourage high-quality performance by professional accountants in business.

* Key elements of the Clarity Project drafting conventions include: establishing an objective for the auditor with respect to the subject matter of each standard; clearly distinguishing requirements from guidance on

their application; avoiding ambiguity through eliminating the present tense to describe actions by the auditor and using more imperative language where a requirement was intended; and other structural and drafting improvements to enhance the overall readability and understandability of the standards.

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