

EXPOSURE DRAFT

ED 02/15
(June 2015)

Proposed Auditing Standard ASA 2015-2 *Amendments to Australian Auditing Standards*

Issued for Comment by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

Commenting on this Exposure Draft

Comments on this Exposure Draft should be forwarded so as to arrive by no later than 10 August 2015. Comments should be addressed to:

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A copy of all non-confidential submissions will be placed on public record on the Auditing and Assurance Standards Board (AUASB) website: www.auasb.gov.au

Obtaining a Copy of this Exposure Draft

This Exposure Draft is available on the AUASB website: www.auasb.gov.au

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PREFACE

Reasons for Issuing ED 02/15

The AUASB issues exposure draft ED 02/15 of proposed Auditing Standard ASA 2015-2 *Amendments to Australian Auditing Standards* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory committee of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, inter alia, to develop auditing standards that have a clear public interest focus and are of the highest quality.

Main Proposals

This proposed Auditing Standard makes amendments to the following Auditing Standards:

- | | |
|---------|--|
| ASA 210 | <i>Agreeing the Terms of Audit Engagements</i> (27 October 2009, as amended) |
| ASA 230 | <i>Audit Documentation</i> (27 October 2009, as amended) |
| ASA 260 | <i>Communication with Those Charged with Governance</i> (27 October 2009, as amended) |
| ASA 450 | <i>Evaluation of Misstatements Identified during the Audit</i> (27 October 2009) |
| ASA 500 | <i>Audit Evidence</i> (27 October 2009) |
| ASA 510 | <i>Initial Audit Engagements-Opening Balances</i> (27 October 2009, as amended) |
| ASA 560 | <i>Subsequent Events</i> (27 October 2009, as amended) |
| ASA 570 | <i>Going Concern</i> (27 October 2009, as amended) |
| ASA 580 | <i>Written Representations</i> (27 October 2009, as amended) |
| ASA 600 | <i>Special Considerations-Audits of a Group Financial Report</i>
(Including the Work of Component Auditors) (27 October 2009, as amended) |
| ASA 700 | <i>Forming an Opinion and Reporting on a Financial Report</i>
(27 October 2009, as amended) |
| ASA 701 | <i>Communicating Key Audit Matters in the Independent Auditor's Report</i> (Proposed,
issued as an Exposure Draft 01/15 on 30 April 2015) |
| ASA 705 | <i>Modifications to the Opinion in the Independent Auditor's Report</i>
(27 October 2009, as amended) |
| ASA 706 | <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent
Auditor's Report</i> (27 October 2009, as amended) |
| ASA 710 | <i>Comparative Information-Corresponding Figures and Comparative Financial Reports</i>
(27 October 2009, as amended) |
| ASA 810 | <i>Engagements to Report on Summary Financial Statements</i> (27 October 2009) |

The amendments to the Australian Auditing Standards comprise consequential changes arising from the proposed revision of ASA 720 *The Auditor's Responsibilities Relating to Other Information* as well as changes the AUASB has identified through its review of existing modifications from the equivalent ISAs (i.e. "Aus" paragraphs) where the compelling reasons test has not been met. The amendments to the Australian Auditing Standards arise from conforming amendments made by the International Auditing and Assurance Standards Board (IAASB) to ISA 720 *The Auditor's Responsibilities Relating to Other Information*. Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required to have regard to any programme initiated by the IAASB for the revision and enhancement of the International Standards on Auditing (ISAs) and to make appropriate consequential amendments to the Australian Auditing Standards.

Proposed Operative Date

It is intended that this proposed Auditing Standard will be operative for financial reporting periods ending on or after 15 December 2016.

Request for Comments

Comments are invited on this Exposure Draft of the proposed issuance of ASA 2015-2 *Amendments to Australian Auditing Standards* by no later than 10 August 2015. The AUASB is seeking comments from respondents on the following questions:

1. Have applicable laws and regulations been appropriately addressed in the proposed standard?
2. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?
3. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the requirements of this proposed standard? If there are significant costs, do these outweigh the benefits to the users of audit services?
4. Is the removal of (only) "Aus" paragraph references to the *Corporations Act 2001*—currently included within the requirements and application and other explanatory material—supported?

If removal of existing references is not supported, respondents are asked to indicate their preference for locating the re-instated material within the standard:

- In the requirements and application and other explanatory material (as applicable) of the proposed standard; or
 - By inclusion of a cross-referenced listing in an appendix to the standard?
5. Are there any other significant public interest matters that constituents wish to raise?

