



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **5.**
Meeting Date: 28 November 2017
Subject: Auditor Reporting update
Date Prepared: 13 November 2017

Action Required

For Information Purposes Only

Agenda Item Objectives

1. To provide an update on the following:
 - (a) Revisions to GS 010 *Responding to Questions at an Annual General Meeting*
 - (b) Feedback from the Perth Auditor Reporting Roundtable
 - (c) International update

Part A

(a) GS 010 Responding to Questions at an Annual General Meeting (GS 010)

Background

1. The existing Guidance Statement, GS 010 was issued in March 2009 to provide guidance to auditors on responding to both written questions submitted prior to the AGM and questions raised at the AGM.
2. In 2015 the AUASB agreed that it was appropriate to update GS 010 to address changes made by the IAASB to enhance auditor reporting.
3. At the AUASB meeting on 22 February 2016 the board considered a draft revision of GS 010 and agreed that the revisions needed to be expanded to:
 - address the impact of key audit matters and other changes made to the auditor's report;
 - differentiate between written questions received prior to the AGM from answering questions during the AGM;
 - provide guidance on how engagement partner delegates are selected when the engagement partner is not able to attend the AGM; and

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- include an appendix comprising examples of questions that may arise at AGMs.
4. Based on the above it was agreed that the next iteration of GS 010 would be presented to the AUASB to include examples of questions actually asked at AGMs and that practitioners on the AUASB would assist with developing a body of such questions. It was therefore agreed to delay the revision of GS 010 until after AGM season.
 5. At its meeting on 12 September 2017 the AUASB agreed that it was necessary to provide guidance to practitioners on the impact of the changes to the auditor's report for upcoming AGMs, and a bulletin or FAQ would be issued as soon as possible. An AUASB bulletin titled *The new enhanced Auditor's Report – responding to questions at AGMs* was issued in October 2017.

AUASB Technical Group's recommendation and action required by the AUASB

6. *Recommendation:*

The AUASB Technical Group recommend that GS 010 is updated to incorporate the guidance contained in the AUASB bulletin *The new enhanced Auditor's Report – responding to questions at AGMs*, and the matters detailed in point 3 above.

7. *Action required by the AUASB:*

Do you agree with this recommendation?

8. If yes, the AUASB's input is required on the following:

- Are you aware of questions that were asked on the new auditor's report?
- Do you have any example questions which you think would be appropriate for GS 010?
- What is current practice when determining delegates when the engagement partner is not available?

(b) Feedback from the Perth Auditor Reporting Roundtable

9. Verbal feedback to be provided as the session was held after the mail out.

(c) International update

10. Update from the IAASB Auditor Reporting Implementation Meeting held on 25 October 2017:
 - The IAASB Post Implementation Review timing likely to be second half of 2018, however subject to change
 - The IAASB are not planning on updating global FAQs
 - Singapore have issued a report - Singapore Review of Implementation of the Enhanced Auditor's Report issued
 - NZAuASB are issuing a joint report with their FMA on the first year implementation experience
 - Japan and Canada are now going to implement KAM reporting

Part B – NZAuASB

1. N/A

Part C – “Compelling Reasons” Assessment

- 1. N/A

Material Presented

Agenda Item None

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Points 6 – 8 above		AUASB		