



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **3**

Meeting Date: 13 September 2016

Subject: ED 03/16 ASA 810

Date Prepared: 29 August 2016

Action Required

For Information Purposes Only

Agenda Item Objectives

1. To present constituents' submissions on ED 03/16 ASA 810 *Engagements to Report on Summary Financial Statements*.

Background

1. Exposure draft ED 03/16 issued in July 2016 for a 30 day period ended 15 August 2016.
2. The AUASB has received 6 submissions to the ED from constituents.
3. Agenda Item 3.2 contains a summary of the submissions received (typographical comments excluded). Essentially the view is that concise reports are not widely used but the guidance of GS 001 is important and should be retained or alternatively additional guidance should be included within ASA 810. Additionally there are a few areas for which ASA 810 (and ISA 810) are deficient and additional guidance could be provided (eg: KAM, other information, ethics). Furthermore there continues to be concern around the wording of the opinion within the auditor's report not being phrased "in all material respects".
4. The key decision that the AUASB needs to make is the way forward on ASA 810 and GS 001, there are 3 possible options:
 - (a) Include additional AUS paragraphs specific to concise reports thereby eliminating the need for a revision to GS 001 – this option will mean that ASA 810 and ISA 810 are not aligned to the extent of concise reports; or
 - (b) Remove all references to concise reports and example concise auditor's reports from ASA 810 and update GS 001 – this will mean that ASA 810 and ISA are completely aligned; or
 - (c) Keep a reference to concise reports within ASA 810 and provide a few example auditor's reports – this is the option that has currently been taken in the form of ED 03/16.

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AUASB Technical Group recommendations:

Follow option 5(c) above with a plan in place for the following:

- After the commencement of the new AUASB Chairman in early 2017, discussions are held with AUASB/ASIC/APRA regarding the wording of the current audit opinions used within the ASA 700 series and ASA 810 (in relation to the usage of the term in all material respects within the opinion paragraph); and
- At the May 2017 consultative meeting enquire as to whether GS 001 is a priority that requires update – such an update would include matters raised in the responses to ED 03/16 for example: ASA 720/KAM. Essentially the guidance statement can align with more detailed requirements and guidance specific to the Australian context of concise reports.

Matters to Consider

Part A – General

1. The AUASB is asked to consider:
 - (a) Disposition of comments; and
 - (b) Agreement on way forward – refer technical group recommendations above.

Part B – NZAuASB

1. AUASB staff has liaised with NZAuASB staff – no issues noted. NZ does not have the concise reports issue that Australia has.

AUASB Technical Group Recommendations

See disposition paper.

Material Presented

Agenda Item 3	AUASB Board Meeting Summary Paper
Agenda Item 3.1	ED 03/16 ASA 810
Agenda Item 3.2	Dispositions paper of submissions received
Agenda Item 3.3-3.8	Respondent's submissions

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider ED submissions	AUASB comments	AUASB	13 September 2016	o/s

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