The AUASB prefers that respondents express a clear opinion on whether the proposed Auditing Standard, as a whole, is supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on the above matters. The AUASB regards both supportive and critical comments as essential to a balanced review of the proposed Auditing Standard.

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes this Auditing Standard ASA 2015-2 *Amendments to Australian Auditing Standards* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*.

Conformity with International Standards on Auditing

This Auditing Standard has been made for Australian legislative purposes. It contains a series of proposed miscellaneous amendments to various Australian Auditing Standards (as shown) arising from the proposed revision of existing Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report*. These proposed amendments, in the main, reflect similar amendments made to the equivalent International Standards on Auditing (ISAs).

Compliance with the amended Australian Auditing Standards enables compliance with the amended ISAs.

AUDITING STANDARD ASA 2015-2

Amendments to Australian Auditing Standards

Application

1. This Auditing Standard applies to:
 - an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with the *Corporations Act 2001*; and
 - an audit of a financial report, or a complete set of financial statements, for any other purpose.
2. This Auditing Standard also applies, as appropriate, to an audit of other historical financial information.

Operative Date

3. This Auditing Standard is operative for financial reporting periods ending on or after 15 December 2016.

Introduction

Scope of this Auditing Standard

4. This Auditing Standard makes amendments to the Australian Auditing Standards. The amendments to the Australian Auditing Standards comprise consequential changes arising from the proposed revision of ASA 720 *The Auditor's Responsibilities Relating to Other Information* as well as changes the AUASB has identified through its review of existing modifications from the equivalent ISAs (i.e. "Aus" paragraphs) where the compelling reasons test has not been met.
5. This Auditing Standard uses underlining, striking out and other typographical material to identify the amendments to Auditing Standards, in order to make the amendments more understandable. Amendments made to text contained in footnotes are shown within the footnotes and underlining and striking out are also used to identify amendments. However, the amendments made by this Auditing Standard do not include that underlining, striking out or other typographical material.

Objective

6. The objective of this Auditing Standard is to make amendments to the following Auditing Standards:
 - (a) ASA 210 *Agreeing the Terms of Audit Engagements* (27 October 2009, as amended)
 - (b) ASA 230 *Audit Documentation* (27 October 2009, as amended)
 - (c) ASA 260 *Communication with Those Charged with Governance* (27 October 2009, as amended)
 - (d) ASA 450 *Evaluation of Misstatements Identified during the Audit* (27 October 2009)
 - (e) ASA 500 *Audit Evidence* (27 October 2009)
 - (f) ASA 510 *Initial Audit Engagements-Opening Balances* (27 October 2009, as amended)
 - (g) ASA 560 *Subsequent Events* (27 October 2009, as amended)

- (h) ASA 570 *Going Concern* (27 October 2009, as amended)
- (i) ASA 580 *Written Representations* (27 October 2009, as amended)
- (j) ASA 600 *Special Considerations-Audits of a Group Financial Report* (Including the Work of Component Auditors) (27 October 2009, as amended)
- (k) ASA 700 *Forming an Opinion and Reporting on a Financial Report* (27 October 2009, as amended)
- (l) ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* ((Proposed, issued as an Exposure Draft 01/15 on 30 April 2015)
- (m) ASA 705 *Modifications to the Opinion in the Independent Auditor's Report* (27 October 2009, as amended)
- (n) ASA 706 *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report* (27 October 2009, as amended)
- (o) ASA 710 *Comparative Information-Corresponding Figures and Comparative Financial Reports* (27 October 2009, as amended)
- (p) ASA 810 *Engagements to Report on Summary Financial Statements* (27 October 2009)

Definition

7. For the purposes of this Auditing Standard, the meanings of terms are set out in each Auditing Standard and in the *AUASB Glossary*. This Auditing Standard does not introduce new definitions.

Amendments to Auditing Standards

Amendments to ASA 210

8. The heading titled “Additional Information (Ref: Para. (b)(iii)(b))” is added after paragraph A19.
9. A new paragraph A20 is inserted as follows:
- Additional information that the auditor may request from management for the purpose of the audit may include when applicable, matters related to other information in accordance with ASA 720. When the auditor expects to obtain other information after the date of the auditor’s report, the terms of the audit engagement may also acknowledge the auditor’s responsibilities relating to such other information including, if applicable, the actions that may be appropriate or necessary if the auditor concludes that a material misstatement of the other information exists in other information obtained after the date of the auditor’s report.
10. As a result of the change made in paragraph 9 of this Auditing Standard, subsequent paragraph references are re-numbered and references to these paragraphs are updated accordingly.
11. Appendix 1 is amended to read as follows:
- ...
- [Insert appropriate reference to the expected form and content of the auditor’s report including, if applicable, the reporting on other information in accordance with ASA 720.]

