

Agenda Item D.1

Report Back – Auditor Reporting

Objective of Agenda Item

1. To provide a report back on proposals of the Representatives and Observers as discussed at the September 2014 CAG Meeting.

Project Status and Timeline

2. The Appendix to this paper provides a history of previous discussions with the CAG on this topic, including links to the relevant CAG documentation. In September 2014, the IAASB approved its new and revised Auditor Reporting standards. These standards and related conforming amendments comprise:
 - ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*
 - New ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*
 - ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*
 - ISA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*
 - ISA 570 (Revised), *Going Concern*
 - ISA 260 (Revised), *Communication with Those Charged with Governance*
 - Conforming amendments to ISAs 210,¹ 220,² 230,³ 510,⁴ 540,⁵ 580,⁶ 600,⁷ and 710.⁸
3. These standards were released in January 2015 after approval of due process by the Public Interest Oversight Board (PIOB), and are available at [The New Auditor's Report](http://www.iaasb.org/auditor-reporting) page at www.iaasb.org/auditor-reporting.

IAASB Interaction with the IAASB CAG

4. This Report Back serves as the final update to the CAG Representatives on this project. There are no issues being raised at this time, as the auditor reporting standards have now been finalized.

¹ ISA 210, *Agreeing the Terms of Audit Engagements*

² ISA 220, *Quality Control for an Audit of Financial Statements*

³ ISA 230, *Audit Documentation*

⁴ ISA 510, *Initial Audit Engagements—Opening Balances*

⁵ ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

⁶ ISA 580, *Written Representations*

⁷ ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

⁸ ISA 710, *Comparative Information—Corresponding Figures and Comparative Financial Statements*

September 2014 CAG Discussion

5. Extracts from the draft minutes of the September 2014 CAG meeting,⁹ and an indication of how the project Drafting Teams or IAASB has responded to the Representatives' comments are included in the tables below. In accordance with the manner in which the project was discussed at the September 2014 meeting (i.e., divided into three sessions based on the work of the three Drafting Teams – ISA 701 (Agenda Item D), ISA 700 (Agenda Item G), and ISA 570 (Agenda Item I), separate tables are included below for each.

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Representatives' and Observers' Comments	Task Force/IAASB Response
OVERVIEW	
Mr. Koktvedgaard, speaking on behalf of the CAG WG on auditor reporting, recognized the work effort being undertaken by the IAASB on the auditor reporting project and generally supported the direction proposed by the DTs. Mr. Hansen agreed.	Support noted.
Mr. Koktvedgaard and the WG questioned the purpose of the sessions in light of the stage of the project, namely whether the DTs were soliciting comments of a "fatal flaw" nature or whether decisions made by the DTs or IAASB may be revisited based on CAG input from this meeting.	Point noted. Mr. Montgomery explained that the CAG agenda material firstly focuses on a number of remaining issues for the CAG's consideration, with the Report Backs explaining how previous CAG comments had been taken into account in the current version of the standards. Input on all aspects, however, was welcome to inform the IAASB as it finalizes the standards.
Mr. Koktvedgaard noted the WG was unclear as to how DT-701 considered the insights and learnings from the new auditor reporting requirements in the UK, and suggested this should have been explicitly addressed in the detailed Report Back.	Point accepted. Mr. Montgomery noted that DT-701 has learned much from the experiences in the UK and has considered this in revising proposed ISA 701, by reaching out to engagement partners and other firm representatives and the United Kingdom (UK) Financial Reporting Council (FRC), participating in the Public Company Accounting Oversight Board's (PCAOB) open meeting on auditor reporting, and reviewing various publications detailing investor feedback. However, Mr. Montgomery acknowledged that the UK has a different reporting model whereby a separate report describes the work of the Audit Committee in discharging its responsibilities (including the significant issues in the financial statements and how the Audit Committee addressed them). Further,

⁹ The minutes will be approved at the March 2015 IAASB CAG meeting.

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	<p>principles-based requirements and limited guidance for auditors are included in the UK FRC's auditor reporting standard.</p> <p>Ms. Healy noted the experience in the UK was viewed as positive, including by auditors, without the need for additional prescription in the standard. Overall, Mr. Montgomery noted his view that the thought processes in proposed ISA 701, and the expected results of its application, are consistent with what is generally being applied in the UK.</p> <p>Where possible, guidance similar to that in the UK auditing standard has been incorporated.</p> <p>[See for example, ISA 701, paragraphs A27 and A47.]</p>
Ms. Molyneux noted that the investor community welcomes the new standard addressing KAM, as investors are of the view that the new auditor's reports being issued in the UK provide more and better information to users of the financial statements.	Support noted.
Mr. Koktvedgaard noted that this meeting represented the first opportunity for the CAG to review the full set of auditor reporting standards. While recognizing that the ED included markups of changes from the extant standards, which had been made available to the CAG, he expressed a view that it would have also been helpful for such changes to be updated to the final versions of the standards, in order to see the progress that had been made from the extant standards and how all the changes fit together.	<p>Point taken into account.</p> <p>Ms. Healy explained the process that the DTs and the Board have followed to date in considering the nature and extent of changes since the ED. She noted that the final standards had been provided for the CAG's consideration, in light of the desire to focus the CAG on the remaining issues, supplemented with the DT's consideration of whether re-exposure was necessary as discussed in paragraphs 17–22 of Agenda Item D, G, I. Mr. Koktvedgaard reiterated the need for both the CAG and the IAASB to consider whether the changes as a whole are in the public interest.</p> <p>At the September IAASB 2014 meeting the IAASB considered a Staff-prepared supplemental agenda item that compared the objective and reporting requirements set out in the ED to those included in the September 2014 IAASB agenda materials. Further the Basis for Conclusions provides background for, and a summary of the rationale for the IAASB's conclusions.</p>
Mr. Baumann updated the CAG on the PCAOB's auditor reporting project, including its work on critical	PCAOB update noted.

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<p>audit matters and other information. He noted that the PCAOB and IAASB have been close all along in terms of the philosophy of the need for changes to the auditor's report, the proposed changes and the comments received on their respective proposals, remarking that there are no material differences in the two approaches. He acknowledged the PCAOB's timeline towards finalization and adoption of its standards would be longer than the IAASB's because of the complexity of United States (US) laws, which include the need for cost/benefit analyses. He mentioned that the PCAOB is following a similar approach to the auditor's duties on other information (proposed ISA 720 (Revised))¹⁰ which will similarly include a reporting requirement. He suggested the PCAOB will likely re-expose its auditor reporting proposals later in 2014. Mr. Baumann also noted that the naming of the engagement partner is a separate PCAOB project, which also includes disclosure of other participants in the audit. He explained that the PCAOB had re-exposed its original transparency proposals, and that the goal remains to disclose the name of the engagement partner.</p>	
<p>COMMUNICATING KAM – CIRCUMSTANCES IN WHICH A MATTER DETERMINED TO BE A KAM IS NOT COMMUNICATED IN THE AUDITOR'S REPORT</p>	
<p>Ms. de Beer noted that, in her view, previous CAG concerns that this requirement was too broad have been addressed by DT-701, with the result being a more stringent requirement to limit its application for non-reporting of KAM. Messrs. Thompson and White and Ms. Sucher agreed that the proposed changes to the requirement are an improvement in response to the CAG's concerns.</p>	<p>Support noted.</p> <p>The IAASB agreed that the principles-based requirement in ISA 701 needed to highlight very clearly that, unless law or regulation precludes public disclosure about the matter, circumstances in which the auditor would not communicate KAM in the auditor's report are extremely rare, with the decision not to communicate being based on whether the adverse consequences of such communication would reasonably be expected to outweigh the public interests benefits of doing so.</p> <p>[See ISA 701, paragraphs 14 and A52–A56.]</p>

¹⁰ Proposed ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

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<p>Mr. Thompson noted the view that proposed ISA 701 could be more specific in paragraph 14(b) that a matter not disclosed by the entity may still be communicated as a KAM. He also noted that, due to its positioning, the application material in paragraph A55 in relation to GC "close calls" could be misinterpreted as implying that auditors could not communicate these matters as KAM.</p>	<p>Point taken into account.</p> <p>Paragraph 14(b) has been refined to explain when the auditor might decide not to communicate a KAM. Application material explains the need for the auditor to understand why a matter has not been disclosed by the entity but this in and of itself does not mean the auditor cannot communicate the matter as a KAM if considered necessary to do so. ISA 701 explains that the auditor may consider it necessary to include additional information to explain why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter, and how the matter was addressed in the audit, provided that disclosure of such information is not precluded by law or regulation.</p> <p>[See ISA 701, paragraphs 14(b), A36 and A54.]</p> <p>Point accepted.</p> <p>In relation to Mr. Thompson's comment relating GC "close calls", Mr. Montgomery agreed, noting that the intent of this paragraph was to provide auditors with guidance about how GC "close calls" could be communicated (rather than being omitted from the auditor's report if viewed as a "sensitive matter"). Mr. Montgomery agreed this material may be better placed in support of the requirement addressing how to describe individual KAM. Accordingly the application material relating to GC "close calls" has been moved from paragraph A55 to paragraph A41.</p> <p>[See ISA 701, paragraph A41, second bullet.]</p>
<p>Mr. White noted that it would be helpful for the requirement in paragraph 14(a) to include reference to relevant ethical requirements to highlight the interplay between these requirements and law and regulation, even though he recognized that relevant ethical requirements might be applied in different ways by national auditing standard setters (NSS).</p> <p>Mr. Stewart was of the view that the guidance in paragraph A53 of proposed ISA 701 was unclear and could be confusing in cases where a generic reference</p>	<p>Point taken into account.</p> <p>Mr. Montgomery agreed, noting that further specificity within the standard is difficult due to the range of ethical requirements that may be applied other than the IESBA <i>Code of Ethics for Professional Accountants</i> (the IESBA Code).</p> <p>The revised application material in ISA 701 focuses the auditor on the principles to be taken into account in determining not to communicate a KAM in the auditor's report, recognizing the practical challenges of providing</p>

