Auditor’s Report

Objective of Agenda Item
1. To consider the IAASB Auditor’s Reporting Research Working Group’s:
   (a) Summary of key messages concerning user perceptions of the standard unqualified auditor’s report identified from the Working Group’s analysis of relevant information on that subject; and
   (b) Views about possible further actions the IAASB may wish to consider concerning auditor’s reporting and auditor communications more broadly.

IAASB Working Group
- Dan Montgomery, Chair, IAASB Member
- Jon Grant, IAASB Member
- Cédric Gélard, IAASB Member
- Tomokazu Sekiguchi, IAASB Member
- Jon Rowden, IAASB Technical Adviser

Background and Activities to Date
2. See Section II of Agenda Item 4-A.

Material Presented
Agenda Item 4-A Auditor’s Report – IAASB Working Group Report
Agenda Item 4-B Staff Summary of the four IAASB/AICPA ASB Commissioned Research Studies
Supplementary Information

To access the full research reports follow the links provided below. (Note: For reference purposes only.)


- “Report on Research Conducted in the United Kingdom and New Zealand in 2008 Investigating the Audit Expectation-Performance Gap and Users’ Understanding Of, and Desired Improvements To, the Audit Report” (September 2009)

- “Investors’, Auditors’ and Lenders’ Understanding of the Message Conveyed By the Standard Audit Report” (September 2009)

- “Financial Statement Users’ Perceptions of the IAASB’s ISA 700 Unqualified Auditor’s Report in Germany and the Netherlands” (August 2009)

Plan for this Session

3. The following program is proposed for the December IAASB session on this Agenda Item:
   (a) Introduction and summary of the Working Group’s consideration of the four commissioned research studies. (It is not intended that there will be a discussion of the details of the four research reports.)
   (b) Presentations from IAASB members of the Working Group on the auditor reporting models followed in France, Japan and the United Kingdom.
   (c) Discussion of the key messages identified by the Working Group.
   (d) Discussion of possible actions to consider, and the Working Group’s recommendations to the IAASB.

Action Requested

4. The IAASB is asked to consider the key messages contained in the Working Group’s report in Agenda Item 4-A, and to provide feedback on the recommendations therein about possible actions to consider.