Amendments to ASA 230

12. The Appendix is amended to read as follows:
- ...

- ASA 720, The Auditor's Responsibilities Relating to Other Information – paragraph 25

Amendments to ASA 260

13. Paragraph A14 is amended to read as follows:

...

- The documents comprising the other information (as defined in ASA 720) and the planned manner and timing of the issuance of such documents. When the auditor expects to obtain other information after the date of the auditor's report, the discussions with those charged with governance may also include the actions that may be appropriate or necessary if the auditor concludes that a material misstatement of the other information exists in other information obtained after the date of the auditor's report.

14. Paragraph A24 is amended to read as follows:

...

- The auditor has concluded that there is an uncorrected material misstatement of the other information in accordance with ASA 720.

15. The following footnote, referenced to Paragraph A24 amendment listed at 14. above, is inserted as footnote 61:

61 See ASA 720, The Auditor's Responsibilities Relating to Other Information, paragraph 18(a).

16. Paragraph A27 is amended to read as follow:

Other significant matters arising ~~from~~ during the audit that are directly relevant to those charged with governance in overseeing the financial reporting process may include such matters as material misstatements of ~~fact or material inconsistencies in information accompanying the audited financial report~~ the other information that have been corrected.

17. Appendix 1 is amended to read as follows:

This Appendix identifies paragraphs in ASQC 1 and other Australian Auditing Standards that require communication of specific matters with those charged with governance ...

- ASA 720, The Auditor's Responsibilities Relating to Other Information – paragraphs 17–19.

Amendments to ASA 450

18. Paragraph Aus A1.1 is deleted.

~~The Australian Accounting Standards explain the role of materiality in making judgements in the preparation and presentation of financial reports by the entity.~~

19. The following footnote *, referenced to Paragraph Aus A1.1 amendment listed at 18. above, is deleted.

~~* See AASB 1031 *Materiality*.~~

20. Paragraph A16 is amended to read as follows:

...

- Affects other information that will be communicated to be included in the entity's annual report documents containing the audited financial report (for example,

information to be included in a “Management Discussion and Analysis” or an “Operating and Financial Review”) that may reasonably be expected to influence the economic decisions of the users of the financial report. ASA 720 deals with the auditor’s responsibilities relating to ~~consideration of~~ other information, ~~on which the auditor has no obligation to report, in documents containing audited financial report.~~

21. The following footnote, referenced to Paragraph A16 amendment listed at 20. above, is amended as footnote 63:

63 See ASA 720, *The Auditor’s Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report.*

Amendments to ASA 500

22. Paragraph 5(c) is amended to read as follows:

Audit evidence – Information used by the auditor in arriving at the conclusions on which the auditor’s opinion is based. Audit evidence includes both information contained in the accounting records underlying the financial report and ~~other~~ information obtained from other sources.

Amendments to ASA 510

23. The Appendix is amended to read as follows:

Illustration 1:

Circumstances described in paragraph A8(a) include the following:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

...

INDEPENDENT AUDITOR’S REPORT

Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Illustration 2:

Circumstances described in paragraph A8(a) include the following:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

INDEPENDENT AUDITOR’S REPORT

...

Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Amendments to ASA 560

24. Paragraph 1 is amended to read as follows:

This Australian Auditing Standard deals with the auditor's responsibilities relating to subsequent events in an audit of a financial report. It does not deal with matters relating to the auditor's responsibilities for other information obtained after the date of the auditor's report, which are addressed in ASA 720. However, such other information may bring to light a subsequent event that is within the scope of this Auditing Standard. (Ref: Para. A1)

25. The following footnote, referenced to Paragraph 1 amendment listed at 24. above, is amended as footnote 75:

75 See ASA 720, *The Auditor's Responsibilities Relating to Other Information*.

26. Paragraph Aus 12.1 is deleted.

~~For an audit engagement conducted under the *Corporations Act 2001*, management, and those charged with governance, are prohibited from restricting an amendments of the financial report to the effects of the subsequent event or events causing that amendment. Consequently, the auditor is prohibited from restricting audit procedures as required under paragraph 11(b)(i) of this Auditing Standard to such an amendment.~~

27. Paragraph A1 is amended to read as follows:

When the audited financial report is included in other documents subsequent to the issuance of the financial report (other than annual reports that would be within the scope of ASA 720), the auditor may have additional responsibilities relating to subsequent events that the auditor may need to consider, such as legal or regulatory requirements involving the offering of securities to the public in jurisdictions in which the securities are being offered.