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is made to relevant ethical requirements embedded in law or regulation.	specific detailed guidance in ISA 701 due to differing legal and regulatory frameworks and highlighting that it may be necessary for the auditor to consider the implications of relevant ethical requirements in deciding not to communicate a KAM. <i>[See ISA 701, paragraphs A55–A56]</i>
Mr. White noted strong support for the approach taken in the revised requirement in paragraph 14(b) of proposed ISA 701 and related application material, which focuses on the fact that the significance of adverse consequences is about new information that is not otherwise publicly disclosed and that there should be compelling reasons for non-disclosure.	Support noted. <i>[See ISA 701, paragraph 14(b) and paragraphs A53–A56.]</i>
Mr. Fukushima noted that some IOSCO Committee 1 members had expressed significant concerns about the inclusion of a requirement, as it might be used in an inappropriate manner. In particular, he cited concern that the term “adverse consequences” was not defined in the standard nor was it explained in the proposed requirement in paragraph 14(b) of proposed ISA 701. He suggested a definition of adverse consequences should be included in the standard or that application material in paragraph A58 should be elevated as part of that requirement so that stakeholders can come to the same understanding of the meaning of adverse consequences through a clear articulation of the concept. However, Messrs. Dalkin, Hemus, Stewart and White and Mmes. de Beer, Diplock and Sucher suggested DT-701 should reconsider both the intent and the clarity of the guidance in paragraph A58, in particular the last sentence. The reference to “that involve harm to the entity’s commercial negotiations or competitive position” may be viewed as too categorical in asserting what are not adverse consequences. Ms. Diplock also noted that some entities might suggest that reputational risk alone constituted a significant adverse consequence, which may not be what the IAASB intends.	Point taken into account. Mr. Montgomery agreed that specifically defining adverse consequences is difficult in light of the various legal frameworks in which the ISA will be applied, and so an attempt was made to compare and contrast certain circumstances that may arise to provide guidance for auditors. However, he acknowledged the difficulties in describing a sufficiently high bar in relation to significant adverse consequences, as the possible consequences need to be considered in light of the facts and circumstances of the entity being audited. The IAASB confirmed its view that it was necessary to allow for the possibility that the auditor would determine not to communicate a KAM, but agreed with the CAG that it was essential that proper parameters be put around the requirement. Accordingly, ISA 701 provides a decision-framework in such circumstances, noting it will be extremely rare for a matter determined to be a KAM not to be communicated in the auditor’s report. This is because there is presumed to be a public interest benefit in providing greater transparency about the audit for intended users. Accordingly, the judgment not to communicate a key audit matter is appropriate only in cases when the adverse consequences to the entity or the public as a result of such communication are viewed as so significant that they would reasonably be expected to outweigh the public interest benefits of communicating

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	<p>about the matter – which is, in the Board's view – a sufficiently high threshold.</p> <p><i>[See ISA 701, paragraphs 14(b) and A53–A56]</i></p>
<p>Mr. White agreed with the need for the standard to articulate that the decision whether to communicate a KAM in certain circumstances needed to take into account the public interest considerations in relation to both communicating and not communicating a KAM. Mr. Hansen noted that there may be competing public interest considerations (e.g., in relation to current investors vs. future investors). He noted the principle of transparency is important and was appropriately reflected in the proposed requirement and application material.</p>	<p>Support noted.</p> <p><i>[See ISA 701, paragraphs 14(b) and A53–A54.]</i></p>
<p>Ms. Sucher welcomed the move to limit the application of the proposed requirement to “extremely rare circumstances.” In view of her experience with the application of the UK auditor reporting proposals, Ms. Sucher suggested that a “less is more” approach in both the requirement and application material may be useful, supplemented with an explanation of the Board's rationale for such a requirement in the Basis for Conclusions accompanying the final standard. In her view, because such circumstances are already highlighted in the requirement as extremely rare, auditors dealing with them may overly rely on any application material rather than considering the facts and circumstances as intended.</p> <p>Mr. Stewart agreed with Mr. Montgomery's proposed change to the requirement and suggested that the adverse consequences and harm to the entity when disclosing should be weighed up against the benefits of disclosure. Mr. Stewart also noted that ethical guidance might be needed in A53 as to how the auditor should deal with decision between confidentiality versus public interest in such circumstances.</p>	<p>Points accepted.</p> <p>Mr. Montgomery agreed, noting concerns that too much specificity about the concept of significant adverse consequences to the entity may be viewed as the auditor being required to make a legal determination of such consequences. He suggested the possibility of changing paragraph 14 to: “In extremely rare circumstances, the auditor determines that a matter that has not otherwise been publicly disclosed should not be communicated in the auditor's report”. He noted that the application material could refer to management's assertion about why the matter was not disclosed and rationale for the reasonable expectation of significant adverse consequences, including the possibility of obtaining a written representation from management in this regard. The standard would continue to require documentation of the auditor's decision not to communicate a KAM in the auditor's report. In Mr. Montgomery's view, this change would still result in appropriate parameters because the circumstances are already described as “extremely rare”. As noted above, the IAASB further refined its thinking and the approach in ISA 701 in light of the CAG's comments and provided greater specificity in both the requirement and application material.</p>

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	<i>[See ISA 701, paragraphs 14(b), 18(c) and A53–A56.]</i>
<p>Mr. Dalkin asked how the UK auditor reporting standard addresses sensitive matters. Mr. Thompson was of the view that this was less of an issue in the UK as the Audit Committee is the first point of reporting about such matters. Ms. Sucher noted that sensitive matters were not addressed in the UK standard but that it has come up in the context of GC issues on the audit of banks. She raised, as an example, negotiations of lending situations for a bank and the view that auditors communicating about such negotiations in the auditor's report could have a negative impact on the bank's ability to conclude the negotiations, which would have public interest implications. Ms. Molyneux agreed that consideration needs to be given to the environment in which the entity operates, both in terms of whether matters should or should not be reported, including, for example, banks and financial institutions and family- and state-controlled enterprises. Mr. Ahmed also suggested in the cases of entities under the purview of prudential regulators that consideration may need to be given as to how best to acknowledge communication requirements with those regulators.</p>	<p>Points accepted.</p> <p>As noted above, the revised application material in ISA 701 focuses the auditor on the principles to be taken into account in determining not to communicate a KAM in the auditor's report, recognizing the practical challenges of providing specific detailed guidance in ISA 701 due to differing legal and regulatory frameworks and relevant ethical requirements.</p> <p>ISA 701 also includes application material to acknowledge that the auditor may be required to communicate with supervisory authorities in relation to the matter, regardless of whether the matter is communicated in the auditor's report.</p> <p><i>[See ISA 701, paragraphs 14(b), A54 (third bullet) and A55.]</i></p>
<p>Mr. Hemus questioned if the required statement that there are no KAM to communicate in the auditor's report would be the same in both the scenario, namely where the auditor determined that there are no KAM to be communicated as well as where the auditor determined there is one KAM but that KAM is not communicated because of proposed requirement in paragraph 14 in proposed ISA 701.</p>	<p>Point noted.</p> <p>Mr. Montgomery explained that in both scenarios the same statement is made, as requiring a different statement would serve to highlight that a particular KAM was not communicated without providing transparency as to why this was the case. Mr. Montgomery explained that the proposed wording in the Auditor's Responsibilities section was aimed at providing transparency about the possibility that this may occur in extremely rare circumstances.</p> <p><i>[See ISA 701, paragraphs 16 and A57–A59, as well as ISA 700 (Revised), paragraph 39(c).]</i></p>

