

Posting this comments on "Improving the Auditors Report" is a group of companies situated in Sweden. We are all in the industry of credit solutions and market information. Being consumers of information from annual reports in general and auditors reports in particular this is an important issue, providing products for our customers in Sweden. Participating in providing the answers are the following companies; Bisnode AB (Co nr 556341-5685), Credit Safe I Sverige AB (556514-4408) , AB Syna (556049-7314) and UC AB (556137-5113).

Overall Considerations

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?

Dealing with 400 000 Swedish companies, 95 % of them being SME's, and reading and evaluate every single audit report we need to have a simple standardized information, based on a clear set of rules, reported in a consistent way. Given this we can run the information through the database and automatically use the information as a part of predicting risk for a single company by comparing, amongst other factors, the auditors' commentaries.

Tailored information is of no or very little use to us since it doesn't support building models for comparing and judging groups of companies.

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.

In our view as consumers of information from all of the annual reports of limited companies in Sweden we have a basic need of information to be dealt with in databases in a consistent way. We would like to see an auditor's report that is simple and only carry information that is applicable to all stakeholders seeking this information. Information applicable only to certain stakeholders should be given through other channels. General information such as for example information on how the audit was conducted could be given only with references to laws or other regulations that are relevant to the work performed by the auditor.

Auditor Commentary

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.)

§42 "...the IAASB's preliminary view is that these concepts [Emphasis of Matter and Other Matter paragraphs] should be replaced by the more holistic concept of Auditor Commentary." More information is not always information of higher quality. Especially if you take in to consideration that quality of information implies that it can be reused for other purposes. More information opens up for different interpretations, and makes it harder to classify. The use of the auditor's report, and the quality of the information, is for us based on this to concepts – our possibility to interpret the information in a consistent way and to classify it.

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.)

To be of use to us - comparing companies - we need to know that there are standards and regulations for what should be commented and possibly what should not be. If the auditor in one company has commented on a certain condition, we would like to rule out that, if not commented, this condition does not apply to another company in the same situation.

5. Do the illustrative examples of Auditor Commentary² 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.)

When the audit procedures are stated by law or any other regulation there is no need to add an explicit description of them in the audit report. The most you need is a reference to the regulations that are appropriate for the audition conducted. If you were to exclude this information, any exception from the possibility to carry out these obligations would be evident and obvious, when commenting on such a matter.

6. 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.)

From an information consumer point of view is anything that delays the information from going public something that decreases the value of that information.

7. 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.)

The large number of companies probably does not need an Auditors Commentary. Most of the SME companies are not a subject to investors, are not subjects to financial analytics other than in credit rating models, and their annual reports are not that complex.

Going Concern/Other Information

8. 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.)

In our experience from Swedish auditor reports this kind of information has been most useful.

9. 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.)

If there are such uncertainties it would be better that they always were reviled and commented on. If this contains crucial information that should not be public, the comments must be very vague. However the information consumer must be confident that there are no material uncertainty in the auditors point of view, as long as there are no comments on this.

10. What are your views on the value and impediments of the suggested auditor statement in relation to other information? (See paragraphs 65–71.)

In our experience from Swedish auditor reports this kind of information has been most useful.

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.)

In our point of view this is out of the scope of the audit report. The report is the outcome of the scope of the audit. It does not need to clarify the scope itself. This is to be found elsewhere in laws and regulations.

12. What are your views on the value and impediments of disclosing the name of the engagement partner? (See paragraphs 72–73.)

In our experience from Swedish auditor reports this kind of information seems natural and a part of the quality assurance of the report.

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.)

There is no need for further information on other auditors as long as the full responsibility for the audit is in the hands of the engagement partner signing the report.

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.)

This would simplify the analysis of the audits report. The most likely use of an auditor's report is to look for comments that differ from the standardized material. Such information will be much more obvious with less text to go through.

Form and Structure

15. What are your views on whether the IAASB's suggested structure of the illustrative report, 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.)

Of great importance to us is consistency in the information. The more information we have to deal with the more important it is that we find the parts of information consistently placed in the reports.

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.)

No comments

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.)

For the information consumer there is a great advantage of mandatory ordering of items. Whether this should be done by the IAASB or left to local law or regulation depends on how the IAASB succeeds in providing auditor's reports applicable to local markets.

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.)

As goes for the SMEs these companies probably are the main information consumers of the information given in the auditor's reports themselves. Either as being the ones who actually interprets these documents or via information channels like credit or marketing solutions uses the information. To be an effective source of information for this group of companies the information needs to be simple, standardized, and highly regulated.

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