



AUASB International Update

Subject: AUASB International Update for the period 1 July 2015 to 20 August 2015 inclusive.

International Federation of Accountants (IFAC)

1. IFAC published on 10 July 2015 its [Strategy Survey for 2016-2018](#). The survey results, obtained from member organizations, forum of firms members and other stakeholders is used to inform the development of IFAC's Strategy for 2016-2018.

International Audit and Assurance Standards Board (IAASB)

1. The IAASB published on 15 July 2015 its revised [International Standard on Auditing \(ISAs\) Addressing Disclosures in the Audit of Financial Statements](#). Accompanying this revised standard are the Staff Publication of the same title, *Addressing Disclosures in the Audit of Financial Statements, the Basis for Conclusions* and *At a Glance Documents*. The revisions aim to focus auditor's attention on financial statement disclosures throughout the audit process. The effective date of the revisions is for financial statement periods ending on or after 15 December 2016, consistent with the new and revised auditor reporting standards.
2. The IAASB published on 23 July 2015 an Exposure Draft [Proposed Amendments to the IAASB's International Standards-Responding to Non-Compliance or Suspected Non-Compliance with Laws and Regulations](#). The Exposure Draft proposes limited amendments to certain auditing and assurance standards relating to non-compliance or suspected non-compliance with laws and regulations. It comes in direct response to the IESBA's recent Exposure Draft proposing to amend APES 110 *Code of Ethics for Professional Accountants* in respect of its provisions dealing with non-compliance with laws and regulations. Comments are requested by 21 October 2015.
3. The IAASB published on 3 August 2015 an Exposure Draft [Proposed Changes to International Standard on Auditing \(ISA\) 810 Engagements to Report on Summary Financial Statements](#). The changes represent limited conforming amendments arising from the new and revised auditor reporting standards suite and will have the same effective date (i.e. for financial statements periods ending on or after 15 December 2016). Comments are requested by 2 November 2015.
4. The IAASB published on 14 August 2015 a Staff Audit Practice Alert titled [Responsibilities of the Engagement Partner in Circumstances when the Engagement Partner Is Not Located Where the Majority of the Audit Work is Performed](#). The Alert is intended to be the IAASB's initial response to regulator and audit oversight bodies concerns about the application of ISA 600 *Special Considerations-Audits of Group Financial Statements (Including the Work of Component Auditors)*. It reminds assurance practitioners in group audit circumstances of the audit engagement partner responsibilities (as set out in particular ISAs) when they are not located where the majority of the audit work is performed.
5. The IAASB issued on 20 August 2015 its newsletter: [E-news: August 2015](#).

Public Interest Oversight Board of IFAC (PIOB)

1. The PIOB published in July 2015 its [43rd PIOB Meeting Summary](#) of its meeting held on 26-27 June 2015. Of audit and assurance significance was the PIOB's approval of the IAASB's *Changes to the International Standards on Auditing Addressing Disclosures in the Audit of Financial Statements-Revised ISAs and Related Conforming Amendments*.

International Ethics Standards Board for Accountants (IESBA)

1. The IESBA published on 21 August 2015 its [2014 Annual Report Advancing Ethics for an Evolving, Global Profession](#).

International Integrated Reporting Council (IIRC)

1. The IIRC issued on 9 July 2015 its [June 2015 newsletter](#). Of note is the discussion of the recently published [Overview of feedback and call to action](#) document which summaries significant issues emerging from the debate about trust and credibility regarding <IR>, particularly the role of independent assurance.
2. The IIRC issued on 31 July 2015 its [July 2015 newsletter](#). Of note is the discussion on the published [<IR> Competence Matrix](#) document, a first draft, which is available for feedback, through an on-line survey, until 16 September 2015. The matrix aims to provide clear guidance on the skills and experience necessary to be an effective <IR> practitioner.

International Organization of Securities Commissions (IOSCO)

1. There have been no significant developments related to audit and assurance to report in the period.

International Forum of Independent Audit Regulators (IFIAR)

1. The IFIAR announced on 30 June 2015 that it had approved the [Multilateral Memorandum of Understanding \(MMOU\) – Strengthening Future Cooperation Among International Audit Regulators](#). The MMOU seeks to improve the quality of public company audits through enhanced information sharing among IFIAR members.

