



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **4**

Meeting Date: 20 April 2015

Subject: ISA 720 - Issues and compelling reasons documentation

Date Prepared: 10 April 2015

Action Required

For Information Purposes Only

Agenda Item Objectives

1. To continue consideration of identified issues and their disposition (ongoing WIP); and
2. Consider and approve compelling reasons for modifying the ISAs.

Background

1. The IAASB issued the final of revised ISA 720 and related conforming amendments on 9 April 2015. Refer Agenda Item 4.3]

The AUASB is asked to consider the issues paper addressing potential issues that arise from the revised ISA 720 and its adoption as ASA 720. The AUASB is to determine which issues need further deliberations, and others which require no further action.

Matters to Consider

Part A – General

1. The AUASB is requested to consider the issues paper and the suggested disposition of each item in Agenda Item 4.1. The issues paper:
 - (a) Identifies issues arising from the final issued ISA 720;
 - (b) Identified issues arising from AUASB “Aus” additions contained in existing ASA 720 [refer Agenda Item 4.4 for a copy of existing ASA 720]; and
 - (c) Comments and suggestions on treatment of the issues, including suggestions to transfer to the issue to the compelling reasons process.

The issues paper contains several proposed amendments to revised ISA 720. These amendments are reflective of previously provided AUASB feedback (incorporating received Australian practitioner feedback) to the IAASB during the ISA 720 exposure draft process.

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

The AUASB has liaised with the NZAuASB on the issue of possible changes to ISA 720. Refer Agenda Item 4.1 for relevant comments on shared issues.

Part C – “Compelling Reasons” Assessment

1. The AUASB is requested to consider each item in the compelling reasons documentation and approve each modification to ISA 720. [refer Agenda Item 4.2.]

The proposed changes conform to IAASB modification guidelines for NSS? Y N

AUASB Technical Group Recommendations

Approve the proposed modifications to ISA 720, enabling the changes to be incorporated into the Australian exposure draft to be presented at the 19 May 2015 meeting to the AUASB for consideration to approve and issue.

Material Presented

Agenda Item 4	AUASB Board Meeting Summary Paper
Agenda Item 4.1	ISA 720 Issues Paper [confidential]
Agenda Item 4.2	ISA 720 Compelling Reasons documentation [confidential]
Agenda Item 4.3	Final ISA 720
Agenda item 4.4	Extant ASA 720

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approve the compelling reasons for modifying the ISA 720	Approval	AUASB	20 April 2015	o/s