



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **6**

Meeting Date: 26 July 2016

Subject: Auditor Reporting Implementation

Date Prepared: 20 July 2016

Action Required

For Information Purposes Only

Agenda Item Objectives

To update the AUASB on the status of the Auditor Reporting Implementation FAQs.

Background

The new and revised Auditor Reporting standards were released in December 2015 and are applicable for engagements ending on or after 15 December 2016. There has been significant changes to the audit report as a result of the revisions of ASA 700, 705, 706 and 720, and the introduction of a new standard ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*.

At previous AUASB meetings, it was discussed that there would be benefit in issuing guidance to assist engagement teams with implementation and the practical application of the new standards and revisions.

At the AUASB meeting on 14 June it was decided that a Project Advisory Group be formed to assist and that the guidance be in the format of frequently asked questions under the umbrella of an AUASB Bulletin. The overriding objective is to provide practical insights and guidance and if considered necessary can be supplemented and updated as further questions are raised through the application period. The aim is for the first version of the Bulletin to be released in approximately August / September and updated as required.

Status

A PAG meeting was held 12 July 2016.

The PAG discussed the types of questions to cover and the fact that there was a wide potential audience (Audit Committee members, practitioners (Big 4, mid tier and small firms). So the “questions” needed to cover high level as well as more detailed practical issues. It was also agreed that whilst there are many questions in relation to Key Audit Matters, there is also a need to cover the other impacts of the changes such as Other information, Going Concern, the Audit report structure and other changes.

Refer to Agenda Item 6.1 for draft questions which are being developed. Note these are draft and are still open for discussion and amendment.

Material Presented

Agenda Item 6	AUASB Board Meeting Summary Paper
Agenda Item 6.1	Draft FAQs [Confidential]

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