

**Subject:** FW: KAMs - APRA Feedback to the AUASB [SEC=OFFICIAL]

Kams Sub 9

Dear Matthew,

**AUASB invitation to comment on Expanding Key Audit Matters (KAMs) beyond listed entities**

The Australian Prudential Regulation Authority welcomes the AUASB's invitation to comment on whether the communication of KAMs should be expanded beyond listed entities.

APRA recommends ASA 701 should only be expanded if the AUASB determines the benefits of the decision exceed the costs (following the AUASB's analysis and evaluation of all submissions received relating to the outreach).

**Additional information**

Inclusion of KAMs in the auditor's report for non-listed APRA regulated entities (such as Registrable Superannuation Entities and Credit Unions) is likely to be of limited benefit to APRA.

That said, APRA acknowledges the value of KAMs as a communications tool for users of financial reports (such as bank depositors, members of superannuation funds and credit unions) who do not have ready access to management and Those Charged With Governance.

APRA notes the use of KAMs by auditors of non-listed APRA regulated entities is currently optional ([ASA 700](#), Application paragraph A41). Mandating the use of KAMs by auditors and these audited entities has obvious benefits, as outlined in the AUASB's December 2022 [Discussion Paper](#).

However, in arriving at a final decision on whether to extend the communication of KAMs to other entities, APRA recommends the AUASB only expand the scope of ASA 701 if the benefits of this decision outweigh its costs/ additional regulatory burden.

If you require further information on the views expressed above, please contact

Your sincerely

**KAVEH DAEMI**



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APRA acknowledges the traditional custodians of the lands and waters of Australia and pays respect to Aboriginal and Torres Strait Islander peoples past and present.