New Zealand

New Zealand Auditing and Assurance Standards Board (NZAuASB)

1. The NZAuASB published on 24 July 2015 its [Communique No. 12](#) announcing the issuance of Standard on Assurance Engagement SAE 3150 *Assurance Engagements on Controls*. The standard, developed as a joint project with the AUASB, has no international equivalent and provides requirements and related guidance for accepting, planning, conducting and reporting for assurance engagements on controls. It is effective for assurance engagements commencing on or after 1 January 2016, with early adoption permitted.

2. The NZAuASB published on 30 July 2015 its [Communique No. 13](#). The communique outlines a summary of the NZAuASB meeting held on 22 July 2015. The main matters discussed included:
 - Continued consideration of the IESBA's re-exposure draft dealing with NOCLAR. The NZAuASB agreed to modify the international proposals in New Zealand should the IESBA finalise the proposal as exposed. The NZAuASB approved an New Zealand exposure draft for release.
 - Approval of the amendments to the ISAs (NZ) in respect of auditing financial statement disclosures. The amendments are due to be released in September, along with the finalised auditor reporting package and will have the same effective date (i.e. for financial statement periods ending on or after 15 December 2015).
 - Discussion on the NZAuASB's Strategic Action Plan 2014-2019. The NZAuASB agreed to develop guidance to assist assurance practitioners dealing with various issues in some legislation containing assurance requirements and how to determine which standards are relevant; and also aimed at improving user understanding about the various assurance products contained in the standards.
 - Discussion on the development of the accounting standard on service performance and the development of a possible assurance standard dealing with those engagements where the financial statements of an entity include service performance information.
 - Approval of the NZAuASB 2015/2016 Strategic Implementation Plan.
 - Discussion on the IAASB's proposed changes to ISA 810 *Engagements to Report on Summary Financial Statements* and the NZAuASB's proposed submission.
3. The NZAuASB published on 3 August 2015 its [Communique No. 14](#). This communique discusses the IAASB's proposed amendments to various auditing standards dealing with non-compliance or suspected non-compliance with laws and regulations, as contained in its Exposure Draft. The amendments are directly related to IESBA's proposed changes as issued in its May 2015 re-exposure draft. The NZAuASB requested comments on the IAASB's proposals by 21 October 2015.
4. The NZAuASB published on 7 August 2015 its [Communique No. 15](#). This communique discusses the NZAuASB's decision to make modifications to the IESBA's proposals dealing with non-compliance or suspected non-compliance with laws and regulations. The NZAuASB issued an Exposure Draft containing their proposed modifications, which is open for comment until 10 November 2015.
5. The NZAuASB published on 10 August 2015 its [Communique No. 16](#). The communique comments on the IAASB proposal to make limited conforming amendments to ISA 810 *Engagements to Report on Summary Financial Statements*. The NZAuASB has requested any comments on the proposal by 7 October 2015 to give the NZAuASB time to consider the feedback in drafting their submission to the IAASB (due 2 November 2015).

United Kingdom

UK Financial Reporting Council (UK FRC)

1. The UK FRC published on 28 July 2015 its [2014/15 Annual Report and Accounts](#).

The U.K Competition and Markets Authority (UK CMA)

1. There have been no significant developments related to audit and assurance to report in the period.

Institute of Chartered Accountants in England and Wales (ICAEW)

1. There have been no significant developments related to audit and assurance to report in the period.

Institute of Chartered Accountants in Scotland (ICAS)

1. There have been no significant developments related to audit and assurance to report in the period.

United States

American Institute of Certified Public Accountants (AICPA)

1. A link was published on 2 July 2015 to an article that appeared in the Journal of Accountancy titled [SEC considers updating audit committee disclosure requirements](#). The article discusses the SEC's issuance of a concept release document that seeks stakeholder feedback on audit committee related disclosures. In particular, feedback is sought on the relationship between the audit committee and the auditor and whether the SEC's disclosure requirements should be changed to require the audit committees to provide more details on the information it considered in overseeing the independent auditor.
2. The AICPA [published](#) on 27 July 2015 revisions to two governmental auditing guides. The two guides, *2015 Government Auditing Standards and Single Audits* and *2015 State and Local Governments* are a part of the AICPA's Enhancing Audit Quality initiative.
3. A link was published on 4 August 2015 to an article that appeared in the Journal of Accountancy titled [Can auditors expand assurance to meet investors' needs?](#) The article discusses the emerging demand for auditors to provide more real-time assurance on information that it outside the financial statements.
4. A link was published on 11 August 2015 to an article that appeared in the Journal of Accountancy titled [Are audits of ICFR improving?](#) The article discusses recent feedback from the PCAOB on the quality of audit work in respect of audits of internal control over financial reporting.
5. A link was published on 14 August 2015 to an article that appeared in the Journal of Accountancy titled [ASB proposal would amend auditor's report auditing standard](#). The article discusses amendments proposed by the ASB for audits conducted in accordance with PCAOB standards, when such audits are not within the jurisdiction of the PCAOB. The amendments proposed are contained within Exposure Draft *Amendments to*

