

MINUTES

MEETING OF: THE AUDITING PRACTICES BOARD

DATE AND TIME: Wednesday 15 April 2009 at 9.30am

PLACE: Aldwych House,
71-91 Aldwych,
London WC2

PRESENT:

Members	R Fleck (Chairman)	W Rainey
	J Grant (Executive director)	D Thomas
	P Lee	T Troubridge
	K Nicholson	S Turley
	R Nolan	M Ward

Observers J Bellingham (UK Department for Business, Enterprise and Regulatory Reform)
D Loweth (ASB)

In attendance Ms K Cearns

Staff	K Billing	Mrs H O'Sullivan
	S Leonard	

ABSENT:

Members	A Chambers	G Pimlott
	L Hughes	M Powell

Observers I Drennan (Republic of Ireland Auditing and Accounting Supervisory Authority)
R Thorpe (Financial Services Authority)

1. Introduction

Forthcoming publication

Mr Jon Grant explained that the APB Annual Review of Activities was due to be published in a week's time.

Forthcoming meetings

The Chairman noted that the forthcoming National Standards Setters meetings will be an important opportunity to influence the future work programmes for both the IESBA and IAASB.

2. Minutes of previous meeting

It was noted that the minutes of the meeting held on 31 March had been approved following circulation to Board members.

3. Clarity ISAs (UK and Ireland) – approval of exposure draft

Mr Grant noted that much of the detailed discussion on this exposure draft had taken place at the last meeting. He reminded the Board that members had reviewed each of the supplementary requirements and guidance paragraphs and it had been agreed that five supplementary requirements were to be retained in relation to audit quality.

Board members reviewed the changes that had been made to the supplementary paragraphs since the last meeting, including some additional information on public disclosure that had been added following a meeting with a lawyer. After making a small number of changes the Board approved these documents for issuance as exposure drafts of ISAs (UK and Ireland).

A draft of the consultation paper to accompany the exposure drafts was also discussed. It was agreed that this paper should make it clearer that consultation responses are requested only on the supplementary material and that the questions in this regard should distinguish between regulatory and audit quality supplementary requirements. It was also agreed that the paper should be clearer that the reason that APB is able to reduce the number of supplementary requirements is because of the improvements that have been made to the Clarity ISAs.

4. Audit Reports – approval of a Bulletin containing examples

Mr Steven Leonard introduced a draft of a proposed Bulletin to replace Bulletin 2006/6 to reflect legislative changes in the Companies Act 2006 and the issuance of ISA (UK and Ireland) 700 (Revised). He noted that some streamlining of the content had also been undertaken and that the index has been made clearer. The examples had been reviewed by the working party of technical staff from the larger firms. Following discussion with DBERR he also noted that the requirement for adequate books and records applied only to the parent company in the relevant examples.

The Bulletin was approved for publication once minor changes suggested by the working party have been made.

5. Going Concern – report from the firms

Mr Grant summarised the points that had arisen during a discussion on going concern at a recent Technical Advisory Group meeting. Support had been expressed for the

FRC and APB guidance in this area, which seemed to have limited any increase in 'emphasis of matter' paragraphs, although it was thought that there may be more to come when non-listed companies report. A number of participants at the meeting were of the view that accounting standards could provide further assistance in the form of required disclosures.

Board members discussed the uncertainty that currently exists in respect of the period that companies and auditors need to consider in the context of interim accounts. It was agreed that FRC guidance on this question would be helpful.

6. ISA effectiveness review

Mr Grant outlined some ideas about how the implementation of ISAs might be reviewed in order to feed into any international review in the future. A subsequent discussion emphasised that the objective of such a review needed to be established at the start in order to focus the work. Additionally it was thought that starting this work early would be important so that the experience of countries implementing the standards in 2010 could assist those countries adopting them at a later date.

7. Next meeting

It was noted that the next meeting of the Board would be the Awayday, which is being held on Tuesday 5th and Wednesday 6th May. The Chairman also noted that an additional meeting of the Board had been scheduled for Thursday 17th September.