...

28. Paragraph Aus A3.1 is deleted.

~~In some cases, law or regulation may identify the point in the financial reporting process at which the audit is expected to be complete.~~

29. The heading titled "Implications of Other Information Obtained after the Date of the Auditor's Report (Ref: Para. 10)" is added after Paragraph A10.

30. New Paragraph A11 is inserted after existing Paragraph A10 as follows: (subsequent paragraph references are renumbered upwards by one)

While the auditor has no obligation to perform any audit procedures regarding the financial report after the date of the auditor's report but before the date the financial report is issued, ASA 720 contains requirements and guidance with respect to other information obtained after the date of the auditor's report, which might include other information obtained after the date of the auditor's report, but before the date the financial report is issued.

31. The heading titled "Implications of Other Information Received after the Financial Report Has Been Issued (Ref: Para. 14)" is added after paragraph A16.

32. New Paragraph A17 is inserted after existing paragraph A16 as follows: (subsequent paragraph references are renumbered upwards by one)

The auditor's obligations regarding other information received after the date of the auditor's report are addressed in ASA 720. While the auditor has no obligation to perform any audit procedures regarding the financial report after the financial report has been issued, ASA 720 contains requirements and guidance with respect to other information obtained after the date of the auditor's report.

33. The Conformity Statement section is updated to reflect there is no longer any conforming differences with the IAASB (requirement Paragraph Aus 12.1 having been deleted at 26. above)

The following requirement is additional to ASA 560:

~~For an audit engagement conducted under the *Corporations Act 2001*, management, and those charged with governance, are prohibited from restricting an amendments of the financial report to the effects of the subsequent event or events causing that amendment. Consequently, the auditor is prohibited from restricting audit procedures as required under paragraph 11(b)(i) of this Auditing Standard to such an amendment. [Ref: Para. 12.1]~~

Amendments to ASA 570

34. Appendix 2 is amended to read as follows:

[Aus] Illustration 1A

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

INDEPENDENT AUDITOR'S REPORT

...

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

[Aus] Illustration 2A

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and the matter giving rise to the qualified opinion on the financial report also affects the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 6A in Appendix 3 of ASA 720. The last paragraph of the other information section in [Aus] Illustration 6A would be customised to describe the specific matter giving rise to the qualified opinion that also affects the other information.]

[Aus] Illustration 3A

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor’s report and the matter giving rise to the adverse opinion on financial report also affects the other information

...

INDEPENDENT AUDITOR’S REPORT

Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 7A in Appendix 3 of ASA 720. The last paragraph of the other information section in [Aus] Illustration 7A would be customised to describe the specific matter giving rise to the adverse opinion that also affects the other information.]

[Aus] Illustration 4A

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

...

- The auditor does not include an other information section in accordance with ASA 720.*

...

- * Paragraph A55 of ASA 720, *The Auditor’s Responsibilities Relating to Other Information* requires the auditor not to include an other information section when the auditor issues a disclaimer of opinion on the financial report in accordance with ASA 705.

Amendments to ASA 580

35. Appendix 1 is amended to read as follows:

This appendix identifies paragraphs in other Australian Auditing Standards that require subject-matter specific written representations.

...

- ASA 720, *The Auditor’s Responsibilities Relating to Other Information* – paragraph 13(c).

Amendments to ASA 600

36. Appendix 1 is amended to read as follows:

Circumstances include the following:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and the qualified opinion on the financial report also affects the other information.

...

INDEPENDENT AUDITOR’S REPORT

Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 6A in Appendix 3 of ASA 720. The last paragraph of the other information section in [Aus] Illustration 6A would be customised to describe the specific matter giving rise to the qualified opinion that also affects the other information.]

Amendments to ASA 700

37. The heading titled “Other Information” is added after paragraph 31.

38. New Paragraph 32 is inserted after existing Paragraph 31 as follows: (subsequent paragraph references are renumbered upwards by one)

Where applicable, the auditor shall report in accordance with ASA 720.

39. Paragraph 50 is amended to read as follows: (subsequent sub-paragraph references are renumbered upwards by one)

...

(i) Where applicable, a section that addresses the reporting requirements in paragraph 24 of ASA 720.

