

PREFACE

TO IAASB PRONOUNCEMENTS

Introduction

- This preface to the IAASB Pronouncements is issued to facilitate understanding of the scope and authority of the pronouncements.
- The IAASB is committed to the goal of developing a set of International Standards which are generally accepted worldwide.
- IAASB members act in the common interest of the public at large and the worldwide accountancy profession.

Title of Standards

International Standards:

- The authoritative pronouncements of the IAASB are the International Standards, which are issued following the IAASB's stated due process.

Engagement Standards:

- **ISAs, ISREs, ISAEs and ISRSs** are collectively referred to as the IAASB's Engagement Standards.

Authority of IS issued by IAASB

- The IAASB's pronouncements govern audit, review, other assurance, and related services engagements that are conducted in accordance with International Standards.
- They do not override the local laws or regulations that govern the audit of historical financial statements or assurance engagements
- In the event that local laws or regulations differ from, or conflict with, the IAASB's Standards, an engagement conducted in accordance with local laws will not automatically comply with the IAASB's Standards.
- A professional accountant should not represent compliance with the IAASB's Standards unless the professional accountant has complied fully with all standards relevant to the engagement.

Authority of IS issued by IAASB

- **ISAs** are to be applied in the audit of historical financial information.
- **ISREs** are to be applied in the review of historical financial information.
- **ISAEs** are to be applied in assurance engagements other than audits or reviews.
- **ISRSs** are to be applied to compilation engagements, engagements to apply agreed upon procedures and other related services engagements.
- **ISQCs** are to be applied for all services falling under the IAASB's Engagement Standards.

Structure of Each ISA

The Structure of each ISAs consists of following:

- *Introduction,*
- *Objective,*
- *Definitions,*
- *Requirements, and*
- *Application and Other Explanatory Material*
(Including Appendices)

Applicability of International Standards

- The scope, effective date and any specific limitation of the applicability of a specific International Standard is made clear in the Standard, the professional accountant is permitted to apply an International Standard before the effective date.
- International Standards are relevant to engagements in the public sector. Additional considerations specific to public sector entities are included:
 - (a) Within the body of Standard in the case of ISAs and ISQCs;
 - (b) In a Public Sector Perspective (PSP) appearing at the end of other International Standards.

Non-Authoritative Material

- Non-authoritative material includes Practice Notes issued by the IAASB and staff publications.
- Non-authoritative material is not part of the IAASB's International Standards.
- IAPNs do not impose additional requirements beyond those included in the ISAs on auditors.
- IAPNs provide practical assistance to auditors, they also provide material that firms can use in developing their training programs and internal guidance.
- The IAASB may also issue **IREPNs**, **IAEPNs**, and **IRSPNs** to serve the same purpose for ISREs, ISAEs, and ISRSs respectively.
- Staff publications are used to help raise practitioners' awareness of significant new or emerging issues, or to direct their attention to relevant provisions of IAASB pronouncements.
- The sole official text of an IAASB International Standard is that published by the IAASB in the English language.