



AUASB Special Board Meeting Summary Paper

AGENDA ITEM NO. **1**

Meeting Date: 19 May 2015

Subject: ASA 720 *The Auditor's Responsibilities Relating to Other Information*

Date Prepared: 11 May 2015

Action Required

For Information Purposes Only

Agenda Item Objectives

1. To consider for approval Exposure Draft of revised ASA 720, based on recently revised and re-issued ISA 720.

Background

1. The AUASB considered the issues paper on revised issued ISA 720 and the suggested disposition of each item at its meeting on 20 April 2015. The AUASB also considered and approved the related compelling reasons documentation at the same meeting. The AUASB did not consider issues related to the conforming amendments arising from ISA 720 at this time.

Matters to Consider

Part A – General

2. The AUASB is also requested to consider the updated issues paper and agreed disposition of each item (from 20 April 2015 meeting) at Agenda Item 1.1.

Note: This issues paper now also incorporates, within new Table 3, consideration of the pre-existing “Aus” paragraphs contained in Standards impacted by the ASA 720 conforming amendments. These Standards are: ASAs 210, 230, 260, 450, 500, 510, 560, 570, 580, 600, 700, 701, 705, 706, 710 and 810.

3. The AUASB is requested to consider the proposed Exposure Draft of revised ASA 720 (clean version). [Refer Agenda Item 1.3.] A marked up version is available (for information only) at Agenda Item 1.4.

4. The AUASB is requested to consider the proposed Amending Standard Exposure Draft containing conforming amendments to other Auditing Standards arising from revised ASA 720. [Refer Agenda Item 1.5.]

Note: for ease of identification and review, existing “Aus” paragraphs within the Standards impacted by the conforming amendments that are proposed to be deleted are highlighted in yellow on Agenda Item 1.5. Such “Aus” paragraphs have been reviewed as part of the compelling reasons process. This highlight will be removed from the text prior to the Exposure Draft being issued.

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5. The AUASB is requested to consider the related Explanatory Memorandum which is proposed to be issued with the Exposure Draft. [Refer Agenda Item 1.6]

Note these two currently separate documents will be joined together into one Exposure Draft (ED 02/15) for exposure purposes, together with the Explanatory Memorandum. This is consistent with the approach taken with Auditor Reporting.

Part B – NZAuASB

The AUASB has liaised with the NZAuASB on the issue of possible changes to ASA 720.

Part C – “Compelling Reasons” Assessment

1. The AUASB is requested to consider the updated compelling reasons documentation, reflecting agreed outcomes on issues identified in the issues paper [at Agenda Item 1.1] from revising ASA 720 (20 April 2015 meeting).

Note: This compelling reasons documentation now also incorporates the proposed retention of the “Aus” paragraph Aus 4.1 contained in ASA 810 (as identified from the updated issues paper in Part A, item 1. Above) [See proposed modification (2)]

The proposed changes conform to IAASB modification guidelines for NSS?

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AUASB Technical Group Recommendations

Approve the Exposure Draft of revised ASA 720 (including related conforming amendments) and Explanatory Memorandum for issuance on public exposure for a period of 60 days.

Material Presented

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| Agenda Item 1 | AUASB Board Meeting Summary Paper |
| Agenda Item 1.1 | ASA 720 Issues Paper |
| Agenda Item 1.2 | ASA 720 Compelling Reasons documentation |
| Agenda Item 1.3 | Exposure Draft 02/15 – ASA 720 (clean) |
| Agenda Item 1.4 | Exposure Draft 02/15 – ASA 720 (marked up) [for information only] |
| Agenda Item 1.5 | Exposure Draft 02/15 – Amending Standard (conforming amendments) |
| Agenda Item 1.6 | Explanatory Memorandum to ASA 720 and related conforming amendments |
| Agenda Item 1.7 | Final ISA 720 [for information only] |
| Agenda Item 1.8 | Extant ASA 720 [for information only] |

Action Required

| No. | Action Item | Deliverable | Responsibility | Due Date | Status |
|-----|--|-------------|----------------|-------------|--------|
| 1. | Consider and Approve the Exposure Draft for issuance | Approval | AUASB | 29 May 2015 | o/s |