Auditor Reporting

Dan Montgomery, IAASB Deputy Chair and Auditor Reporting TF Chair

Bruce Winter, IAASB Member and ISA 700 Drafting Team Chair

Agenda Item 2

IAASB April 2013 Meeting
Timing of Discussions and Outcomes Needed

**Monday**
- Proposed ISA 701, illustrative examples and proposed changes to ISA 260
- IAASB agreement and feedback

**Tuesday**
- Going Concern
  - IAASB agreement on way forward
- Proposed ISA 700 (Revised) and illustrative reports

**Thursday**
- Breaches (implications for proposed ISA 700 and ISA 260)
- IAASB agreement and feedback

**Friday**
- IAASB agreement of revised illustrative report and other matters
Outcomes Needed for Proposed ISA 701- Key Audit Matters

- General agreement on all requirements
- Feedback on illustrative examples
- Agreement of approach and consideration of proposed revisions to ISA 260
- Final objective for proposed ISA 701
- Direction on KAM for entities other than listed entities
- Feedback on application material
Key Outcomes for Going Concern

• Agreement on approach to revisions to ISA 570 to underpin auditor reporting
• Agreement on revised proposed wording in illustrative report, including when material uncertainties are adequately disclosed in the financial statements
Outcomes Needed for Proposed ISA 700 (Revised)

• Agreement on revised requirements in para. 20–45
  – Decision on disclosure of the name of the engagement partner
  – Agreement on approach when description of auditor’s responsibilities is outside the body of the auditor’s report

• Feedback on consistency and flexibility
  – Ordering of elements in the auditor’s report

• Agreement on revised proposed wording in illustrative report
  – Feedback on modified reports
Other Outcomes Needed

• Consideration of issues relating to breaches of independence requirements
  – Impact on statement of compliance with relevant ethical requirements
  – Potential need for amendments to ISA 260

• Identification of any other items IAASB believes need to be addressed in June 2013 ED
Planning for June 2013 ED

• May 2013 NSS Meeting
  – Strategic discussion to understand implications of IAASB's proposals in a national environment
  • Consistency vs. relevance, reference to ISAs in auditor’s report, KAM vs. national approaches, etc.
Planning for June 2013 ED

• June 2013 IAASB Meeting
  – Final drafts of ISA 701 and 700 – provide comments not raised at this meeting to Staff as soon as possible, in particular on application material
  – Reporting requirements in ISA 570 based on wording just discussed
  – Drafts of ISA 705 and 706 (and related ISAs) incorporating previous Board discussions
  – Conforming amendments to ISA 260 and other ISAs as necessary (possibly ISA 210, 220, etc)
Planning for June 2013 ED

• June 2013 IAASB Meeting
  – Illustrative reports
    • Full set of examples for ISA 700, including examples of key audit matters
    • Recommendation about how reports/reporting requirements in other standards should be addressed in ED

• Explanatory memorandum, including questions to be included