

Denise Silva Ferreira Juvenal

[rio1042370@terra.com.br](mailto:rio1042370@terra.com.br)

Accountant

Individual Commentary

Rio de Janeiro / Brazil

Technical Director

International Auditing and Assurance Standards Board

545 Fifth Avenue, 14th Floor

New York, New York 10017 USA

[www.iaasb.org](http://www.iaasb.org)

Ameerah Brailsford at ([ameerahbrailsford@iaasb.org](mailto:ameerahbrailsford@iaasb.org)).

28 December, 2013

**Reporting on Audited Financial Statements:  
Proposed New and Revised International Standards on Auditing (ISAs)**

I'm Denise Juvenal this is pleased to have the opportunity to comment on this consultation of this Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing (ISAs) is my individual commentary for International Auditing and Assurance Standards Board – IAASB/IFAC. I agree with comments of proposal of the IFAC.

I comprehend that in this moment is very important to emphasize the method for internal control and audit quality, for the International Regulators do not have difficult with results of operations and impact of internal control in the organizations.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO)<sup>1</sup> explain more about Internal Control-Integrated Framework and Financial Reporting Council - FRC<sup>2</sup> elaborated in December 2013 the proposal about proposes to simplify accounting for smaller businesses.

---

<sup>1</sup><http://www.coso.org/documents/COSO%20Framework%20Release%20PR%20May%2014%202013%20Final%20PDF.pdf>

<sup>2</sup> <http://www.frc.org.uk/News-and-Events/FRC-Press/Press/2013/December/FRC-proposes-to-simplify-accounting-for-smaller-bu.aspx>

The European Commission<sup>3</sup> in December 2013 describe about provisional agreement in trilogue on the reform of the audit sector, that I consider an important moment for study and observe the suggestions for Quality of the Audit Sector.

I tell about this because in this moment we have three important decisions that do not finish discussion in the International Regulators that has relation with Financial Instruments, SMEs and Public Sector that has relation with Audit Services and Framework for Audit Quality<sup>4</sup>, independent if public or private sector.

I suggest, if the board agree that development a process with local and regional regulators for training all users involved in this process, (public sector and private sector) and observe the application of standards in the organizations for the results of implementation have success for the users to observe Local Tax Law's that has direct impact.

The IAASB/IFAC Team elaborated a great work for this project and your work cooperation with others International Regulators, is very good. Congratulations for Team!

So, these informations need to have "high quality and that internal control of the organization resulting in clearly, transparency, objectivity and effectiveness"<sup>5</sup> for consolidate great informations for Integrated Reporting<sup>6</sup> with resources of the XBRL.

## **Guide for Respondents**

### **Key Audit Matters**

- 1. Do users of the audited financial statements believe that the introduction of a new section in the auditor's report describing the matters the auditor determined to be of most significance in the audit will enhance the usefulness of the auditor's report? If not, why?**

Yes, I agree that the introduction of a new section in the auditor's report describing the matters most significance, but I have doubt in relation internal control,

---

<sup>3</sup> [http://europa.eu/rapid/press-release\\_MEMO-13-1171\\_en.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-13-1171_en.htm?locale=en)

<sup>4</sup> <http://www.ifac.org/publications-resources/framework-audit-quality>

<sup>5</sup> <http://www.ifac.org/sites/default/files/publications/exposure-drafts/comments/Auditor%20Reporting%20Denise%20and%20Manuel.pdf>

<sup>6</sup>

because for big firm for apply this standard, need to have internal procedures, a large firm has structure for elaborate this information for audit (internal or external), but need to be observe for control and internal audit. For SMEs I have doubt because in some activities these firms need to send informations for governments and I do not know if for this process these Small and Medium Entities - SMEs need to have been prepared for elaborated this information.

**2. Do respondents believe the proposed requirements and related application material in proposed ISA 701 provide an appropriate framework to guide the auditor's judgment in determining the key audit matters? If not, why? Do respondents believe the application of proposed ISA 701 will result in reasonably consistent auditor judgments about what matters are determined to be the key audit matters? If not, why?**

Yes, I believe that proposal requirements and related application material in proposal ISA 701 provide an appropriate framework to guide the auditor's judgment for key audit matters.

**3. Do respondents believe the proposed requirements and related application material in proposed ISA 701 provide sufficient direction to enable the auditor to appropriately consider what should be included in the descriptions of individual key audit matters to be communicated in the auditor's report? If not, why?**

Yes, I agree that the proposal requirements and related application material in proposed ISA 701 provide sufficient direction to enable the auditor to appropriately consider for individual key audit matters.

**4. Which of the illustrative examples of key audit matters, or features of them, did respondents find most useful or informative, and why? Which examples, or features of them, were seen as less useful or lacking in informational value, and why? Respondents are invited to provide any additional feedback on the usefulness of the individual examples of key audit matters, including areas for improvement.**

Yes, I believe that illustrative examples of key matters are most useful and informative.

