

Response to IFAC invitation on Audit Reporting

	Question	Response
1	Overall, do you believe the IAASB's suggested improvements sufficiently enhance the relevance and informational value of the auditor's report, in view of possible impediments (including costs)? Why or why not?	Yes
2	Are there other alternatives to improve the auditor's report, or auditor reporting more broadly, that should be further considered by the IAASB, either alone or in coordination with others? Please explain your answer.	IAASB could consider liaising with other standard setters and regulators like PCAOB, INTOSAI and others to see what they can borrow or share with them with a view to improve audit reporting for both private and public entities.
3	Do you believe the concept of Auditor Commentary is an appropriate response to the call for auditors to provide more information to users through the auditor's report? Why or why not? (See paragraphs 35–64.)	Yes
4	Do you agree that the matters to be addressed in Auditor Commentary should be left to the judgment of the auditor, with guidance in the standards to inform the auditor's judgment? Why or why not? If not, what do you believe should be done to further facilitate the auditor's decision-making process in selecting the matters to include in Auditor Commentary? ¹ (See paragraphs 43–50.)	Yes, since the issues will vary from client to client and even on same client may vary from year to year hence should be left to the judgment of the auditor but guidance given to enhance both compliance with standards and quality of reporting
5	Do the illustrative examples of Auditor Commentary ² have the informational or decision-making value users seek? Why or why not? If not, what aspects are not valuable, or what is missing? Specifically, what are your views about including a description of audit procedures and related results in Auditor Commentary? (See paragraphs 58–61.)	Yes

6	<p>What are the implications for the financial reporting process of including Auditor Commentary in the auditor's report, including implications for the roles of management and those charged with governance (TCWG), the timing of financial statements, and costs? (See paragraphs 38 and 62–64.)</p>	<p>Inclusion of auditor commentary will enhance the value of audit reporting. Inclusion of roles of management and TCWG enhances accountability and transparency and will make each of the parties appreciate their role and input in the overall opinion given for the FS.</p>
7	<p>Do you agree that providing Auditor Commentary for certain audits (e.g., audits of public interest entities (PIEs)), and leaving its inclusion to the discretion of the auditor for other audits is appropriate? Why or why not? If not, what other criteria might be used for determining the audits for which Auditor Commentary should be provided? (See paragraphs 51–56.)</p>	<p>No, I think the auditor commentary should be for all audits but the level of detail will vary from entity to entity and industry to industry Leaving it at the discretion of the auditor could lead to deficiencies/omission of key info and inconsistency in reporting.</p> <p>Guidance on the matters to be included in the commentary is necessary.</p>
	<p>Going Concern/Other Information</p>	
8	<p>What are your views on the value and impediments of the suggested auditor statements related to going concern, which address the appropriateness of management's use of the going concern assumption and whether material uncertainties have been identified? Do you believe these statements provide useful information and are appropriate? Why or why not? (See paragraphs 24–34.)</p>	<p>The auditor statements related to the going concern would enhance the value of reporting and is appropriate.</p> <p>Inclusion of the statement that there are no material uncertainties is appropriate as in para 30, and where necessary the auditor describing any events or conditions which may impair the going concern of an entity. I think any events or conditions the auditor describes in such cases should also be captured in the section on responsibilities of management and TCWG of the audit report</p>
9	<p>What are your views on the value and impediments of including additional information in the auditor's report about the auditor's judgments and processes to support the auditor's statement that no material uncertainties have been identified? (See paragraphs 30–31.)</p>	<p>Agree with inclusion of additional information about the auditor's judgment and processes to support the auditor's statement that no material uncertainties have been identified.</p>
10	<p>What are your views on the value and impediments of the suggested auditor statement in relation to other information? (See</p>	<p>Agree, the auditor should comment on the other info, though not giving an opinion on the same. Where inconsistencies have been</p>

