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PKE

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Exposure Draft: Proposed Changes to the International Standards on Auditing (ISAs)–Addressing Disclosures in the Audit of Financial Statements

Comments from the Swedish National Audit Office
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Comments due by September 11, 2014

The Swedish National Audit Office (Swedish NAO) welcomes the opportunity to comment on the Exposure Draft. The Swedish NAO, on behalf of the Auditors General, carries out the external audit of all Swedish agencies.

While the IAASB welcomes comments on all matters addressed in the Exposure Draft, the IAASB is seeking comments on the following specific matters:

1. Whether, in your view, the proposed changes to the ISAs are appropriate and sufficient for purposes of enhancing the focus of the auditor on disclosures and, thereby, will further support the proper application of current requirements in the ISAs?

The Swedish National Audit Office supports the proposed changes to the ISAs and consider them appropriate and sufficient.

2. Are there any specific areas where, in your view, additional enhancement to either the requirements or guidance of the ISAs would be necessary for purposes of effective auditing of disclosures as part of a financial statement audit?

No.

3. Whether, in your view, the proposed changes to the assertions will help appropriately integrate the work on disclosures with the audit work on the underlying amounts, thereby promoting an earlier and more effective audit of disclosures?

Yes.

In addition to the request for specific comments above, the IAASB is also seeking comments on the general matters set out below:

- (a) Preparers (including Small- and Medium-Sized Entities (SMEs)) and Other Users —The IAASB invites comments on the proposed changes to the ISAs particularly with respect to the practical impacts, if any, of the proposed changes to the ISAs.

NA

- (b) Developing Nations—Recognizing that many developing nations have adopted or are in the process of adopting the ISAs, the IAASB invites respondents from these nations to comment on the proposed changes to the ISAs, in particular, on any foreseeable difficulties in applying these in a developing nation environment.

NA.

- (c) Translations—Recognizing that many respondents may intend to translate the final changes to the ISAs for adoption in their own environments, the IAASB welcomes comments on potential translation issues respondents may note in reviewing the proposed changes to the ISAs. It is expected that this document will be finalized at the same time as the proposed changes to the ISAs are finalized. However, in the interim the IAASB will post a draft version of the document on its website for information purposes.

No comments.

- (d) Effective Date—Recognizing that the proposed changes to the ISAs affect some of the same ISAs as other IAASB projects currently being finalized, the IAASB believes that to the extent possible, the effective date should be aligned with these other projects, namely the IAASB's Auditor Reporting project and the project to revise ISA 720.21 Accordingly, the IAASB believes that an appropriate effective date for the standard would be 12–15 months after issuance of the final standards, but may be longer or shorter to align with the effective date of the revisions arising from the auditor reporting and ISA 720 projects. Earlier application would be permitted. The IAASB welcomes comment on whether this would provide a sufficient

period to support effective implementation of the changes to the ISAs.

We agree with the IAASB suggestion and we believe that the time is sufficient.