**5. Do respondents agree with the approach the IAASB has taken in relation to key audit matters for entities for which the auditor is not required to provide such communication – that is, key audit matters may be communicated on a voluntary basis but, if so, proposed ISA 701 must be followed and the auditor must signal this intent in the audit engagement letter? If not, why? Are there other practical considerations that may affect the auditor’s ability to decide to communicate key audit matters when not otherwise required to do so that should be acknowledged by the IAASB in the proposed standards?**

I agree with proposal of IAASB/IFAC key audit matters for entities for which the auditor is not required to provide such communication only in the audit engagement letter.

**6. Do respondents believe it is appropriate for proposed ISA 701 to allow for the possibility that the auditor may determine that there are no key audit matters to communicate?**

**(a) If so, do respondents agree with the proposed requirements addressing such circumstances?**

**(b) If not, do respondents believe that auditors would be required to always communicate at least one key audit matter, or are there other actions that could be taken to ensure users of the financial statements are aware of the auditor’s responsibilities under proposed ISA 701 and the determination, in the auditor’s professional judgment, that there are no key audit matters to communicate?**

Yes, I believe that is appropriate proposal ISA 701 to allow for the possibility that the auditor may determine that there are key audit matters to communicate in relation the proposed requirements matters.

**7. Do respondents agree that, when comparative financial information is presented, the auditor’s communication of key audit matters should be limited to the audit of the most recent financial period in light of the practical challenges explained in paragraph 65? If not, how do respondents suggest these issues could be effectively addressed?**

Yes, I agree that when comparative financial information is presented the auditor’s communication of key audit matters should be limited to the audit of the most recent financial period.

**8. Do respondents agree with the IAASB's decision to retain the concepts of Emphasis of Matter paragraphs and Other Matter paragraphs, even when the auditor is required to communicate key audit matters, and how such concepts have been differentiated in the Proposed ISAs? If not, why?**

Yes, I agree with the IAASB's decision to retain the concepts of Emphasis of Matter paragraphs and in relation the concepts differentiated in the Proposed ISAs.

#### **Going Concern**

**9. Do respondents agree with the statements included in the illustrative auditor's reports relating to:**

**(a) The appropriateness of management's use of the going concern basis of accounting in the preparation of the entity's financial statements?**

**(b) Whether the auditor has identified a material uncertainty that may cast significant doubt on the entity's ability to concern, including when such an uncertainty has been identified (see the Appendix of proposed ISA 570 (Revised)? In this regard, the IAASB is particularly interested in views as to whether such reporting, and the potential implications thereof, will be misunderstood or misinterpreted by users of the financial statements.**

Yes, I agree with the statements included in the illustrative auditor's reports relating to: the appropriateness of management's use of the going concern basis of accounting in the preparation of the entity's financial statements and in relation identified a material uncertainty.

**10. What are respondents' views as to whether an explicit statement that neither management nor the auditor can guarantee the entity's ability to continue as a going concern should be required in the auditor's report whether or not a material uncertainty has been identified?**

I agree with proposal of IAASB, but I think that I need more practice for users and training for this standard, principally with relation Going Concern and Risk Analysis, these subjects are very complex for organizations and your integration with Local Tax Laws.

#### **Compliance with Independence and Other Relevant Ethical Requirements**

**11. What are respondents' views as to the benefits and practical implications of the proposed requirement to disclose the source(s) of independence and other relevant ethical requirements in the auditor's report?**

I agree with proposal of IAASB in relation the benefits and practical implications of the proposed requirement to disclose the source(s) of independence and other relevant ethical requirements in the auditor's report is very important this integration.

**Disclosure of the Name of the Engagement Partner**

**12. What are respondents' views as to the proposal to require disclosure of the name of the engagement partner for audits of financial statements of listed entities and include a "harm's way exemption"? What difficulties, if any, may arise at the national level as a result of this requirement?**

I agree with proposal to require disclosure of the name of the engagement partner for audits of financial statements. I think that national level need to consolidate this information.

**Other Improvements to Proposed ISA 700 (Revised)**

**13. What are respondents' views as to the appropriateness of the changes to ISA 700 described in paragraph 102 and how the proposed requirements have been articulated?**

Yes, I think that the appropriateness of the changes to ISA 700 described in paragraph 102 have been articulated for this moment. After conclusion of others standards that impact this discussion is very important observe if is need to change in the future.

**14. What are respondents' views on the proposal not to mandate the ordering of sections of the auditor's report in any way, even when law, regulation or national auditing standards do not require a specific order? Do respondents believe the level of prescription within proposed ISA 700 (Revised) (both within the requirements in paragraphs 20–45 and the circumstances addressed in paragraphs 46–48 of the proposed ISA) reflects an appropriate balance between consistency in auditor reporting globally**

**when reference is made to the ISAs in the auditor's report, and the need for flexibility to accommodate national reporting circumstances?**

I think that local regulators need to observe this proposal with Tax Laws that can be modified with this standards.

Thank you for opportunity for comments this proposal; if you have questions do not hesitate contact to me, [rio1042370@terra.com.br](mailto:rio1042370@terra.com.br).

Yours,

Denise Silva Ferreira Juvenal

[rio1042370@terra.com.br](mailto:rio1042370@terra.com.br)

+5521993493961