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Mr. Bluhm noted that, in a small listed entity, those charged with governance (TCWG) might not be fully independent from management and that TCWG could try to persuade the auditor to omit a KAM from the auditor's report, citing broad adverse consequences of the auditor communicating about the matter. He cautioned that auditors may be inappropriately persuaded by their clients to not communicate KAM.	<p>Point taken into account.</p> <p>ISA 701 include safeguards such as a documentation requirement for the auditor to address the rationale for any decision not to communicate a matter determined to be a KAM in the auditor's report. The engagement quality control reviewer's responsibilities in relation to KAM are also now identified in ISA 220 through a conforming amendment to that standard.</p> <p>[See ISA 701, paragraph 18(c), and ISA 220, A27a.]</p>
OTHER CHANGES TO PROPOSED ISA 701	
Mr. Hansen was of the view that, since users of the financial statements cannot rely on financial statements on which the auditor has expressed an adverse opinion, KAM should not be included in an auditor's report with an adverse opinion. Ms. Blomme agreed, noting that users of the financial statements could be confused by several "positive" KAMs in an auditor's report with an adverse opinion, and may inappropriately rely on these descriptions as "piecemeal opinions" or suggest greater credibility in relation to those matters, when the focus of the auditor's report should be on the reasons for the adverse opinion.	<p>Point not accepted.</p> <p>The IAASB decided to retain the requirement for auditors to communicate KAM in the auditor's report when the auditor expresses an adverse opinion, notwithstanding the fact that adverse opinions for audits of financial statements of listed entities are not permitted by some securities regulators or are otherwise thought to be rare. The IAASB was generally of the view that, because the auditor is able to complete the audit in such circumstances, there may be additional matters that may be relevant to the intended users' understanding of the audit.</p> <p>However, the IAASB agreed that matters other than those related to the adverse opinion may not be "of most significance" when considered in relation to the significance of the matter(s) giving rise to the adverse opinion (i.e., the auditor may not determine any other matters to be KAM). New application material has also been included to acknowledge that, when the auditor has expressed an adverse opinion on the financial statements and communicates other KAM, it is important that the descriptions of such KAM do not imply the financial statements as a whole are more credible in relation those matters in view of the adverse opinion. The required introductory language in the KAM section of the auditor's report is also intended to mitigate the broader concerns over piecemeal opinions and the intent of KAM.</p> <p>[See ISA 701, paragraphs 11 and A6–A7.]</p>

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<p>Mr. James, supported by Ms. Sucher, suggested that the auditor should be required in all cases to communicate the outcomes of the auditor's procedures in the description of a KAM, as investors like to see the outcome. However, it should be emphasized to the users of the financial statements that, despite including reference to an outcome, the description of a KAM is not intended to be a separate opinion in relation to the matter. Mr. Koktvedgaard disagreed, preferring the flexibility permitted by proposed ISA 701, as he was of the view that it was not possible to describe the outcome without users viewing the description of a KAM as a separate opinion that might possibly call into question the opinion on the financial statements as a whole, which undermines the objective of communicating KAM.</p>	<p>Points taken into account.</p> <p>Mr. Montgomery noted that in the UK there have been only a limited number of auditor's reports issued with outcomes or findings. He acknowledged the reactions by investors are mainly positive. However, he explained that, due to the mixed views of respondents to the ED and this limited experience, the IAASB was not persuaded to require communication of the outcome of the auditor's procedures in all cases. Prof. Schilder noted that the language in the European Audit Reforms also indicates flexibility about whether to include a discussion of key observations arising from the auditor's work.</p> <p>Accordingly, the requirement and application in ISA 701 remain principles-based, recognizing the auditor is always required to explain how the KAM was addressed in the audit. Guidance within the standard explains that, in doing so, the auditor may describe (a) aspects of the auditor's response or approach that were most relevant to the matter or specific to the assessed risk of material misstatement; (b) a brief overview of procedures performed; (c) an indication of the outcome of the auditor's procedures; or (d) key observations with respect to the matter, or some combination of (a)–(d).</p> <p>[See ISA 701, paragraphs 13(b) and A46–A47.]</p>
<p>Mr. Fukushima noted that the ISAs do not define "higher assessed risks of material misstatement" as referred to in the requirement in paragraph 9(a) of proposed ISA 701 and questioned whether a definition should be included or more guidance should be provided to ensure a consistent application of proposed ISA 701 in this regard.</p>	<p>Point taken into account.</p> <p>Mr. Montgomery noted that adding a definition would require substantive change to the approach taken in ISA 315 (Revised)¹¹ and that application material was intended to clarify the intent of the phrase and the view that the higher the risk of material misstatement relating to a matter, the greater possibility that the matter could be a KAM. ISA 260 (Revised) now also suggest the auditor may communicate with TCWG how the auditor plans to address areas of higher assessed risks of material misstatement.</p>

¹¹ ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

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	[See ISA 701, paragraphs 9(a) and A19–A22 and ISA 260 (Revised), paragraph A13.]
Mr. Fukushima also noted IOSCO's view that application material in paragraphs A27–A29 of proposed ISA 701 should be elevated to support the requirement in paragraph 10, as in IOSCO's view there is no reference point to enable auditors to assess the concept of “most significance” within the requirement.	<p>Point not accepted.</p> <p>Mr. Montgomery acknowledged that the determination of KAM is subjective but that, based on field testing performed by firms and the auditor reporting experience in the UK, auditors instinctively know which matters are KAM and viewed the application guidance as helpful to support a more principles-based requirement.</p> <p>Notwithstanding that this application material has not been elevated, revisions have been made to the requirements and application material to further clarify the decision-making framework intended to assist auditors determining KAM.</p> <p>[See ISA 701, paragraphs 9–10, A9–A11 and A27–A30]</p>
<p>Mr. Koktvedgaard noted that the limitation of the application of proposed ISA 701 is not addressed until paragraph 5 of the ISA and questioned whether it should be included in the title of the standard.</p> <p>Ms. Lang noted support for the approach taken by DT-701 as explained by Mr. Montgomery and Ms. Healy, as well as the hope that KAM would be communicated voluntarily.</p>	<p>Point taken into account.</p> <p>Mr. Montgomery noted that reference to listed entities was specifically not included in the title because auditors may be required to communicate KAM for entities other than listed entities and also have the flexibility to voluntarily communicate KAMs. In both cases, the IAASB agreed the auditor would be required to apply proposed ISA 701. Ms. Healy noted that the requirement to communicate KAM in accordance with proposed ISA 701 is established in proposed ISA 700 (Revised).</p> <p>[See ISA 701, paragraph 5, and ISA 700 (Revised), paragraphs 30–31]</p>
Mr. Fukushima, supported by Mr. Baumann, was of the view that proposed ISA 701 should require the auditor to document the auditor's judgment as to why matters communicated with TCWG were not determined to be KAM given the importance of this judgment and to increase the enforceability of proposed ISA 701. Mr. Baumann was of the view that it would not be particularly burdensome for the auditor to explain why some matters were not KAM.	<p>Point taken into account.</p> <p>Mr. Montgomery explained that auditors may discuss many things with TCWG, and DT-701 did not want to introduce overly burdensome documentation requirements without an apparent benefit. He also noted the view that the more significant matters communicated with TCWG (i.e., those that required significant auditor attention) should be largely self-evident from existing audit documentation (e.g., reports to audit committees or other audit committee agenda materials).</p>

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	<p>Notwithstanding this view, the IAASB reconsidered the documentation requirement that had been presented to the CAG in an effort to strengthen it.</p> <p>The documentation requirement in ISA 701 builds on the overarching documentation requirement in ISA 230 which requires the auditor to prepare documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand, among other things, significant judgments made. ISA 701 notes that in the context of KAM, these professional judgments include the determination, from the matters communicated with TCWG, of the matters that required significant auditor attention, as well as whether or not each of those matters is a KAM.</p> <p>The IAASB's view was that the overarching requirements in ISA 230 for the documentation of significant professional judgments made in reaching conclusions on significant matters arising during the audit appropriately address the documentation of significant judgments made in determining KAM. Nevertheless, the IAASB acknowledged the importance of the professional judgments made by the auditor regarding KAM and therefore decided to reconsider the documentation requirements in ISA 701.</p> <p>The IAASB was of the view that a more specific documentation requirement could be a useful response to the views of regulators and audit oversight authorities about the importance of the ability of the standard to be appropriately inspected or enforced. The IAASB believed this could be achieved by requiring documentation of the auditor's judgments in determining the matters that required significant auditor attention, as well as the rationale for the auditor's determination as to whether or not each of these matters is a KAM. However, in light of the concerns explained by Mr. Montgomery, the IAASB agreed that ISA 701 does not require the auditor to document why other matters communicated with TCWG were not matters that required significant auditor attention.</p> <p>[See ISA 701, paragraph 18(a) and A64.]</p>

