



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **3**
Meeting Date: 30 May 2017
Subject: Auditor's Responsibilities
Date Prepared: 17 May 2017

Action Required

For Information Purposes Only

Agenda Item Objectives

To approve the final versions of the updated Auditor's Responsibilities Statements, incorporating comments received from the AUASB at the 26 April 2017 AUASB meeting.

Background

1. ASA 700 *Forming an Opinion and Reporting on a Financial Report* (revised December 2015) requires an auditor to include, in the auditor's report, a description of the auditor's responsibilities. The standard permits an auditor to make reference in the auditor's report, to a description of the auditor's responsibilities on the AUASB website.
2. When an auditor chooses to adopt this option, paragraph Aus A57.1 of the standard guides auditors to refer to the AUASB's homepage: <http://www.auasb.gov.au/Home.aspx>.
3. The standard also indicates via a footnote to A57:

"The auditor's report should refer to the specific webpage that applies to the auditor's responsibilities applicable in the context of the engagement."

Users of the auditor's report will therefore be directed to the auditor responsibilities description that is applicable to them.
4. Following discussions at a number of AUASB meetings the AUASB approved via an out of session vote the issue of seven auditor responsibility statements in July 2016.
5. The AUASB approved an updated approach in relation to the use of generic terms for "entity" and "those charged with governance" at the 1 March 2017 AUASB meeting.
6. The AUASB Technical Group presented updated versions of the statements at the April 2017 AUASB meeting, with the AUASB recommending a number of changes in relation to the use of the words "entity" and "group", as well as the inclusion of content in the statements for non-listed entities where KAMs are not required to be reported.

This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

AUASB Technical Group Update

1. The AUASB Technical Group has prepared updated web content and ten updated Auditor’s Responsibilities Statements.

	ASA 600 Applies[^]	ASA 600 does not apply
Fair presentation framework		
Listed	Statement 1	Statement 2
Non-listed	Statement 3	Statement 4
Non-listed - voluntary reporting of key audit matter(s)	Statement 5	Statement 6
Compliance framework		
Non-listed	Statement 7	Statement 8
Non-listed - voluntary reporting of key audit matter(s)	Statement 9	Statement 10

[^] Per ASA 600 *Special Considerations – Audits of a Group Financial Report* defines a component auditor as “Component auditor means an auditor who, at the request of the group engagement team, performs work on financial information related to a component for the group audit”

2. The updated statements will be located at a more user friendly URL:

http://www.auasb.gov.au/auditors_responsibilities/

When referring to the responsibilities statements the auditor needs to include the following URL, where # is the number of the statement above:

http://www.auasb.gov.au/auditors_responsibilities/ar#.pdf

3. The AUASB Technical Group will also update the content of the AUASB website to include reference to the new statements above (refer appendix 1 for updated content).
4. Given existing references in audit reports to date, the previous versions of the statements will be retained on the AUASB website. The statements can be accessed via the original URLs.

Part B – NZAuASB

1. N/A

Part C – “Compelling Reasons” Assessment

1. NA

The proposed changes conform to IAASB modification guidelines for NSS?

Y N

AUASB Technical Group Recommendation

The AUASB Technical Group recommends that the AUASB:

- Approve the Auditor’s Responsibilities Statements (agenda items 3.1 – 3.10).

AUASB Actions

- Review and, if agreed, approve the Auditor’s Responsibilities Statements (agenda items 3.1 – 3.10).

Material Presented

Agenda Item 3.0	AUASB Board Meeting Summary Paper
Agenda Item 3.1	Auditor's Responsibilities Statement – Listed / ASA 600 Applies
Agenda Item 3.2	Auditor's Responsibilities Statement – Listed / ASA 600 Does not apply
Agenda Item 3.3	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Applies
Agenda Item 3.4	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Does not apply
Agenda Item 3.5	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Applies / KAMs
Agenda Item 3.6	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Does not apply / KAMs
Agenda Item 3.7	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Applies / Compliance Framework
Agenda Item 3.8	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Does not apply / Compliance Framework
Agenda Item 3.9	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Applies / KAMs / Compliance Framework
Agenda Item 3.10	Auditor's Responsibilities Statement – Non-Listed / ASA 600 Does not apply / KAMs / Compliance Framework

Appendix 1: Auditor's Responsibilities content on AUASB website

Description of the Auditor's Responsibilities Forming Part of the Auditor's Report

Introduction

Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* requires an auditor's report to include a section with the heading "Auditor's Responsibilities for the Audit of the Financial Report". [Ref: ASA 700, paragraph 37 - 40]

ASA 700 paragraph 41 requires the description of the auditor's responsibilities required by ASA 700 paragraphs 39 - 40 to be included:

- in the body of the auditor's report;
- within an appendix to the auditor's report, in which case the auditor's report shall include a reference to the location of the appendix; or
- by a specific reference within the auditor's report to the location of such a description on a website of an appropriate authority, where law, regulation or Australian Auditing Standards expressly permit the auditor to do so.

ASA 700 paragraph Aus A57.1 provides Application and Other Explanatory Material that when the auditor refers to a description of the auditor's responsibilities on a website, the appropriate authority is The Auditing and Assurance Standards Board website and the website address is <http://www.auasb.gov.au/Home.aspx> *

* The auditor's report should refer to the specific webpage that applies to the auditor's responsibilities applicable in the context of the engagement.

- As a result, when referring to the responsibilities statements the auditor needs to include the following URL, where # is the number of the statement below:

http://www.auasb.gov.au/auditors_responsibilities/ar#.pdf

Authorisation

The Australian Auditing and Assurance Standards Board authorises that descriptions of the *Auditor's Responsibilities* can be referenced to the following examples. The auditor's report includes a reference to the specific webpage that applies to the auditor's responsibilities applicable in the context of the engagement.

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Note: Earlier versions of the auditor's responsibilities statements remain valid and can be accessed via the following [link](#).