	paragraphs 65–71.)	noted like in Appendix 2 para 2 though the auditor is not giving an opinion on the other info a comment on the auditors assessment regarding the impact of the inconsistency on the overall opinion given on the FS is necessary as the reader of the FS would want to know, in this case whether income is fairly stated, otherwise as it is there is an info gap.
	Clarifications and Transparency	
11	Do you believe the enhanced descriptions of the responsibilities of management, TCWG, and the auditor in the illustrative auditor’s report are helpful to users’ understanding of the nature and scope of an audit? Why or why not? Do you have suggestions for other improvements to the description of the auditor’s responsibilities? (See paragraphs 81–86.)	Yes it is helpful. No other suggestions to the description of the auditor’s responsibilities
12	What are your views on the value and impediments of disclosing the name of the engagement partner? (See paragraphs 72–73.)	Disclosing the name of the signing partner is ok as it enhances accountability and personal responsibility of the opinion given on the FS by the auditor.
13	What are your views on the value and impediments of the suggested disclosure regarding the involvement of other auditors? Do you believe that such a disclosure should be included in all relevant circumstances, or left to the auditor’s judgment as part of Auditor Commentary? (See paragraphs 77–80.)	I agree there is need to disclose the involvement of another auditor, but no need of details regarding what they did as the overall responsibility for reporting and giving an opinion is with the principal or group auditor in the case of group audits. I agree with PCAOB proposal of disclosing the involvement of the other auditor and no need of dividing responsibility in audit reporting.
14	What are your views on explicitly allowing the standardized material describing the auditor’s responsibilities to be relocated to a website of the appropriate authority, or to an appendix to the auditor’s report? (See paragraphs 83–84.)	I would prefer including as an appendix to the FS any relevant standardized material/description of technical terms for ease of reference
15	What are your views on whether the IAASB’s suggested structure of the illustrative report,	I would suggest some slight reorganization of the audit report as follows:

	including placement of the auditor's opinion and the Auditor Commentary section towards the beginning of the report, gives appropriate emphasis to matters of most importance to users? (See paragraphs 17–20.)	<ol style="list-style-type: none"> 1. Report on FS of ABC Co 2. Respective responsibilities of management and TCWG 3. Management responsibility regarding going concern 4. Auditor's responsibility 5. Basis of opinion Going concern 6. Opinion 7. Audit commentary 8. Report on other Legal and Regulatory requirements <p>My view is that having the opinion at the beginning as proposed may discourage the reader from looking at the rest of the audit report, where other key info supporting the opinion given is put. The audit commentary should come after the opinion as it gives additional info that supports the opinion.</p>
16	What are your views regarding the need for global consistency in auditors' reports when ISAs, or national auditing standards that incorporate or are otherwise based on ISAs, are used? (See paragraphs 21–23 and 87–90.)	There is need for global consistency in auditors report where ISAs or national standards incorporating ISAs are used. This enhances consistency and comparability in reporting.
17	What are your views as to whether the IAASB should mandate the ordering of items in a manner similar to that shown in the illustrative report, unless law or regulation require otherwise? Would this provide sufficient flexibility to accommodate national reporting requirements or practices? (See paragraph 17 and Appendix 4.)	I would recommend IAASB mandating the ordering of items in the audit report unless law or regulation requires otherwise to enhance consistency and comparability in reporting across jurisdictions.
18	In your view, are the IAASB's suggested improvements appropriate for entities of all sizes and in both the public and private sectors? What considerations specific to audits of small- and medium-sized entities (SMEs) and public sector entities should the IAASB further take into account in approaching its standard-setting proposals? (See paragraphs 91–95.)	<p>Suggested improvements are appropriate. The standard audit report should be the same whether for small or big entities or public sector entities to attain global convergence across jurisdictions, adjusted for the relevant financial reporting framework (IFRS, IPSAS etc).</p> <p>IAASB could consider involvement of other standard setters and regulators like</p>

		PCAOB, INTOSAI and others in the standard setting process as this may assist in achieving global convergence and standardization of reporting.
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Comments submitted by:

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N.B. These are my personal views