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<p>Mr. James noted that, in his personal view, the auditor should have a holistic mindset and communicate with TCWG about which matters are likely to be KAM in the planning stage of the audit. He questioned whether paragraph A16 of proposed ISA 701 should be a requirement.</p> <p>Mr. James was of the view that guidance about communicating the possibility of a matter being determined to be KAM could be linked to paragraph 15 of proposed ISA 260 (Revised).</p>	<p>Point taken into account.</p> <p>Ms. Healy noted that paragraph A49 in proposed ISA 260 (Revised) encourages the auditor to communicate with TCWG throughout the audit and that DT-701 was of the view that the auditor should be encouraged to do this but did not believe it was appropriate to require the auditor to provide a view as to what matters may be KAM at the planning stage, as the CAG had previously advised the IAASB that KAM should be based on the outcome of the audit.</p> <p>The IAASB agreed that ISA 260 (Revised) could give greater reference to the concept of earlier communication about what matters may be KAM.</p> <p>[See ISA 701, paragraph A60–A63, and also ISA 260 (Revised), paragraphs A13 (sixth bullet) and A49 (third bullet)]</p>
<p>Mr. James noted that the acronym “KAM” is used but not explained in proposed ISA 701.</p>	<p>Point accepted.</p> <p>Ms. Healy noted that reference to the acronym should not be made in the final standard.</p>
CHANGES TO PROPOSED ISA 706 (REVISED)	
<p>Mr. Koltvedgaard, supported by Messrs. Dalkin and Hansen and Ms. Molyneux, questioned how KAM and Emphasis of Matter paragraphs (EOM) interact for listed entities, noting that the WG had difficulties understanding the linkage. Mr. Hansen also noted that the WG was of the view that, due to the underlying complexities in how all the standards fit together, it would be important to ensure that practitioners, preparers and investors understand the intent of the changes and the relationship between the various elements of the auditor's report.</p> <p>Ms. Molyneux suggested the development of some examples or guidance to explain how the two concepts work together would be helpful to minimize confusion when the standard is implemented. Ms. de Beer agreed, noting this would be considered in the context of the rollout plan. Mr. Waldron noted that investors</p>	<p>Points taken into account.</p> <p>Mr. Montgomery noted the attempts to simplify the proposed standards, as the IAASB would also agree that that standards themselves cannot address all the questions that might arise on implementation, and that investors have signaled that labelling of information within the auditor's report is less important than the communication and relevance of such information. Further, changes have been made in ISA 706 (Revised) to more clearly articulate the IAASB's intent with respect to the relationship between KAM and EOM.</p> <p>[See ISA 706 (Revised), paragraphs 2, 8(b) and A1–A3, as well as Appendix 3.]</p> <p>As further discussed at paragraph 6 above, the IAASB's has established a WG whose activities include, among others, the development of illustrative KAM examples that will form part of the Auditor Reporting Toolkit and will be made available on the IAASB's website. The release of</p>

Auditor Reporting Overview/Key Audit Matters (Agenda Item D)	
Representatives' and Observers' Comments	Task Force/IAASB Response
should be included in writing the examples to make them more useful.	those KAM examples is expected by March 2015. The WG will also consider whether a communication to specifically explain the relationship between ISA 701 and ISA 706 (Revised) might be useful.
Mr. Koktvedgaard, supported by Ms. de Beer, questioned whether the requirements in proposed ISA 701 should include a link to proposed ISA 706 (Revised), as reference is made from proposed ISA 706 (Revised) to proposed ISA 701.	Point taken into account. Mr. Montgomery explained that DT-701 was of the view that it was preferable not to refer to proposed ISA 706 (Revised) when proposed 701 applies, as the auditor should focus on determining KAM. As such, adding a reference from proposed ISA 701 to proposed ISA 706 (Revised) could potentially confuse auditors. However, the IAASB agreed to retain application material that references ISA 706 (Revised). [See paragraph A8 in ISA 701.]

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
<p>OTHER SUGGESTED IMPROVEMENTS TO THE AUDITOR'S REPORT</p> <p><i>Statement about Independence and Other Relevant Ethical Requirements</i></p>	
Mr. Koktvedgaard, speaking on behalf of the CAG WG on Auditor Reporting, indicated that there was general consensus among the WG members that DT-700's proposed changes regarding the requirement to identify the jurisdiction of origin of the independence and other relevant ethical requirements in the auditor's report was a step in the right direction. Messrs. Hansen, Hines and Waldron as well as Ms. Molyneux also expressed support for DT-700's revised proposals.	Support noted. ISA 700 (Revised) requires a statement about the auditor's independence and fulfillment of relevant ethical responsibilities, with disclosure of the jurisdiction of origin of those requirements or reference to the IESBA <i>Code of Ethics for Professional Accountants</i> . [See ISA 700 (Revised), paragraph 28(c).]
Mr. Koktvedgaard noted that the WG was of the view that an identification of the jurisdiction of origin would be particularly useful to experienced investors in circumstances where they are aware of the ethical requirements in the jurisdiction and also where the perception of such rules were that they were of a high standard. As such, although the identification of the jurisdiction of origin of the independence and ethical requirements was helpful to have in the auditor's report, some WG members were of the view that more detail is	Points taken into account. Mr. Winter explained that the option to refer to the IESBA Code, together with specific illustrations in the standard as to how that might be done, was in DT-700's view a way of having a statement about independence in the auditor's report that would be well-understood globally. ISA 700 (Revised) allows for flexibility in how the sources of independence and ethical requirements

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
<p>needed in proposed ISA 700 (Revised) to explain that it is necessary for the reference to the jurisdiction to be supported by a description of what it addresses in some way (e.g., through a description provided by a professional body or other organization). It was suggested that the standard be sufficiently flexible to allow for law, regulation or national auditing standards to further develop more specific requirements that would require additional auditor reporting about sources of independence and ethical requirements, including where possible the listing of ethical codes.</p> <p>Ms. de Beer asked whether a possible solution could be for the application material to indicate where the listing of the specific ethical requirements could be accessed. Mr. Koltvedgaard supported Ms. de Beer's suggestion, but was of the view that the optimal approach would be to list all the sources in the auditor's report if reference to a description of such sources was not readily available elsewhere.</p> <p>Mr. Waldron noted DT-700's continued concern that listing of sources would result in a long list in the auditor's report, but explained it is difficult to ascertain whether providing a detailed listing of sources would result in the addition of a half of a page, a full page, or multiple pages in the auditor's report.</p>	<p>are referenced in the auditor's report. The ISA includes application material that explains that:</p> <ul style="list-style-type: none"> When the relevant ethical requirements are contained in a limited number of sources, the auditor may elect to list those sources, or refer to a term that is commonly understood and that appropriately summarizes those sources. Law, regulation or national auditing standards or terms of the engagement may require the auditor to provide in the auditor's report more specific information about the sources of the independence and other ethical requirements. <p>[See ISA 700 (Revised), paragraphs 28(c), and A30.]</p>
<p>Mr. Hansen suggested that DT-700 consider moving up the application material related to group audits when multiple sources of independence and ethical requirements exist (i.e. paragraph A38 of Agenda Item G.2) in order for it to be more prominent in the standard. Mr. Hansen was of the view that doing so may help address the question regarding which sources of relevant ethical requirements should be listed.</p>	<p>Point taken into account.</p> <p>ISA 700 (Revised) now includes a subheading titled "Considerations specific to group audits" to highlight the application material related to group audits.</p> <p>[See ISA 700 (Revised), paragraphs A33–A34.]</p>
<p>Mr. Hansen suggested that the description of what is meant by relevant ethical requirements in paragraph A35 of Agenda Item G.2 be clarified. Specifically, Mr. Hansen was of the view that the phrase "IESBA Code related to an audit of financial statements together with national requirements that are more restrictive" was problematic. In his view it would not be possible or appropriate to generalize that a particular</p>	<p>Points taken into account.</p> <p>Mr. Winter acknowledged Mr. Hansen's comment and Mr. Baumann's suggestion and indicated that the phrase drew from language in ISA 200,¹² but that DT-700 would consider whether changes are warranted in the proposed standard and in ISA 200</p>

¹² ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*.

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
<p>Code is more restrictive than the IESBA Code. By way of example, Mr. Hansen noted that in the US it is assumed that the Securities and Exchange Commission's (SEC) independence requirements are more restrictive than those related to private companies, except in relation to specific topics (e.g., affiliates). Mr. Baumann agreed and suggested that this phrase could be revised as follows: "...IESBA Code related to an audit of financial statements together with <u>any relevant provisions of</u> national requirements that are more restrictive..."</p> <p>Ms. Sucher cautioned against moving forward with Mr. Baumann's suggested edit. She explained that in her experience it is often very difficult for the auditor to determine which particular element of a national code is more restrictive than the IESBA Code.</p>	<p>by way of a conforming amendment.</p> <p>ISA 700 (Revised) incorporates the revised wording suggested by Mr. Baumann to reiterate the language in ISA 200 that explains that relevant ethical requirements ordinarily comprise Parts A and B of the IESBA Code related to an audit of financial statements together with national requirements that are more restrictive.¹³</p> <p>[See ISA 700 (Revised), paragraph A29.]</p>
<p>Mr. Hansen suggested that the proposed standard clarify within the requirements when the "jurisdiction of the origin" should be included in the auditor's report, versus when a reference should be made to the IESBA Code (i.e., explain what is meant by the word "or" as used in the requirement).</p>	<p>Point accepted.</p> <p>Mr. Winter acknowledged the comment and indicated that DT-700 will further consider how to clarify the requirement accordingly.</p> <p>The application material in ISA 700 (Revised) has been revised to explain that, when the relevant ethical requirements include those of the IESBA Code, the statement may also make reference to the IESBA Code. It also notes that if the IESBA Code constitutes all of the ethical requirements relevant to the audit, the statement need not identify a jurisdiction of origin.</p> <p>[See ISA 700 (Revised), paragraph A29.]</p>
<p>Mr. Hines suggested that the proposed requirement to identify "jurisdiction of origin" should instead be to the "organization that promulgated the standard to which the auditor is asserting compliance".</p>	<p>Point not accepted.</p> <p>DT-700 considered this suggestion and identified practical challenges in characterizing the requirement in this way because in certain jurisdictions there were multiple organizations promulgating ethical requirements, which is acknowledged in ISA 700 (Revised).</p> <p>[See ISA 700 (Revised), paragraph A30.]</p>

