

Dear Mr James Gunn

Please find the comments for “ Improving the Auditors Report”

- We concur with the informative and explanatory changes in the proposed Audit Report , which elaborates the matters reported in the existing format, and serves to reduce the information and / or expectation gap while enhancing the value of the audit report.
- The manner in which the section on ‘basis of opinion’ has been elaborated will be a welcome move from the point of view of the users of audited financial statements.
- A greater focus on the assessment of Going Concern as a critical financial reporting and auditing issue is very appropriate and timely. We believe that the elaborated clarification of respective roles and responsibilities of the management and the auditor regarding the Going Concern would provide additional value to the users.
- Auditor Commentary section would provide transparency about matters that are most important to users’ understanding of the audited financial statements in particular the areas where judgment and estimation have a significant bearing. However we would like to propose that it would be useful if IAASB could provide, in an appendix, more detailed guidance on the matters that should be addressed in this section, so that it would be sharply focused.

Apart from the specific areas referred to above we are in agreement with the developments in the new audit report format in general which we believe will close the gaps in the present report and add value to the users of audited financial statements.

Thanks & Regards
Chathurani Jayanetti

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