



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5(a)**
Meeting Date: 14 June 2016
Subject: Auditor's Reporting – Outstanding matters
Date Prepared: 8 June 2016

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider and approve recommendations to activate descriptions of the auditor's responsibilities on the AUASB website.

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, the standard guides auditors to refer to the AUASB's homepage: <http://www.auasb.gov.au/Home.aspx> [Ref: ASA 700 paragraph Aus A57.1].
3. The standard also indicates that the auditor should include in the auditor's report, the exact AUASB link applicable to the circumstances. Users of the auditor's report will therefore be directed to only the auditor responsibilities description that is applicable to them.
4. At its 1 December 2015 meeting, the AUASB requested the AUASB website to include four auditor's responsibilities descriptions that aligned with the 4 illustrative auditor's reports that are included in the appendices of ASA 700. These were presented at the 22 February 2016 meeting.
5. At the 22 February meeting, the AUASB requested a more comprehensive suite of auditor's responsibilities descriptions be brought back to a later meeting.

Matters to Consider

Part A – General

1. The AUASB is requested to consider and approve the suggested approach [see Agenda Item 5(a).1] which in summary involves:
 - (a) A prominent tab on the AUASB's Home page which links to a new heading , Auditor's Responsibilities, on the Australian Auditing Standards page.

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- (b) The new heading would be followed by a link to a new Auditor’s Responsibilities lead page that comprises introductory text and lists the descriptions and links to the specific examples.
- (c) The existing Australian Auditing Standards page would remain unchanged but for the new heading and link mentioned above.
- (d) Additional guidance in the form of an Audit Bulletin on Auditor Reporting. The Audit Bulletin provides brief guidance, the six separate links and the six descriptions aligned to the four example reports in ASA 700 (note: examples three and four are also suitable for use with the four examples included in the ASA 800 ED – refer agenda item 4(a)) as well as two additional examples with more generic descriptions. [Ref: Agenda Item 5(b)]

Part B – NZAuASB

1. The Australian and New Zealand standards on reporting are aligned in respect of the auditor responsibilities issue. The mechanics of how the AUASB and NZAuASB websites will ultimately work are still in progress and the AUASB and NZAuASB staff communicates often so that the approach will be very similar, or the same. Although the NZAuASB website is operational, NZAuASB staff have indicated that changes may still be made.
2. Users of auditor’s reports in both jurisdictions will use the same method of accessing the respective websites – i.e., the specific link to the relevant auditor’s responsibilities description will be included in the auditor’s report.

Part C – “Compelling Reasons” Assessment

1. With respect to descriptions of auditor’s responsibilities on an appropriate website, no changes from the equivalent ISA 700 have been made or are proposed. The proposals of this agenda item are procedural in nature and do not affect audit requirements.

The proposed changes conform to IAASB modification guidelines for NSS? Y N

AUASB Technical Group Recommendations

The AUASB is requested to approve the suggested approach to enable auditors to include in their auditor’s report, specific links to the relevant auditor’s responsibilities page on the AUASB website.

Material Presented

Agenda Item 5(a)	AUASB Board Meeting Summary Paper
Agenda Item 5(a).1	Suggested Approach to Auditor’s Responsibilities on AUASB Website
Agenda Item 5(a).2	ASA700 and 800 ED – Link to Auditor’s Responsibility examples

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider and approve approach - auditor’s responsibilities on AUASB website.	AUASB approval	AUASB	14 June 2016	o/s