¹³ ISA 200, paragraph 14

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
Regarding the requirement to refer to the IESBA Code, Ms. Molyneux suggested that the standard also require the auditor to specify which version of the IESBA Code was applied. She noted that some emerging markets are not applying the current version of the IESBA Code.	<p>Point not accepted.</p> <p>Mr. Winter noted that DT-700 would give further consideration to this matter.</p> <p>The IAASB sought input from, and deferred to, the conclusions reached by IESBA on this matter. The IESBA clarified that it was necessary for the current version of the IESBA Code to be applied in order to assert compliance. Such an assertion is also not required when referring to the ISAs.</p>
<i>Report Back</i>	
<p>Mr. Waldron challenged the IAASB's decision to permit auditors to refer to a description of the auditor's responsibilities located on the website of an appropriate authority rather than require this information to be included in the auditor's report, in light of the lack of support for the approach from a number of Representatives. He explained that, as a matter of principle, investors prefer not to have to go to multiple locations to retrieve information, but instead prefer to keep all the sections of the auditor's report together.</p> <p>Mr. Koktvedgaard continued to express support for, and cited the merits of, having a standard that permitted auditors to refer to the description of the auditor's responsibilities on a website of an appropriate authority.</p>	<p>Points taken into account.</p> <p>Mr. Winter acknowledged Mr. Waldron's comment, noted the mixed views received on this topic and explained that the main reason for the IAASB's position was that a major jurisdiction (i.e., the UK) already permits auditors to use this option as a way of streamlining the auditor's report so as to have it be more focused on entity-specific information that is relevant to users. Prof. Schilder added that the IAASB was of the view that it was important to allow flexibility in the standard for jurisdictions to continue to tailor auditor's reports to make them relevant to users in the context of their local regulatory and corporate governance regimes as well as their customs and preferences. Notwithstanding the need for such flexibility, Prof. Schilder noted the IAASB's intent to put appropriate parameters around the possibility of reference being made to a website, which is why proposed ISA 700 (Revised) only allows reference to a description of the auditor's responsibilities on a website of an appropriate authority when law, regulation or national auditing standards expressly permit the auditor to do so.</p> <p>[See ISA 700 (Revised), paragraphs 40 and A49 – A52.]</p>

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
Ms. Sucher asked whether any problems had been experienced in the UK in relation to allowing for reference to be made to a website.	Point noted. Mr. Winter indicated that, to his knowledge, there were no issues.
<i>Revisions to Proposed ISA 705 (Revised)</i>	
Mr. Stewart asked whether DT-700 considered requiring disclosure on GC only in circumstances when it was possible to do so (i.e., when the auditor had been able to obtain sufficient appropriate audit evidence about whether a material uncertainty exists). Mr. Dalkin expressed support for the change, noting its relevance and importance to audits of public sector entities and the need for flexibility.	Point taken into account. Mr. Winter explained that the intent was for the requirements in proposed ISA 570 (Revised) to continue to be as flexible as those in extant ISA 570, with acknowledgment that the extent of work performed in relation to GC may vary depending on the reason for the disclaimer (i.e., the auditor may have disclaimed an opinion at the very early stages of an audit). Based on the audit evidence obtained, the auditor is required to conclude whether, in the auditor's judgment, a material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern. What communicated in the auditor's report relating to going concern will depend on what is disclosed in the financial statements related to the material uncertainty. If the disclaimer is due to a going concern issue, ISA 705 (Revised) would require this to be described in the Basis of Disclaimer of Opinion paragraph in the auditor's report. [See paragraphs 18 and 22–24 of ISA 570 (Revised)].
Ms. Sucher asked for further clarification on the changes that were made to proposed ISA 705 (Revised).	Point noted. Ms. Healy explained that proposed ISA 705 (Revised) in the ED included specific requirements that expressly prohibited the inclusion of certain information (i.e., KAM, GC and OI) in the auditor's report when the auditor disclaims an opinion. However, paragraph 29 now only addresses the prohibition of reporting on KAM when the auditor has disclaimed an opinion on the financial statements as a whole. This is because the IAASB

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
	<p>believed that, when applicable, the auditor should communicate about MU related to GC and material misstatements of OI.</p> <p>[See ISA 705 (Revised), paragraphs 29 and A26]</p>
<p>CONSEQUENTIAL AMENDMENTS TO THE ISA 800 SERIES</p> <p><i>Audits of Special Purpose Financial Statements (Proposed ISA 800 (Revised))</i></p> <p><i>Audits of Single Financial Statements or a Specific Element of a Financial Statement (Proposed ISA 805 (Revised))</i></p>	
<p>Ms. de Beer noted that DT-700 was suggesting that there be consistency in the approach taken with respect to the content of the auditor's report on a single financial statement and the auditor's report on the complete set of financial statements. The Representatives and Observers did not raise any specific comments.</p>	<p>Support noted.</p>
<p><i>Engagements to Report on Summary Financial Statements (Proposed ISA 810 (Revised))</i></p>	
<p>Mr. Koktvedgaard indicated that the WG had not discussed Agenda Item G.4. He expressed a personal preference for the revised ISA 810 auditor's report included in Appendix 3, noting its synergy with the summary financial statements. Messrs. Dalkin, Hansen and Thompson agreed. However, Mr. Hansen suggested that the auditor should be required to include the specific date of the auditor's report be included if the format in Appendix 3 were used.</p> <p>Ms. Diplock also expressed a preference for DT-700's preferred approach as set out in Appendix 2, noting that while it is helpful to have ISA 810 auditor's reports that are streamlined, clear and concise, the issue of GC has been a key issue since the inception of the auditor reporting project. Therefore where GC is relevant to the engagement (i.e., due to a material uncertainty), it is important to address it in an ISA 810 auditor's report. Ms. Diplock also expressed support for DT-700's approach for communicating about KAM in the ISA 810 auditor's report, given the investment of KAM and the support of investors for such reporting.</p>	<p>Point noted.</p> <p>The IAASB decided not to propose changes to extant ISA 810 in the January 2015 Exposure Draft (ED), Proposed ISA 800 (Revised), Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks and Proposed ISA 805 (Revised), Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement.¹⁴ Instead, the IAASB asked that Staff undertake a detailed technical review of extant 810 for the purpose of identifying conflicts, if any, which would make it inoperable in relation to the new and revised Auditor Reporting standards and report back in March 2015.</p> <p>[See further discussion in Agenda Item D.1]</p>

¹⁴ The IAASB explained the rationale for this decision in the ED, with a question for respondents to solicit feedback on whether conforming amendments to extant ISA 810 are needed at this time and, if so, what approach could be taken to incorporate the enhancements resulting from the new and revised Auditor Reporting standards. The comment deadline for the ED is April 22, 2015.

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
<p>Ms. de Beer agreed that there was a certain level of symmetry between the illustrative auditor's report in Appendix 3 and the summary financial statements that was desirable to retain. However, Ms. de Beer was of the view that providing greater detail as in the illustrative auditor's report in Appendix 2 would be more helpful if users were only to read the summary financial statements and the accompanying auditor's report. She highlighted an increasing trend in light of <IR>, particularly among banks in South Africa, to only provide a summarized version of the financial statements in the integrated report. Therefore, the more comprehensive auditor's report proposed in Appendix 2 is useful. She suggested that DT-700 further explore what information should be included in an ISA 810 auditor's report in light of what users deem to be most useful. Ms. Molyneux and Mr. Waldron agreed, noting that they found the "pointers" to further details in the auditor's report on the audited financial statements very helpful.</p>	<p>Points noted.</p> <p>Ms. de Beer's suggestion to explore what information should be included in an ISA 810 auditor's report was taken into account. Other points were noted.</p> <p>At its December 2014 meeting, the IAASB considered preliminary feedback obtained from an informal survey of NSS and accounting firms about the use of extant ISA 810 and how the standard was adapted at the national level.</p> <p>[See further discussion in Agenda Item D.1]</p>
<p>Mr. Thompson noted that the requirements of the applicable financial reporting framework to summarize the financial statements may not require the inclusion of disclosures about GC matters. Accordingly, requiring the auditor to include the same details about a material uncertainty relating to GC in the summary auditor's report as presented in Appendix 2 may not be appropriate or possible.</p>	<p>Pointed noted.</p> <p>Mr. Winter noted DT-700 was assuming that such disclosures would likely be required by the framework, but would need to consider this further.</p> <p>[See further discussion in Agenda Item D.1]</p>
<p>Mr. Stewart questioned whether there was an applicable financial reporting framework that set a standard for summarized financial statements and required it in specific circumstances, as IFRSs did not address such circumstances. Mr. Baumann suggested that summary financial statements should only be prepared if required by a securities regulator with appropriate criteria for such engagements. In his view, accounting standard setters and securities regulators should decide what information investors need. If those bodies have not set criteria for summary financial statements or decided to require reporting of such information, auditors should not be associated with such information.</p> <p>Mr. Koktvedgaard added that, in determining what elements to include in the ISA 810 auditor's report, DT-700 should give</p>	<p>Points noted.</p> <p>Mr. Montgomery explained that the auditor cannot accept an ISA 810 engagement unless the auditor believes there are appropriate criteria for the process of condensing and summarizing the full set of financial statements. He also noted that the auditor's report issued for such an engagement is fundamentally different from the auditor's report on the audited financial statements – the auditor is only expressing an opinion as to whether the financial statements have been summarized in accordance with the applicable criteria. As such, Mr. Montgomery was of the strong view that it is important for users to read the complete set of</p>

