IAASB
CLARITY PROJECT

What is Clarity Project?

The IAASB recognized that ISAs needed to be understandable, clear, and capable of consistent application. These aspects of clarity serve to enhance the quality and uniformity of practice worldwide.

In 2004, the IAASB began a comprehensive program to enhance the clarity of its (ISAs). This program involved the application of new drafting conventions to all ISAs, either as part of a substantive revision or through a limited redrafting.

On February 27, 2009, the Clarity Project reached its completion when the Public Interest Oversight Board approved clarified ISAs. Auditors worldwide will now have access to 36 newly updated and clarified ISAs and a clarified (ISQC).

What has been Clarified?

Clarified standards comprises 36 International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) 1, including:

- One new standard, addressing communication of deficiencies in internal control;

- 16 standards containing new and revised requirements (these have been referred to as "revised and redrafted ISAs"); and

- 20 standards that have been redrafted to apply the new conventions and reflect matters of general clarity only (these have been referred to as "redrafted ISAs & ISQC 1").

Revised Structure of Each ISA

The ISAs now have a new structure, in which information is presented in separate sections:

- *Introduction,*

- *Objective,*

- *Definitions,*

- *Requirements, and*

- *Application and Other Explanatory Material.*

Revised Structure of Each ISA

Introduction

Introductory material may include information regarding the purpose, scope, and subject matter of the ISA, in addition to the responsibilities of the auditors and others in the context in which the ISA is set.

Objective

Each ISA now contains a clear statement of the objective of the auditor in the audit area addressed by that ISA.

Definitions

For greater understanding of the ISAs, applicable terms have been defined in each ISA.

Requirements

Each objective is supported by clearly stated requirements. Requirements are always expressed by the phrase "the auditor shall."

Application and Other Explanatory Material

The application and other explanatory material explains more precisely what a requirement means or is intended to cover, or includes examples of procedures that may be appropriate under given circumstances.

Changes resulted from the clarity project

Improvements arising from the Clarity Project are the following:

- Identifying the auditor's overall objectives when conducting an audit in accordance with ISAs;

- Setting an objective in each ISA and establishing the auditor's obligation in relation to that objective;

- Clarifying the obligations imposed on auditors by the requirements of the ISAs;

- Eliminating any possible ambiguity about the requirements an auditor needs to fulfill; and

- Improving the overall readability and understandability of the ISAs through structural and drafting improvements.

Changes resulted from the clarity project

Auditors should look to

ISA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing,

for assistance in understanding the purpose and scope of an audit.

This ISA sets out how the objectives, requirements, and guidance in all ISAs are to be understood.

All clarified ISAs are effective for audits of financial statements for periods beginning on or after December 15, 2009.