

IAASB  
545 Fifth Avenue, 14th Floor  
New York, New York 10017  
USA

22 November 2013

Dear Sir/Madam,

**Re: IAASB Exposure Draft “Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing”**

KHT-yhdistys - Föreningen CGR ry (the Finnish Institute of Authorised Public Accountants) is pleased to provide you with its comments on the Exposure Draft “Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing”. We have considered your proposals and we provide you with our general views to the Exposure Draft. FEE (Federation of European Accountants) has commented the IAASB proposals in more detail. We agree with the comments made by FEE.

The Finnish Institute of Authorised Public Accountants welcomes this initiative of IAASB, as enhancements can always be made to the value of auditor’s reporting to stakeholders. The IAASB proposals are important especially now because the EU has proposed a “European” auditor’s report for EU countries. Because companies and investors operate internationally, we believe that an international solution, such as the IAASB proposals, better meets the needs of stakeholders.

We consider that there is a stakeholder need for an auditor’s explicit conclusion on going concern and therefore we support the proposal. But especially in cases where there are no going concern issues, the proposed going concern paragraph may be too detailed. It is also important that the responsibilities of auditors and management are clear and that an auditor is not the original source of information about the audited entity. The management of an audited entity could report the assumptions on which the ability of the company to continue as a going concern as used in the preparation of financial statements is based. And then the auditor could provide assurance on this information.



We emphasise the importance of clear guidance to auditors about what kind of information should be written to Key Audit Matters paragraphs. Also in this case it is important that the audited entity has reported the issues in the financial statements.

We believe that disclosing key audit matters could be beneficial also to other entities than listed companies and therefore we support the voluntary disclosure of key audit matters in the audit reports of other entities. However, there should be clear rules on the voluntary disclosure of key audit matters e.g. to avoid situations where the audited entity would apply KAM voluntarily only when it is convenient.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tapani Vuopala', written in a cursive style.

Tapani Vuopala  
President of the Finnish Institute of Authorised Public Accountants