Matters Related to ISA 700 (Agenda Item G)	
Representatives' and Observers' Comments	Task Force/IAASB Response
consideration to the fact that users may not read the auditor's report on the audited financial statements, regardless of the statement in the ISA 810 auditor's report that encourages them to do so.	<p>financial statements and the auditor's report thereon as the basis for decision making.</p> <p>Mr. Montgomery cautioned that, by requiring an ISA 810 auditor's report with more detail, users may incorrectly assume that the auditor did more work, or that the auditor was opining on the summary financial statements.</p> <p>Mr. Winter acknowledged Mr. Baumann's views, but explained that extant ISA 810 currently allows for such reporting. Mr. Winter asked whether extant ISA 810 should be withdrawn. Mr. Kocktvedgaard did not support doing so, noting that there is a public interest need to continuing to have ISA 810 auditor's reports, in particular because, in his view, they are the ones most widely read among investors.</p> <p>[See further discussion in Agenda Item D.1]</p>

Going Concern (Agenda Item I)	
Representatives' and Observers' Comments	Task Force/IAASB Response
ACCOUNTING DEVELOPMENTS	
<p>Mr. Dalkin requested that Mr. Stewart provide a brief update of where the International Accounting Standards Board (IASB) was on the topic of GC. Ms. de Beer added that it would be helpful for the CAG to also understand the importance and standing of Interpretations Committee Agenda Decisions.</p> <p>Mr. Stewart noted that, at the previous CAG meeting, he reported that the IASB had decided not to proceed with changes to IAS 1 to address the topic of GC. However, subsequent to that meeting, Interpretations Committee had considered a Tentative Agenda Decision that discussed the application of paragraph 122 in IAS 1 to judgments made around GC and that this had been finalized, as indicated by Mr. Montgomery, and considered the topic of GC closed. The Decision was published in the Interpretations Committee newsletter.</p>	IASB updated noted.

Going Concern (Agenda Item I)	
Representatives' and Observers' Comments	Task Force/IAASB Response
<p>Mr. Stewart explained that Agenda Decisions are formal observations, initially published in draft form and open for comment for a period of 60 days. Based on an analysis of the comments received, the Interpretations Committee then finalizes the Decision. The Decisions do not change IFRS but are a useful means to provide a reminder of existing requirements in IFRS and how these requirements may be applied in certain circumstances. Although Decisions do not have formal authority, they are widely used by audit firms and regulatory bodies (such as the European Securities and Markets Authority and other securities regulators), with the expectation that companies would follow the guidance within those Decisions.</p> <p>Mr. Stewart commented that Mr. Montgomery had summarized the Decision well. He further elaborated that, while IAS 1 paragraph 122 has a broad remit that extended to more than disclosures around GC, the Interpretations Committee agreed that there was benefit to specifically highlighting its applicability to judgments in assessing GC and material uncertainties, in particular, to describe the nature of the uncertainty and the principal events or conditions that may give rise to such uncertainty. He further noted that changes in disclosure practices as a result of this Decision would be difficult to predict, as every situation where GC disclosures were considered would be unique</p>	
<p>Mr. Baumann highlighted that the term “probable” as defined by the FASB was different than its definition under IFRS, with the FASB definition being a very high threshold. He further noted that existing PCAOB standards had not yet been changed to take into account the FASB’s proposals. He asked Mr. Stewart how the wording of the IFRS disclosure requirement would compare with the US requirement, and specifically if using the word “may” in the phrase “events or conditions that may cast significant doubt on an entity’s ability to continue as a going concern” dilutes the meaning of significant. Mr. Stewart responded that there were similarities between the terminology of probable and significant doubt, but that it is also necessary to look at the requirements of the accounting standards in totality and not to form conclusions on every piece separately.</p>	Points noted.

Going Concern (Agenda Item I)	
Representatives' and Observers' Comments	Task Force/IAASB Response
FEEDBACK ON THE NEW REQUIREMENT AND APPLICATION MATERIAL	
Ms. de Beer noted that she was very encouraged with the progress made in relation to the auditor's work effort and reporting on GC based on the concerns at the March 2014 CAG meeting. It was important from a CAG perspective that progress continues to be made with GC and that the Auditor Reporting project does not conclude with the status quo on GC.	<p>Point accepted.</p> <p>A publication issued by the Auditor Reporting Implementation WG acknowledges the need for further work with respect to auditor reporting on GC. It notes that the IAASB intends to continue to monitor developments relevant to going concern, and as appropriate to engage in discussions about them with the IASB, in order to ensure the IAASB remains well-positioned should further changes to ISA 570 (Revised) be considered necessary.</p> <p>[See Auditor Reporting on Going Concern.]</p>
Mr. Stewart was also supportive of the additional guidance incorporated into proposed ISA 570 (Revised) and stated that he thought it was possible to apply it to both IFRS and other accounting frameworks in light of the Decision and FASB proposals. He did not believe this resulted in the IAASB moving into setting accounting or disclosure requirements, but understood that others may have that perspective. He suggested that it might be sufficient within proposed ISA 570 (Revised) to provide a reminder to auditors to ensure that adequate disclosure of a material uncertainty is made without the added description of the types of disclosures that could be considered, notwithstanding that he agreed with the types of disclosures included.	<p>Point taken into account.</p> <p>The requirements in ISA 570 (Revised) related to the auditor's evaluation of disclosures have been strengthened:</p> <ul style="list-style-type: none"> • When a material uncertainty exists – additional application material regarding the auditor's consideration of appropriate disclosures. • When events or conditions have been identified, but the auditor concludes that no material uncertainty exists (i.e., GC "close calls") – new requirement for the auditor to evaluate the adequacy of those disclosures in view of the requirements of the applicable financial reporting framework. <p>The IAASB was of the view that it would be helpful to provide some examples of disclosures that may be relevant in order to enhance consistency in practice and link to the IFRIC decisions and disclosures that will result from the application of the FASB approach to GC.</p> <p>[See ISA 570 (Revised), paragraphs 19, A22 – A23, 20 and A24 – A25]</p>
Ms. Sucher noted that the proposed updates to ISA 570 were welcomed and that enhancing the auditor's responsibilities in the area of GC disclosures is an important step forward in	Support noted.

Going Concern (Agenda Item I)	
Representatives' and Observers' Comments	Task Force/IAASB Response
light of questions arising from the financial crisis as to why more emphasis was not placed on GC by both preparers and auditors. She noted that the accounting “hook” provided by the Decision was helpful in spite of the potential need for more technical debate by the IASB. She further noted that it is always a challenge in standard-setting when the auditor’s responsibilities are being further increased and that there can always be the argument that additional guidance could be viewed as setting accounting requirements. However, she was of the view that an important part of the auditor’s work relates to judgment in relation to what is required by accounting standards, rather than a strict linkage to such standards. In her view, the guidance in paragraph A22 of proposed ISA 570 (Revised) would be useful to auditors to make judgments about the adequacy of GC disclosures when dealing with objective-based disclosures, in particular in respect of liquidity.	
<p>Ms. Sucher further noted that, in respect of banks, the proposed new requirement could lead to interesting debates about what disclosures would result for banks in respect of “close call” situations, which would likely involve dialogue with regulators as well. However, she felt that a potential issue that may only occur in rare circumstances should not preclude the IAASB from moving forward in this direction.</p> <p>Mr. Ahmed noted that this was also an important area for the Islamic Financial Services Board (IFSB) and the area of GC is especially problematic as it involves issues of uncertainty. He further noted that their capital adequacy standard was perhaps a more stringent framework than even that of the Basel Committee on Banking Supervision. He noted that maximum disclosure is recommended subject to regulatory oversight.</p>	<p>Points taken into account.</p> <p>ISA 570 (Revised) includes new application material that acknowledges that the auditor may have a duty to communicate with applicable regulatory, enforcement or supervisory authorities about matters relating to GC when such information is included in the auditor’s report.</p> <p>[See ISA 570 (Revised), paragraph A34.]</p>
Mr. White agreed with paragraph A22 of proposed ISA 570 (Revised), as he was of the view that these examples were relevant considerations for auditors in relation to GC. Ms. Borgerth stated that, as a preparer, she was strongly in support of this guidance and that she would expect that auditors would require such disclosures in respect of GC. Ms. Molyneux noted that investors particularly supported the incorporation of paragraph A22 into proposed ISA 570	<p>Support noted.</p> <p>Mr. Montgomery noted Ms. Borgerth’s view from a preparer perspective was helpful, as some had expressed concern that the inclusion of such guidance in proposed ISA 570 (Revised), in the absence of similar guidance in IAS 1, would lead to tension between management and auditors as to what should be disclosed, because such</p>

