



Subject: Minutes of the Special meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Teleconference
Date: 19 May 2015 from 10.00 a.m. to 11.30 a.m.

Attendance via Teleconference

AUASB Members: Ms Merran Kelsall (Chairman)
Ms Robin Low (Deputy Chairman)
Ms Valerie Clifford
Mr Chris George
Prof. Nonna Martinov-Bennie (until 11.00 a.m.)
Ms Caithlin Mc Cabe
Ms Jane Meade
Mr Colin Murphy
Mr Bernie Szentirmay (from 10.30 a.m.)

AUASB Technical Group: Mr Richard Mifsud (Executive Director)
Ms Susan Fraser
Ms Rene Herman
Mr Howard Pratt

Apologies Ms Jo Cain
Mr Neil Cherry
Mr John Gavens

Minutes

ED 02/15: The Auditor's Responsibilities Relating to Other Information

The AUASB considered the updated issues paper and "compelling reasons test" paper relating to ED 02/15. The updated papers include the disposition of each item from the 20 April 2015 AUASB meeting and a consideration of the pre-existing "Aus" paragraphs contained in Standards impacted by the ASA 720 conforming amendments. The AUASB requested that the ASA 720 Exposure Draft include a question specifically related to the stakeholder's views regarding the proposed AUASB removal of existing "Aus" paragraph references to the *Corporations Act 2001* and other non-*Corporations Act 2001* references. The AUASB considered the draft ASA 720 Exposure Draft and requested several amendments/additions to the Request for Comment questions as follows:

- Include a question on whether further guidance than provided at paragraphs A49-A50 (related to paragraph 19) is required to assist auditors in understanding their options in circumstances where there is a material misstatement in the other information obtained after the date of the auditor's report.
- Include a separate question on whether the differential reporting requirements in respect of listed or non-listed entities contained in the paragraph 21 may:
 - cause confusion; or
 - encourage poor practice by entities through delaying finalisation of the annual report and therefore remove the existing reference to reporting from previous question 3.



- Include a question on whether stakeholders have any practical difficulties in identifying what the other information (as defined in paragraph 12(c)) is.

The AUASB requested that once the exact wording has been drafted for the above questions that the AUASB review and provide feedback to these questions prior to issuance of the Exposure Draft.

The AUASB requested that an additional [Aus] Appendix be included in the ASA 720 Exposure Draft, located before the appendix containing the illustrative audit reports, to summarise the reporting requirements contained in paragraphs 21 and 22 into a decision tree. This was to make it easier for practitioners to understand the proposed differential reporting requirements relevant to listed and non-listed entities.

The AUASB considered the related draft Amending Standard, and agreed with the approach taken in the proposed Amending Standard to incorporate both the conforming amendments to various Auditing Standards arising from ASA 720 and the removal of any existing “Aus” paragraphs within those same Auditing Standards that do not meet the compelling reasons test. The AUASB considered the issues paper identifying all existing “Aus” paragraphs and approved the proposed treatment of these paragraphs – to either be deleted, retained, or retained and amended. As part of this, the AUASB agreed that the definition of summary financial statements as currently included in ASA 810¹ “Aus” paragraph 41, met the compelling reasons test and was to be retained. The AUASB then approved the proposed Amending Standard, reflecting these decisions.

Subject to the additional appendix and amendments to the request for comment questions, the AUASB considered and approved for issue ED 02/15 comprising:

ASA 720	<i>The Auditor's Responsibilities Relating to Other Information</i>	Revised
Several	Conforming amendments to several standards including those that may have been included in ED 01/15	Amending standard

The Exposure draft, when issued, will be available for public consultation for a period of 60 days.

Approval

Signed as a true and correct record.

Robin Low
Deputy Chairman

Date: 9 June 2015

¹ See ASA 810 *Engagements to Report on Summary Financial Statements*.