

Auditor Reporting

Dan Montgomery, IAASB Deputy Chair and Auditor Reporting
TF Chair

Bruce Winter, IAASB Member and ISA 700 Drafting Team
Chair

Agenda Item 2

IAASB April 2013 Meeting

Timing of Discussions and Outcomes Needed

Monday

Proposed ISA 701, illustrative examples and proposed changes to ISA 260

IAASB agreement and feedback

Tuesday

Going Concern

IAASB agreement on way forward

Proposed ISA 700 (Revised) and illustrative reports

IAASB agreement and feedback

Thursday

Breaches (implications for proposed ISA 700 and ISA 260)

Friday

IAASB agreement of revised illustrative report and other matters

Outcomes Needed for Proposed ISA 701- Key Audit Matters

- General agreement on all requirements
- Feedback on illustrative examples
- Agreement of approach and consideration of proposed revisions to ISA 260
- Final objective for proposed ISA 701
- Direction on KAM for entities other than listed entities
- Feedback on application material

Key Outcomes for Going Concern

- Agreement on approach to revisions to ISA 570 to underpin auditor reporting
- Agreement on revised proposed wording in illustrative report, including when material uncertainties are adequately disclosed in the financial statements

Outcomes Needed for Proposed ISA 700 (Revised)

- Agreement on revised requirements in para. 20–45
 - Decision on disclosure of the name of the engagement partner
 - Agreement on approach when description of auditor’s responsibilities is outside the body of the auditor’s report
- Feedback on consistency and flexibility
 - Ordering of elements in the auditor’s report
- Agreement on revised proposed wording in illustrative report
 - Feedback on modified reports

Other Outcomes Needed

- Consideration of issues relating to breaches of independence requirements
 - Impact on statement of compliance with relevant ethical requirements
 - Potential need for amendments to ISA 260
- Identification of any other items IAASB believes need to be addressed in June 2013 ED

Planning for June 2013 ED

- May 2013 NSS Meeting
 - Strategic discussion to understand implications of IAASB's proposals in a national environment
 - Consistency vs. relevance, reference to ISAs in auditor's report, KAM vs. national approaches, etc.

Planning for June 2013 ED

- June 2013 IAASB Meeting
 - Final drafts of ISA 701 and 700 – provide comments not raised at this meeting to Staff as soon as possible, in particular on application material
 - Reporting requirements in ISA 570 based on wording just discussed
 - Drafts of ISA 705 and 706 (and related ISAs) incorporating previous Board discussions
 - Conforming amendments to ISA 260 and other ISAs as necessary (possibly ISA 210, 220, etc)

Planning for June 2013 ED

- June 2013 IAASB Meeting
 - Illustrative reports
 - Full set of examples for ISA 700, including examples of key audit matters
 - Recommendation about how reports/reporting requirements in other standards should be addressed in ED
- Explanatory memorandum, including questions to be included

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