Going Concern (Agenda Item I)	
Representatives' and Observers' Comments	Task Force/IAASB Response
<p>(Revised) and felt that the suggested disclosures reflected the types of disclosures that investors believe were missing during the financial crisis.</p> <p>Ms. de Beer did not agree with the belief that paragraph A22 of proposed ISA 570 (Revised) was too prescriptive or could be viewed as setting accounting standards, given it is only providing guidance to the auditor and is not providing requirements of exactly what management would need to disclose.</p>	<p>disclosures would not be explicitly required by the applicable financial reporting framework.</p>
<p>Ms. Molyneux noted that paragraph 20 of proposed ISA 570 (Revised) still used too much terminology that was not clearly defined.</p>	<p>Point taken into account.</p> <p>Mr. Montgomery explained the IAASB had urged the IASB to consider the need for clarification of this terminology but, as this had not occurred, DT-570 sought to clarify as much as possible.</p> <p>Further revisions were made the application material in ISA 570 (Revised) to further clarify the requirement in ISA 570 (Revised), paragraph 20.</p> <p>[See ISA 570 (Revised), paragraphs A24–A25.]</p>
<p>Mr. Thompson, supported by Mr. White, noted that he fully supported the disclosure requirement with respect to “close calls” but asked whether DT-570 had considered whether there should be a direct link in proposed ISA 570 to proposed ISA 701 to remind auditors of the potential that matters related to GC may be KAM.</p> <p>Ms. Lang agreed it would not be appropriate to infer that the auditor may need to communicate a KAM relating to GC matters if not otherwise required to communicate KAM.</p>	<p>Points accepted.</p> <p>Mr. Montgomery noted that DT-570's intent was to focus on reporting in proposed ISA 570 (Revised) and believed it was better to address KAM in proposed ISA 701, thereby keeping all the guidance around KAM in one location.</p> <p>Ms. Healy also noted that proposed ISA 570 (Revised) applies to all entities, while only auditors of financial statements of listed entities are required to communicate KAM. However, she noted that there may be an opportunity to discuss the relationship between GC and KAM within the application material in proposed ISA 570 (Revised) or in other types of IAASB communications.</p> <p>The IAASB agreed that ISA 701 should include application material explaining the information to which the auditor may refer in the auditor's description of the KAM, including the auditor's consideration of GC “close calls”. In addition,</p>

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	<p>paragraph A1 of ISA 570 now also acknowledges the interaction with ISA 701.</p> <p>[See ISA 701, paragraph A41 and ISA 570 (Revised), paragraph A1.]</p>
<p>Ms. Lang questioned whether the example in paragraph A24 of proposed ISA 570 (Revised) was necessary.</p> <p>Mr. Hemus suggested DT-570 further consider the wording of the example, noting that if the example reflected a situation where the disclosure would be obvious, stating that it “may” need to be disclosed could dilute the effect of including such guidance.</p>	<p>Points taken into account.</p> <p>Mr. Montgomery noted DT-570 was of the view that an example showing the application of the stand back using an extreme circumstance would be useful to explain the concept.</p> <p>The example in ISA 570 (Revised) has been changed. Further, an explicit sentence has been added to indicate that “depending on the facts and circumstances, the auditor may determine that additional disclosures are necessary to achieve fair presentation.”</p> <p>[See ISA 570 (Revised), paragraph A25.]</p>
<p>Mr. Baumann was of the view that there was a lot of exuberance from the Representatives about the developments in proposed ISA 570 (Revised), while in his view the new requirement in paragraph 20 is simply restating an existing requirement that the auditor should evaluate the disclosure requirements of the applicable financial reporting framework, rather than establishing additional responsibilities for auditors. However, he had no objections to the guidance in paragraph A22.</p> <p>Mr. James questioned whether the guidance in paragraph A22 should be elevated to a requirement to drive changes in auditor work effort. Ms. Sucher agreed this may be useful to consider.</p> <p>Mr. Koltvedgaard did not believe that there was a need to elevate the guidance and that the auditor should still judge whether the disclosures made by management are adequate. He further noted that if the application material were to be elevated to a requirement, it may become too prescriptive, which is contrary to the objective of the ISAs, citing the need for flexibility in relation to GC issues.</p>	<p>Points taken into account.</p> <p>The IAASB views the new requirement and related application material for the auditor to evaluate the adequacy of disclosures when events or conditions have been identified, but the auditor concludes that no MU exists as an enhancement aimed at increasing focus on GC disclosures, notwithstanding that some may view this material as clarifying rather than increasing the auditor's responsibilities in relation to GC disclosures.</p> <p>[See ISA 570 (Revised), paragraphs 20 and A24–A25.]</p>

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<p>Ms. Diplock noted that she was very interested to hear the regulator and investor comments and also to hear Mr. Baumann's comment and she wondered how much further the new paragraphs actually go in closing the expectation gap. She further noted that users and the investor community would not be interested in debates over whether these are requirements that should be included in accounting or auditing standards but would be more interested in whether the updates to the standard go far enough in the public interest.</p> <p>Mr. Harris commented on the independent responsibility of the auditors. He felt that there will be more clean opinions and fewer GC opinions as a result of the new FASB standard. He also noted that investors want more to hear more, that they want early warnings with respect to GC and to understand what the implications of GC issues could be. He explained that the PCAOB would give further consideration to its auditing standard addressing GC as a result of the FASB's standard.</p>	<p>Points taken into account.</p> <p>Mr. Landes noted that an objective of DT-570 had been to push the auditor's responsibilities for GC disclosures further, but that the challenge was to do this within the context of the accounting framework. He recognized that paragraph A22 could be seen as somewhat prescriptive but actually reflected what the new FASB standard would require to be disclosed in respect of GC. He recognized that there will always be the tension between management and the auditor but felt that the IAASB should encourage auditors, through the auditing standards, to have those tough discussions with management. Mr. Landes further noted that DT-570 would further review the application guidance in light of comments received. The IAASB acknowledges the need for further work with respect to auditor reporting on GC and intends to continue to monitor developments relevant to going concern, and as appropriate to engage in discussions about them with the IASB and others, in order to ensure the IAASB remains well-positioned should further changes to ISA 570 (Revised) be considered necessary.</p>
MANAGEMENT AND AUDITOR RESPONSIBILITIES	
<p>Ms. de Beer, supported by Messrs. Bluhm, Hansen and Waldron, expressed concern about the auditor responsibilities not being sufficiently visible if reference is made to a website. Mr. Waldron was of the view that investors are less concerned with the length of the auditor's report but more with the information contained therein and that it was described in a way that is useful. However, he noted a preference to have the management and auditor responsibilities presented together in the auditor's report. Mr. Hansen believed that a cross reference to a website is not specific enough and that users may have to go to multiple sources to find the information. He believes that the auditor's report is not too lengthy and can be easily navigated through the use of appropriate headings and labels to focus the</p>	<p>Points taken into account.</p> <p>The IAASB considered the concern expressed by the CAG Representatives regarding a possible disconnect that may exist in circumstances when the description of the auditor's responsibilities is moved to an appendix to the auditor's report, or reference is made in the auditor's report to a website including a description of the auditor's responsibilities, as management's responsibilities will always appear in the auditor's report. However, the IAASB was sensitive to the feedback received in response to its Invitation to Comment, its July 2013 auditor reporting exposure draft about the</p>

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<p>attention of users. Mr. Bluhm agreed with the separation of responsibilities, and had no reservations on language included in the report. He did, however, agree with the potential disconnect resulting from allowing the option to place auditors responsibilities with respect to GC outside the body of the auditor's report or by reference to a website. He noted that it was hard to reconcile putting something that was considered to be so important outside of the auditor's report.</p> <p>Mr. Koktvegaard noted that some investors in the smaller jurisdictions were concerned about the length of the report and were looking to exclude wording that is redundant, i.e., the focus should be only on what is relevant for the company, to highlight the critical issues. He further noted the need for flexibility for smaller companies.</p> <p>Mr. Koktvegaard further noted that he believes that, as a result of the additional wording in relation to GC, the management responsibilities section is now too long. He expressed the view that the auditor's report is not the right place to include such responsibilities, especially recognizing that management has its own mechanisms for communication. He also believed that the weight given to GC in management's responsibilities compared to other responsibilities sends the wrong signal.</p> <p>Mr. Koktvegaard suggested retaining only the first sentence of the first bullet discussing management's responsibilities, as the remaining wording is redundant as it is part of the responsibilities described by the first sentence.</p>	<p>increased length of the auditor's report along the lines of what Mr. Koktvegaard expressed.</p> <p>The IAASB determined that it was important to continue to allow the relocation of the description of the auditor's responsibilities, including those related to GC (for cases when no material uncertainty was identified), to accommodate those jurisdictions who have mechanisms in place to provide the auditor with the ability to reduce standardized language in the auditor's report in certain circumstances.</p> <p>However, in cases when a material uncertainty is identified relating to GC, additional reporting requirements apply under ISA 570 (Revised). For example, the auditor may need to include a separate section titled "Material Uncertainty Relating to Going Concern" in their auditor's report or depending on the circumstances modify the auditor's opinion.</p> <p><i>[See ISA 570 (Revised), paragraphs 22–23 and A28–A34. See also section in the previous table relating to the auditor's responsibilities at page 15.]</i></p>
OTHER MATTERS RELEVANT TO PROPOSED ISA 570 (REVISED)	
<p>Mr. Dalkin noted that GC is one of the more critical issues and that there is still tension between auditing and accounting standard setters and suggested that a holistic approach continues to be necessary, whereby the standard setters could discuss issues to better achieve what the IAASB is trying to attain in its role in serving the public. Ms. de Beer noted that there had been many debates on this at the beginning of the project and, while the IAASB and the CAG continue to agree with the need for a holistic approach, it is also necessary for the Board to move forward to improve reporting on GC.</p>	<p>Points taken into account.</p> <p>Prof. Schilder noted that this was the most important and most sensitive issue in the auditor reporting project. He explained that the IAASB had written to the IASB on the subject of the holistic approach to GC and the issue had been taken very seriously by the IASB. Although the IASB had decided not to pursue changes to IAS 1 or other actions on the topic of GC, IASB Staff had also put the topic before the Interpretations Committee. It was his view that the good dialogue with the IASB</p>