40. The following footnote, referenced to Paragraph 32 amendment listed at 38. above, is amended as footnote 92:

92. See ASA 720, paragraph 24.

41. The Appendix is amended to read as follows:

[Aus] Illustration 1A:

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

...

INDEPENDENT AUDITOR’S REPORT

Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Auditor’s Responsibilities for the Audit of the Financial Report

...

Paragraph 4041(b)...Paragraph 4041(c)

[Aus] Illustration 2A:

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Auditor's Responsibilities for the Audit of the Financial Report

...

Paragraph 4041(b)...Paragraph 4041(c)

Illustration 3:

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Auditor's Responsibilities for the Audit of the Financial Report

...

Paragraph 4041(b)...Paragraph 4041(c)

Illustration 4:

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Auditor's Responsibilities for the Audit of the Financial Report

...

Paragraph ~~4041~~(b)...Paragraph ~~4041~~(c)

Amendments to ASA 701

42. Paragraph A38 is amended to read as follows:

ASA 720 defines the term annual report and explains that documents such as a management report, management commentary, or operating and financial review or similar reports by those charged with governance (e.g., a directors' report); a Chairman's statement; corporate governance statement; or internal control and risk assessment reports may form part of the annual report. ASA 720 addresses the auditor's responsibilities relating to other information included in the annual report. Although the auditor's opinion on the financial reports does not cover ~~extend to~~ the other information ~~addressed by ASA 720~~, the auditor may consider this information, as well as other publicly available communications by the entity or other credible sources, in formulating the description of a key audit matter.

43. The following footnote, referenced to Paragraph A38 amendment listed at 42. above, is amended as follows:

30 See ASA 720, *The Auditor's Responsibilities Relating to Other Information* ~~in Documents Containing an Audited Financial Report~~, paragraphs 12(a) and A1-A3.

Amendments to ASA 705

44. Paragraph 29 is amended to read as follows:

Unless required by law or regulation, when the auditor disclaims an opinion on the financial report, the auditor's report shall not include a Key Audit Matters section in accordance with ASA 701 or an Other Information section in accordance with ASA 720. (Ref: Para. A26)

45. The following footnote, referenced to Paragraph 29 amendment listed at 44. above, is inserted as footnote 109 follows:

109. See ASA 720 *The Auditor's Responsibilities Relating to Other Information*, paragraph A54.

46. Paragraph A26 is amended to read as follows:

...However, communication of any key audit matters other than the matter(s) giving rise to the disclaimer of opinion may suggest that the financial report as a whole is more credible in relation to those matters than would be appropriate in the circumstances, and would be inconsistent with the disclaimer of opinion on the financial report as a whole. Similarly, it would not be appropriate to include an Other Information section in accordance with ASA 720 addressing the auditor's consideration of the consistency of the other information with the financial report. Accordingly, paragraph 29 of this Auditing Standard prohibits a Key Audit Matters section or an Other Information section from being included in the auditor's report when the auditor disclaims an opinion on the financial report, unless the auditor is otherwise required by law or regulation to communicate key audit matters or to report on other information.

47. The Appendix is amended to read as follows:

[Aus] Illustration 1A:

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and the matter giving rise to the qualified opinion on the financial report also affects the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [for another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 6A in Appendix 3 of ASA 720. The last paragraph of the other information section in [Aus] Illustration 6A would be customised to describe the specific matter giving rise to the qualified opinion that also affects the other information.]

[Aus] Illustration 2A:

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and the matter giving rise to the adverse opinion on the financial report also affects the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [for another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 7 in Appendix 3 of ASA 720. The last paragraph of the other information section in Illustration 7 would be customised to describe the specific matter giving rise to the adverse opinion that also affects the other information.]

[Aus] Illustration 3A:

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and the matter giving rise to the qualified opinion on the financial report also affects the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [for another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 6A in Appendix 3 of ASA 720. The last paragraph of the other information section in [Aus] Illustration 6A would be customised to describe the specific matter giving rise to the qualified opinion that also affects the other information.]

Amendments to ASA 706

48. Paragraph 3 is amended to read as follows:

ASA 570 and ASA 720 establish requirements and provide guidance about communication in the auditor's report relating to going concern and other information, respectively.

49. The following footnote, referenced to Paragraph 3 amendment listed at 48. above, is inserted as footnote 119 follows:

119. See ASA 720 *The Auditor's Responsibilities Relating to Other Information.*

50. Appendix 3 is amended to read as follows:

Illustration:

For purposes of this illustrative auditor's report, the following circumstances are assumed:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

INDEPENDENT AUDITOR'S REPORT

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

51. Appendix 4 is amended to read as follows:

Illustration:

...