SAS No. 122 section 700 Forming and Opining and Reporting on Financial Statements.
Comments are requested by 30 September 2015.

Center for Audit Quality (CAQ) (affiliated with AIPCA)

1. The CAQ published on 30 July 2015 its monthly CAQ [Snapshot July 2015 newsletter](#). Of note is the release is the third case study (Kendallville Bank Case Study) by the Anti-Fraud Collaboration that aims to promote diligence in financial fraud identification.

Public Company Accounting Oversight Board (PCAOB)

1. The PCAOB published on 18 August 2015 its fourth [annual report](#) on its interim inspection program (conducted in 2014) for auditors of broker and dealers registered with the SEC. The report found in summary high levels of independence findings and audit deficiencies, at levels similar to that reported in previous years.

Canada

Canadian Chartered Professional Accountants Canada (CPA Canada, formerly CICA)

1. There have been no significant developments related to audit and assurance to report in the period.

Auditing and Assurance Standards Oversight Council (AASOC)

1. There have been no significant developments related to audit and assurance to report in the period.

Canadian Auditing and Assurance Standards Board (CAASB)

1. The CAASB published on 2 July 2015 its [Basis for Conclusions on Section 7170 The Auditor's Consent to the Use of the Auditor's Report Included in a Business Acquisition Report](#).
2. The CAASB published on 2 July 2015 its [Basis for Conclusions on CSAEs 3000 and 3001 Attestation and Direct Engagements](#).
3. The CAASB published on 16 July 2015 its [Decision Summary](#) from its meeting held on 7 July 2015. The main matters discussed included:
 - Continued issues related to the Canadian adoption of ISA 720 *The Auditor's Responsibilities Relating to Other Information*. The CAASB will continue to discuss these issues and aims to approve an exposure draft later in 2015.
 - Approval of an Exposure Draft on CSAE 3530 *Reports on Compliance with Agreements, Statutes and Regulations*. The Exposure Draft is expect to be issued later in 2015 and noted it will have an exposure period of approximately 120 days.
 - Issues related to the CAASB's draft strategic plan for 2016-2021. The CAASB expects to approve the plan at its September 2015 meeting, with a goal of approving an related invitation to comment at the same meeting.
4. The CAASB published a [link](#) to the IAASB's recently issued auditing standard *Addressing Disclosures in the Audit of Financial Statements*. The revisions to the various ISAs contained in the standard were noted as being effective for audits of financial

This document contains preliminary views and/or staff 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.

statements for periods ending on or after 15 December 2016, consistent with the date of the IAASB's new and revised auditor reporting suite.

5. The CAASB published a [link](#) to the IAASB's issued Exposure Draft on *Responding to Non-Compliance or Suspected Non-compliance with Laws and Regulations*. The CAASB noted that the comment period ends on 21 October 2015.
6. The CAASB published a [link](#) to the IAASB's recently issued Exposure Draft on ISA 810 *Engagements to Report on Summary Financial Statements*. The CAASB noted that the comment period ends on 2 November 2015.

Canadian Public Accountability Board (CPAB)

1. There have been no significant developments related to audit and assurance to report in the period.

Federation of European Accountants (FEE)

1. FEE published on 13 July 2015 the results of its survey of member bodies regarding the [*Organisation of the Public Oversight of the Audit Profession in 23 European Countries*](#).

European Union (EU)

Council of the EU (JURI)

1. There have been no significant developments related to audit and assurance to report in the period.

European Parliament (EP) of the EU

1. There have been no significant developments related to audit and assurance to report in the period.

European Commission (EC)

1. There have been no significant developments related to audit and assurance to report in the period.