

**A Resolution  
Concerning International Standards on Auditing**

**Passed by the Presidents' Committee  
October 1992**

1. The members of IOSCO believe it is important to identify ways to facilitate cross-border offerings by multinational issuers. An important factor in encouraging such offerings is the development of a generally accepted body of international standards on auditing which could be used for cross-border offerings and continuous reporting by foreign issuers.
2. Auditing standards play a critical role in the protection of investors within each country's domestic securities market and are an important part of a country's securities regulatory system. Securities regulatory authorities have responsibility for the development and implementation of that securities regulatory system. Securities regulatory authorities therefore have an important responsibility to ensure that auditing standards are responsive to the need for investor protection.
3. For several years, the Technical Committee, through its Working Party No. 1 and Sub-Committee on Accounting and Auditing, has worked closely with the International Auditing Practices Committee (the "IAPC") of the International Federation of Accountants ("IFAC") in developing IAPC's international standards on auditing. The Technical Committee has provided commentary, critiques and proposed changes to such auditing standards to ensure that such standards adequately address securities regulators' concerns with investor protection.
4. After a full review of the IAPC's proposed auditing standards, the Technical Committee believes that the IAPC auditing standards (with the inclusion of the current exposure drafts of three standards that are expected to be finalized by early 1993) set forth on Attachment A represent a comprehensive set of auditing standards and that audits conducted in accordance with these standards could be relied upon by securities regulatory authorities for multinational reporting purposes. It should be noted that the Technical Committee is not making any recommendation with respect to the form of the auditors' report or the IFAC standards relating to auditor qualifications and independence. At present there is not a consensus that the standards in these three areas adequately address the concerns raised by securities regulatory authorities. Working Party No. 1 is continuing to work with the IAPC on these matters. It will also monitor future developments and report periodically to the Technical Committee.
5. In light of the foregoing and based on the recommendation of the Technical Committee, IT IS HEREBY RESOLVED that the Presidents' Committee recommends that the members of IOSCO:
  - a. accept the International Standards on Auditing identified on Attachment A

hereto as an acceptable basis for use in cross-border offerings and continuous reporting by foreign issuers; and

- b. take all steps that are necessary and appropriate in their respective home jurisdictions to accept audits conducted in accordance with International Standards on Auditing as an alternative to domestic auditing standards in connection with cross-border offerings and continuous reporting by foreign issuers.

## **Attachment A**

### **INTERNATIONAL STANDARDS ON AUDITING**

<b>Number</b>	<b>Title</b>
ISA 1	Objective and Basic Principles Governing an Audit
ISA 2	Auditing Engagement Letters
ISA 4	Planning
ISA 5	Using the Work of an Other Auditor
ISA 6	Risk Assessment and Internal Control
ISA 7	Control of the Quality of Audit Work
ISA 8	Audit Evidence
ISA 9	Documentation
ISA 10	Using the Work of an Internal Auditor
ISA 11	Fraud and Error
ISA 12	Analytical Procedures
ISA 14	Other Information in Documents Containing Audited Financial Statements
ISA 15	Auditing in an EDP Environment
ISA 16	Computer-Assisted Audit Techniques
ISA 17	Related Parties
ISA 18	Using the Work of an Expert
ISA 19	Audit Sampling
ISA 21	Date of the Auditor's Report; Events After the Balance Sheet Date; Discovery of Facts After the Financial Statements have been Issued
ISA 22	Representations by Management
ISA 23	Going Concern
ISA 24	Special Purpose Auditor's Reports
ISA 25	Materiality and Audit Risk
ISA 26	Audit of Accounting Estimates

ISA 27 The Examination of Prospective Financial Information

ISA 28 First Year Audit Engagements - Opening Balances

**Currently Outstanding Exposure Drafts**

Knowledge of the Client's Business (issued October 1st, 1991)

Illegal Acts (issued December 1st, 1991)

Reporting on Comparatives (issued August 1st, 1992)

# RESOLUTION ON THE ENDORSEMENT OF INTERNATIONAL STANDARDS ON AUDITING

## Presidents' Committee October 1992

Jurisdiction	Name of the Organization	Signed
<b>REGULAR MEMBERS</b>		
1 - ALGERIA	Commission d'Organisation et de Surveillance des Opérations de Bourse	**
2 - ARGENTINA	Comisión Nacional de Valores	**
3 - AUSTRALIA	Australian Securities and Investments Commission	**
4 - AUSTRIA	Austrian Securities Authority	**
5 - BAHAMAS	Securities Board (The Commonwealth of The Bahamas)	**
6 - BAHRAIN (State of)	Bahrain Stock Exchange	**
7 - BANGLADESH	Securities and Exchange Commission	**
8 - BARBADOS	Securities Exchange of Barbados	**
9 - BELGIUM	Commission bancaire et financière	**
10 - BERMUDA	The Bermuda Monetary Authority	**
11 - BOLIVIA	Superintendencia de Valores	**
12 - BRAZIL	Comissão de Valores Mobiliários	**
13 - BULGARIA	Securities and Stock Exchanges Commission	**
14 - CHILE	Superintendencia de Valores y Seguros	**
15 - CHINA (People's Republic of)	China Securities Regulatory Commission	**
16 - COLOMBIA	Superintendencia de Valores	**
17 - COSTA RICA	Superintendencia General de Valores	**
18 - CROATIA (Republic of)	Securities and Exchange Commission	**
19 - CYPRUS (Republic of)	Central Bank of Cyprus	**
20 - DENMARK	Finanstilsynet	**
21 - DOMINICAN REPUBLIC	Banco Central de la República Dominicana	**
22 - ECUADOR	Superintendencia de Compañías	**