- The auditor has not obtained any other information prior to the date of the auditor's report.

...

Amendments to ASA 710

52. The Appendix is amended to read as follows:

Illustration 1:

...

- The auditor has not obtained any other information prior to the date of the auditor's report.

...

[Aus] Illustration 1A:

...

- The auditor has not obtained any other information prior to the date of the auditor's report.

...

Illustration 2:

...

- The auditor has not obtained any other information prior to the date of the auditor's report.

...

[Aus] Illustration 2A:

...

- The auditor has not obtained any other information prior to the date of the auditor's report.

...

Illustration 3:

...

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.

...

INDEPENDENT AUDITOR'S REPORT

Other Information [or another title if appropriate such as "Information Other than the Financial Report and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]

Illustration 4:

...

- The auditor has not obtained any other information prior to the date of the auditor's report.

...

Amendments to ASA 810

53. Paragraph Aus 1.1 is deleted.

~~Auditors that are required to issue an auditor's report on a concise financial report prepared under the *Corporations Act 2001* and Accounting Standard AASB 1039 *Concise Financial Reports* should refer to guidance contained in GS 001 *Concise Financial Reports*.~~

54. The following footnote, referenced to Paragraph Aus 1.1 amendment listed at 53. above, is deleted:

~~*—— Issued by the Auditing and Assurance Standards Board (December 2008).~~

55. Paragraph Aus 14.1 is deleted.

Proposed Auditing Standard ASA 2015-2
Amendments to Australian Auditing Standards

~~In circumstance where the auditor's report on the audited financial report has been modified, paragraphs 17-18 of this Auditing Standard require additional elements be included in the auditor's report on the summary financial statements.~~

56. Paragraph 24 is amended to read as follows:

The auditor shall read the other information included in a document containing the summary financial statements and related auditor's report to consider whether there is identify a material inconsistency between the other information and, if any, with the summary financial statements. If, ~~on reading the other information,~~ the auditor identifies a material inconsistency, the auditor shall determine whether the summary financial statements or the other information needs to be revised. If, ~~on reading the other information,~~ the auditor becomes aware of an apparent material misstatement of fact that the other information needs to be revised, the auditor shall discuss the matter with management. (Ref: Para. A19)

57. Paragraph Aus A18.1 is deleted.

~~ASA 700 contains requirements and guidance to be applied when unaudited supplementary information is presented with an audited financial report, which may be helpful in applying the requirement in paragraph 23.~~

58. Paragraph A18 is inserted as follows:

ASA 700 contains requirements and guidance to be applied when unaudited supplementary information is presented with an audited financial report that, applicable adapted as necessary in the circumstances, may be helpful in applying the requirement in paragraph 23.

59. Footnote 9, previously referenced to Paragraph Aus A18.1 listed at 57. above, is re-located to the ASA 700 reference in Paragraph A18.

60. Paragraph Aus A19.1 is deleted.

~~ASA 720 contains requirements and guidance relating to reading other information included in a document containing the audited financial report and related auditor's report, and responding to material inconsistencies and material misstatements of fact. They may be helpful in applying the requirement in paragraph 24.~~

61. Paragraph A19 is inserted as follows:

ASA 720 contains requirements and guidance relating regarding the auditor's responsibilities relating to reading other information in a financial report audit engagement included in a document containing the audited financial report and related auditor's report, and responding to material inconsistencies and material misstatements of fact. Adapted Applicable as necessary in the circumstances, they may be helpful in applying the requirement in paragraph 24.

62. Footnote 10, previously referenced to Paragraph Aus A19.1 listed at 61. above, is re-located to the ASA 720 reference in inserted Paragraph A19.

63. The following footnote, referenced to Paragraph A19 amendment listed at 61. above, is inserted as footnote 109 as follows:

109. See ASA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report*

64. The Conformity Statement section is updated to reflect there is no longer any conforming differences with the IAASB (requirement Paragraph Aus 14.1 having been deleted at 55. above)

~~The following requirement is additional to ASA 810:~~

Proposed Auditing Standard ASA 2015-2
Amendments to Australian Auditing Standards

~~In circumstance where the auditor's report on the audited financial report has been modified, paragraphs 17-18 of this Auditing Standard require additional elements be included in the auditor's report on the summary financial statements. [Ref: Para. 14.1]~~