



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5**
Meeting Date: 30 May 2017
Subject: Auditor Reporting FAQs – Release 3
Date Prepared: 22 May 2017

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider and approve:

- a) The AUASB Bulletin - Communicating Key Audit Matters for Stapled Security Groups
- b) Auditor Reporting FAQs - Release 3
- c) Basis for Conclusions – ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*

Background

- a) The AUASB Bulletin - Communicating Key Audit Matters for Stapled Security Groups
At its meeting on 26 April 2017 the AUASB agreed it was appropriate to communicate to stakeholders its deliberations on communicating key audit matters for stapled security groups via an AUASB Bulletin. The AUASB Technical Group have drafted the bulletin for the AUASB's comments and approval.
- b) Auditor Reporting FAQs - Release 3
The AUASB have requested that the AUASB Technical Group continue to prepare Auditor Reporting FAQs to assist with implementation. The following FAQs are ready for AUASB comments and approval.
 1. Communicating KAMs for entities quoted on the ASX Aqua Market
 2. What is included in the Material Uncertainty Relating to Going Concern paragraph in the auditor's report.
- c) Basis for Conclusions – ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*

A Basis for Conclusions document is prepared when the AUASB makes decisions on substantive matters relating to the development of a standard. This Basis for Conclusions has been developed to provide the background to, and rationale for the development and approval of ASA 701(Revised June 2017). This Basis for Conclusions includes the proposed amendments to ASA 701 included in ED 07-16 and the rationale for the conclusions reached.

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.

Part B – NZAuASB

N/A

Part C – “Compelling Reasons” Assessment

NA

The proposed changes conform to IAASB modification guidelines for NSS?

Y N

AUASB Technical Group Recommendation and AUASB Actions

The AUASB Technical Group recommends that the AUASB approve for issue:

- a) The AUASB Bulletin - Communicating Key Audit Matters for Stapled Security Groups
- b) Auditor Reporting FAQs - Release 3
- c) Basis for Conclusions – ASA 701 *Communicating Key Audit Matters in the Independent Auditor’s Report*

Material Presented

- Agenda Item 5.0 AUASB Board Meeting Summary Paper
- Agenda Item 5(a) The AUASB Bulletin - Communicating Key Audit Matters for Stapled Security Groups
- Agenda Item 5(b) Auditor’s Reporting FAQs – Release 3
- Agenda Item 5(c) ASA 701 Basis for Conclusions