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	may provide opportunities for further progress in the future. He noted that he agreed with Mr. Baumann's comment that the proposed requirement in paragraph 20 of proposed ISA 570 (Revised) is not new, but that he believes that the new requirement makes the auditor's responsibilities very clear, and that the Interpretations Committee's Decision provides a good reminder of management's responsibilities for disclosures around GC. He was of the view that progress had been made on the topic of GC and that the IAASB has progressed as far as it can for the moment.
Ms. Sucher noted that, for banks, when a material uncertainty is identified, the auditor is required to report to the regulator, either directly or through management. However, she noted that there is no reference in proposed ISA 570 (Revised) to such reporting requirements. She cited the specific reference in ISA 250 ¹⁵ that, if the auditor identifies a fraud, they have the duty to report it and suggested similar guidance in proposed ISA 570 (Revised) addressing reporting a material uncertainty would be appropriate.	ISA 570 (Revised) includes new application material that acknowledges that the auditor may have a duty to communicate with applicable regulatory, enforcement or supervisory authorities about matters relating to GC when such information is included in the auditor's report. [See ISA 570 (Revised), paragraph A34.]
Mr. Stewart recommended revisiting paragraphs 5, 13 and 26 of proposed ISA 570 (Revised) to ensure that it is clear that the look forward period in respect of GC is not limited to 12 months, but that 12 months is a minimum look forward period.	Point accepted. Mr. Montgomery agreed that it may be useful to explain the timeline in the application material. ISA 570 (Revised) includes new application material about the period of management's assessments with a specific reference to the period specified in IAS 1 as an example. [See ISA 570 (Revised), paragraph A11.]

Matters for CAG Consideration

- The Representatives and Observers are asked to note the Report Back above, in particular the changes made as a result of the CAG's comments. **CAG Member Organizations are strongly**

¹⁵ ISA 250, *Consideration of Laws and Regulation in an Audit of Financial Statements* paragraph 28. See also ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* paragraph 43.

encouraged to join the IAASB in promoting awareness of the new and revised Auditor Reporting standards to support their effective implementation.

Project: Auditor Reporting

Summary

	CAG Meeting	IAASB Meeting
Report of IAASB Working Group – key findings from academic research studies on user perceptions of the standard auditor's report	March 2010	December 2009
Issues Paper and IAASB Working Group Proposals	-	December 2010
Development of Proposed Consultation Paper	March 2011	March 2011 May 2011
Consultation – May 2011		
Further Discussion	September 2011	
Discussion of Project Proposal and Issues	March 2012	December 2011 March 2012
Discussion of the Invitation to Comment	September 2012 (limited discussion as CAG Representatives participated in the September/October 2012 roundtables	April 2012 June 2012
Discussion of Feedback from Invitation to Comment and Development of the Exposure Draft	April 2013 September 2013	September 2012 December 2012 February 2013 April 2013 June 2013
Discussion of Feedback from Exposure Draft and Development of Final ISAs	March 2014 September 2014 March 2015	March 2014 June 2014 September 2014 December 2014 ¹⁶

CAG Discussions: Detailed References

Report of IAASB	<u>March 2010</u> See IAASB CAG meeting material:
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¹⁶ As noted at paragraph 2 to this paper, the new and revised Auditor Reporting standards were released in January 2015. The December 2014 IAASB discussion of auditor reporting related to proposed changes to ISA 800 and ISA 805 as a result of the enhancements resulting from the new and revised Auditor Reporting standards.

Working Group – key findings from academic research studies on user perceptions of the standard auditor's report	<p>http://www.ifac.org/IAASB/Meeting-FileDL.php?FID=5253</p> <p>See CAG meeting minutes (in Agenda Item D of the following material):</p> <p>http://www.ifac.org/IAASB/Meeting-FileDL.php?FID=5882</p> <p>See report back on March 2010 CAG meeting (in paragraph 12 of the following material):</p> <p>http://www.ifac.org/IAASB/Meeting-FileDL.php?FID=6095</p>
Development of Proposed Consultation Paper	<p><u>March 2011</u></p> <p>See IAASB CAG meeting material:</p> <p>http://www.ifac.org/IAASB/Meeting-FileDL.php?FID=6095</p> <p>http://www.ifac.org/IAASB/Meeting-FileDL.php?FID=6096</p> <p>See CAG meeting minutes (in Agenda Item M of the following):</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20110912-IAASBCAG-AgendaItemA-Final_March_2011_Public_Minutes_APPROVED-v1-03.pdf</p> <p>See report back on March 2011 CAG meeting (in paragraph 1 of the following):</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20110912-IAASBCAG-AgendaItemH1-Auditor-Reporting-V1-02.pdf</p>
Further Discussion	<p><u>September 2011</u></p> <p>See IAASB CAG meeting material:</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20110912-IAASBCAG-AgendaItemH-Auditor-Reporting-V1-02.pdf</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20110912-IAASBCAG-AgendaItemH1-Auditor-Reporting-V1-02.pdf</p> <p>See CAG meeting minutes (in Agenda Item H of the following material):</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20120306-IAASBCAG-Agenda_Item_A-September_2011_Public_Minutes-APPROVED.pdf</p>
Discussion of the Project Proposal and Issues	<p><u>March 2012</u></p> <p>See IAASB CAG meeting material included in Agenda Items G, H, K, L and M:</p> <p>http://www.ifac.org/meetings/brussels-belgium</p> <p>See CAG meeting Minutes (in Agenda Items G, H, K, L, and M of the following material):</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20120911-IAASBCAG-Agenda_Item_A_March%202012_Public%20Minutes-APPROVED.pdf</p> <p>See report back on March 2012 CAG meeting:</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20120911-IAASBCAG-Agenda_Item_F1-Auditor_Reporting_Report_Back-v4.pdf</p>
Discussion of the Invitation to Comment and Development of the Exposure	<p><u>September 2012</u></p> <p>See IAASB CAG meeting material:</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20120911-IAASBCAG-Agenda_Item_F1-Auditor_Reporting_Report_Back-v4.pdf</p> <p>See CAG meeting minutes (in Agenda Item F of the following):</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20130408-IAASB-CAG-Agenda_Item_A-</p>

Draft	Public_Minutes-v5-APPROVED_0.pdf
Discussion of Feedback from Invitation to Comment and Development of the Exposure Draft	<p><u>April 2013</u></p> <p>See IAASB CAG meeting material included in Agenda Items B, B.1, B.2, B.3, B.4, B.5, B.6 and B.7.</p> <p>http://www.ifac.org/meetings/new-york-usa-1</p> <p>See CAG final approved meeting minutes (in Agenda Item B of the following):</p> <p>http://www.ifac.org/sites/default/files/meetings/files/April%202013%20IAASB%20CAG%20Public%20Minutes%20a%20Approved.pdf</p> <p>See report back on April 2013 CAG meeting:</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20130909-IAASB-CAG-Agenda_Item_C-Auditor_Reporting_Report_Back-final.pdf</p> <p><u>September 2013</u></p> <p>See IAASB CAG meeting material:</p> <p>http://www.ifac.org/sites/default/files/meetings/files/20130909-IAASB-CAG-Agenda_Item_C-Auditor_Reporting_Report_Back-final.pdf</p> <p>See CAG final approved meeting minutes (in Agenda Item C of the following):</p> <p>http://www.ifac.org/meetings/new-york-usa-2</p> <p>See report back on September 2013 CAG meeting included in Agenda Item C of the following</p> <p>http://www.ifac.org/meetings/new-york-usa-3</p> <p><u>March 2014</u></p> <p>See IAASB CAG meeting material included in Agenda Items C, C.1., C.2 and C.3.</p> <p>http://www.ifac.org/meetings/new-york-usa-3</p> <p>See CAG final approved meeting minutes (in Agenda Item A of the following):</p> <p>http://www.ifac.org/meetings/new-york-usa-4</p> <p>See report back on March 2014 CAG meeting included in paragraph 13 of Agenda Item DGI, and in paragraph 3 of Agenda Items D.1, G.1 and I.1 available at http://www.ifac.org/meetings/new-york-usa-4</p> <p><u>September 2014</u></p> <p>See IAASB CAG meeting material included in Agenda Items DGI, D.1, D.2, D.3, D.4, G.1, G.2, G.3, I.1 and I.2</p> <p>See CAG meeting minutes in Agenda Item B available at: http://www.ifac.org/meetings/new-york-usa-4</p> <p>See report back on September 2014 CAG meeting included in paragraph 8 of this paper.</p>