



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **6.1**

Meeting Date: 20 April 2015

Subject: Auditor Reporting – Exposure Draft ED 01/15

Date Prepared: 7 April 2015

Action Required

For Information Purposes Only

Agenda Item Objectives

1. To approve ED 01/15 comprising proposals for:
 - (a) One new standard (ASA 701); and
 - (b) 5 revised standards (ASAs 700, 705, 706, 570 and 260).

[**Note:** Conforming amendments to a number of other standards that are included in ED 01/15 are dealt with under Agenda Item 6.2. Discussion on the implementation of revised standard, ASA 720 is contained in Agenda Item 4.]

Background

1. The IAASB's project to enhance auditor reporting has been ongoing for several years. The first and most comprehensive tranche of new, revised and amended standards were issued by the IAASB in January 2015. ED 01/15 now brings all these proposals to be incorporated into the Australian Auditing Standards.
2. In earlier meetings, the AUASB has considered, and decided on, a number of issues and drafting protocols. ED 01/15 reflects the AUASB's decisions.
3. Compelling reasons documentation and the WIP issues paper are included for information at Agenda Item 6.1.14 and 6.1.15 respectively.

Matters to Consider

Part A – General

1. The AUASB is requested to consider and approve the following:
 - (a) The form and content of the Explanatory Memorandum [Agenda Item 6.1] that will accompany ED 01/15.
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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.

- (b) The AUASB deletions and additions, identified as “Aus” paragraphs in all the proposed standards.
- (c) Other “marked up” changes.
- (d) The proposed illustrative auditor’s reports, particularly those in ASA 700 [Agenda Item 6.1.2] from which all other example reports are drafted.

Part B – NZAuASB

1. The NZAuASB has committed to “the scope and application of the KAM requirements to be extended to FMC disclosing entities (FMC - *Financial Markets Conduct Act 2013*) considered to have a higher public accountability, in 2018”. The commitment is by way of Transitional Provisions paragraphs in ISA (NZ) 700.
2. There are no other substantive amendments in ISA 700 (NZ) proposed by the NZAuASB that are inconsistent with the proposals in ED 01/15 and no proposals in ED 01/15 are inconsistent with the NZAuASB proposals. Accordingly, no harmonisation issues exist.
3. See Agenda Item 6.1.16 which is a confidential draft of ISA (NZ) 700. This version is still in progress and may differ slightly from the version ultimately taken to the NZAuASB meeting on 29 April 2015. Any further changes are not expected to be substantive.

Part C – “Compelling Reasons” Assessment

1. Compelling reasons documentation, relating to issues decided upon at previous meetings, is provided at Agenda Item 6.XX. There are no further compelling reason issues to be decided upon.

The proposed changes conform to IAASB modification guidelines for NSS?

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AUASB Technical Group Recommendations

1. The AUASB is requested to approve ED 01/15 for issuance.

Material Presented

Agenda Item 6.1	AUASB Board Meeting Summary Paper
Agenda Item 6.1.1	Explanatory Memorandum
Agenda Item 6.1.2	Proposed ASA 700 (clean)
Agenda Item 6.1.3	Proposed ASA 701 (clean)
Agenda Item 6.1.4	Proposed ASA 705 (clean)
Agenda Item 6.1.5	Proposed ASA 706 (clean)
Agenda Item 6.1.6	Proposed ASA 570 (clean)
Agenda Item 6.1.7	Proposed ASA 260 (clean)
Agenda Item 6.1.8	Proposed ASA 700 (marked up)
Agenda Item 6.1.9	Proposed ASA 701 (marked up)
Agenda Item 6.1.10	Proposed ASA 705 (marked up)
Agenda Item 6.1.11	Proposed ASA 706 (marked up)

Agenda Item 6.1.12	Proposed ASA 570 (marked up)
Agenda Item 6.1.13	Proposed ASA 260 (marked up)
Agenda Item 6.1.14	Compelling Reasons Documentation [Confidential]
Agenda Item 6.1.15	Issues Paper (WIP) [Confidential]
Agenda Item 6.1.16	NZ Draft ISA (NZ) 700 [Confidential FOR INFORMATION ONLY]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approve ED 01/15	Approval	AUASB	20 April 2015	o/s
