



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5(a)**
Meeting Date: 15 September 2015
Subject: Auditor Reporting Decision Diagrams
Date Prepared: 7 September 2015

Action Required

For Information Purposes Only

Agenda Item Objectives

To consider two draft decision diagrams in relation to Key Audit Matters (KAM).

Background

At the 28 July 2015 AUASB meeting, a request was made to draft a decision diagram in relation to KAM.

Diagrams (KAM) and (KAM and EOM) have been drafted for consideration at the 15 September 2015 meeting.

Matters to Consider

Part A – General

The AUASB is requested to consider the two draft decision diagrams and decide on:

- (a) Whether to adopt one or both diagrams into the appendices of the relevant auditing standard (either ASA 701 on KAM or ASA 706 on KAM and EOM); and
- (b) If inclusion in the auditing standards is agreed to, what changes to either or both draft diagrams are necessary.

Part B – NZAuASB

NZAuASB staff is aware of the potential for one or more decision diagrams to be included in the relevant appendices.

Part C – “Compelling Reasons” Assessment

Helpful to practitioners.

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.

The proposed changes conform with IAASB modification guidelines for NSS?

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AUASB Technical Group Recommendations

None.

Material Presented

Agenda Item 5(a) AUASB Board Meeting Summary Paper
Agenda Item 5(a).1 Decision Diagram (KAM)
Agenda Item 5(a).2 Decision Diagram (KAM and EOM)

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider draft decision diagrams	Direction from AUASB	AUASB	15 September 2015	o/s
