



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **2(c)**
Meeting Date: 1 March 2017
Subject: Auditor's Responsibilities – Outstanding matters
Date Prepared: 22 February 2017

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider:

- The approval of a recommendation to add an additional auditor's responsibilities statement on the AUASB website to cover non-listed groups.
- A change in the location of the statements from http://www.auasb.gov.au/auditors_files/ to a more user friendly location.

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 via a footnote to the reference above 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 four 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 2016 meeting, the AUASB requested a more comprehensive suite of auditor's responsibilities descriptions be brought back to a later meeting (including examples in relation to listed trusts).
 6. At the 14 June 2016 meeting an additional two statements were presented to include listed entities and listed groups that are not a company. During this meeting the AUASB also requested an additional statement to cover non-listed single entities were ASA 600 applies.
 7. In July 2016 the AUASB approved via an out of session vote the issue of seven auditor responsibility statements.
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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.

8. In January 2017 a member of the AUASB requested an additional statement be added to cover non-listed groups. The AUASB member also suggested a change in the location of the statements from the current http://www.auasb.gov.au/auditors_files/ to a more user friendly URL, such as [http://www.auasb.gov.au/auditor's responsibility statements/](http://www.auasb.gov.au/auditor's_responsibility_statements/).
9. Post the January AUASB meeting, the AUASB technical staff received input from a number of accounting firms who have suggested the preparation of additional statements with generic terms used in relation to “the entity” audited as well as “those charged with governance”. They also suggested that an additional statement be prepared to cover a single listed entity audit where ASA 600 applies. The AUASB technical staff are most appreciative of the assistance provided by the technical staff of the accounting firms.
10. The AUASB technical staff will continue to determine whether additional statements are required (including statements in relation to ASA 800 *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*).

Matters to Consider

Part A – General

1. The AUASB is requested to consider and approve a new auditor’s responsibilities statements for:
 - (a) Non-listed group (“those charged with governance²”)
 - (b) Single listed entity (“the entity¹” / “those charged with governance²”)
 - (c) Single listed entity – ASA 600 applies (“the entity¹” / “those charged with governance²”)

¹ “the entity/(’s)” refers to the entity whose financial report has been audited.

² “those charged with governance” refers to the person(s) or organisation(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process.
2. The AUASB is requested to consider and approve a more user friendly URL such as [http://www.auasb.gov.au/auditor's responsibility statements/](http://www.auasb.gov.au/auditor's_responsibility_statements/)

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 Recommendations

1. The AUASB is requested to approve the new auditor's responsibilities statements outlined above.
2. Agree on a more user friendly URL such as [http://www.auasb.gov.au/auditor's responsibility statements/](http://www.auasb.gov.au/auditor's%20responsibility%20statements/).

Material Presented

Agenda Item 2(c).0	AUASB Board Meeting Summary Paper
Agenda Item 2(c).1	Auditor's Responsibilities Statement – Non-Listed Group (“those charged with governance”)
Agenda Item 2(c).2	Auditor's Responsibilities Statement –Single listed entity (“the entity's” / “those charged with governance”)
Agenda Item 2(c).3	Auditor's Responsibilities Statement – Single listed entity – ASA 600 applies (“the entity's” / “those charged with governance”)

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider and approve new auditor's responsibilities statements	AUASB approval	AUASB	1 March 2017	o/s
2.	Consider and approve new location for the auditor's responsibilities statements	AUASB approval	AUASB	1 March 2017	o/s