23 - EGYPT	Capital Market Authority	**
24 – EL SALVADOR	Superintendencia de Valores	**
25 - FINLAND	Financial Supervision Authority	**
26 - FORMER YUGOSLAV REPUBLIC OF MACEDONIA	Securities and Exchange Commission	**
27 - FRANCE	Commission des Opérations de Bourse	**
28 - GERMANY	Bundesaufsichtsamt für den Wertpapierhandel (BAWe)	**
29 – GREECE	Capital Market Commission	**
30 - GUERNSEY	Guernsey Financial Services Commission	**
31 - HONG KONG	Securities and Futures Commission	**
32 - HUNGARY	Hungarian Banking and Capital Market Supervision	**
33 – INDIA	Securities and Exchange Board of India (SEBI)	**
34 - INDONESIA	Indonesian Capital Market Supervisory Agency	**
35 - IRELAND	Central Bank of Ireland	**
36 - ISLE OF MAN	Financial Supervision Commission	**
37 - ISRAEL	Israel Securities Authority	**
38 - ITALY	Commissione Nazionale per le Società e la Borsa	**
39 - JAMAICA	Securities Commission	**
40 - JAPAN	Financial System Planning Bureau of the Ministry of Finance	**
41 - JERSEY	Jersey Financial Services Commission	**
42 – JORDAN	Jordan Securities Commission	**
43 – KAZAKHSTAN (Republic of)	National Securities Commission	**
44 - KENYA	Capital Markets Authority	**
45 - KOREA	Financial Supervisory Commission	**
46 – KYRGYZ REPUBLIC	National Commission on Securities Market	**
47 - LITHUANIA	Lithuanian Securities Commission	**
48 - LUXEMBOURG (Grand Duchy of)	Commissariat aux Bourses	**
49 - MALAYSIA	Securities Commission	**
50 – MALTA	Malta Stock Exchange	**
51 – MAURITIUS (Republic of)	Stock Exchange Commission	**

52 - MEXICO	Comisión Nacional Bancaria y de Valores	**
53 - MOROCCO	Conseil Déontologique des Valeurs Mobilières	**
54 - NETHERLANDS (The)	Stichting Toezicht Effectenverkeer	**
55 - NEW ZEALAND	Securities Commission	**
56 - NIGERIA	Securities and Exchange Commission	**
57 - NORWAY	Kredit Tilsynet	**
58 - OMAN (Sultanate of)	Muscat Securities Market	**
59 - ONTARIO	Ontario Securities Commission	**
60 – PAKISTAN	Corporate Law Authority / Government of Pakistan	**
61 – PANAMA	Comisión Nacional de Valores	**
62 – PAPUA NEW GUINEA	Securities Commission	**
63 – PARAGUAY	Comisión Nacional de Valores	**
64 - PERU	Comisión Nacional Supervisora de Empresas y Valores	**
65 - PHILIPPINES	Securities and Exchange Commission	**
66 - POLAND	Polish Securities and Exchange Commission	**
67 - PORTUGAL	Comissão do Mercado de Valores Mobiliários	**
68 - QUEBEC	Commission des valeurs mobilières du Québec	**
69 - ROMANIA	Romanian National Securities Commission	**
70 - RUSSIA	Federal Commission for the Securities Market of the Russian Federation	**
71 - SINGAPORE	The Monetary Authority of Singapore	**
72 - SLOVENIA	Securities Market Agency	**
73 - SOUTH AFRICA	Financial Services Board	**
74 - SPAIN	Comisión Nacional del Mercado de Valores	**
75 - SRI LANKA	Securities and Exchange Commission of Sri Lanka	**
76 - SWEDEN	Finansinspektionen	**
77 - SWITZERLAND	Commission Fédérale des Banques	**
78 - CHINESE TAIPEI	Securities and Futures Commission	**
79 - TANZANIA	Capital Markets and Securities Authority	**
80 - THAILAND	Office of the Securities and Exchange Commission	**

81 - TRINIDAD AND TOBAGO	Trinidad and Tobago Securities and Exchange Commission	**
82 - TUNISIA	Conseil du Marché Financier	**
83 - TURKEY	Capital Market Board	**
84 - UKRAINE	Ukrainian Securities and Stock Market State Commission	**
85 - UNITED KINGDOM	Financial Services Authority	**
86 - UNITED STATES OF AMERICA	United States Securities and Exchange Commission	**
87 - URUGUAY	Banco Central del Uruguay	**
88 - VENEZUELA	Comisión Nacional de Valores	**
89 - ZAMBIA	Securities and Exchange Commission	**

**ASSOCIATE MEMBERS**

90 - ALBERTA	Alberta Securities Commission	**
91 - BRITISH COLUMBIA	British Columbia Securities Commission	**
92 - JAPAN	Ministry of Agriculture, Forestry and Fisheries	**
93 - JAPAN	Ministry of International Trade and Industry (MITI)	**
94 - JAPAN	Securities and Exchange Surveillance Commission	**
95 - LEBANON	Banque du Liban	**
96 - LUXEMBOURG (Grand Duchy of)	Institut Monétaire Luxembourgeois	**
97 - UNITED STATES OF AMERICA	Commodity Futures Trading Commission	**
98 - UNITED STATES OF AMERICA	North American Securities Administrators Association, Inc. (NASAA)	**

\* The implementation of this Resolution has been suspended because the International Standards on Auditing to which it referred in October 1992 no longer exist.

\*\* The Resolution has not been abrogated because discussions with IFAC are continuing and a possibility remains that this matter can be resolved in the foreseeable future.