



AUASB International Update

Subject: AUASB International Update for the period 1 February 2015 to 18 May 2015 inclusive.

International Federation of Accountants (IFAC)

1. IFAC published its [2014 Financial Statements](#) on 17 March 2015.

International Audit and Assurance Standards Board (IAASB)

1. The IAASB published its 16-20 March 2015 meeting [highlights](#) on 20 March 2015.
2. The IAASB published on 22 April 2015 a non-authoritative staff publication, *Auditor Reporting – Illustrative Key Audit Matters*.
3. The IAASB issued its regular [e-newsletter](#) on 29 April 2015.
4. The IAASB issued its revised [ISA 720 The Auditor's Responsibilities Relating to Other Information](#) on 8 April 2015. Accompanying this revision was the IAASB's [At a Glance](#) and [Basis for Conclusions](#) documents.

Public Interest Oversight Board of IFAC (PIOB)

1. The PIOB published its [April 2015 meeting minutes](#) of its 23-25 March 2015 meeting (42st meeting). Of audit and assurance noting was the PIOB approval of the IAASB's ISA 720 *The Auditor's Responsibilities Relating to Other Information* revision and related conforming amendments and the IESBA's independence related changes to the *Code of Ethics for Professional Accountants* in respect of non-assurance services being provided to audit and assurance clients.

International Ethics Standards Board for Accountants (IESBA)

1. The IESBA issued its independence related changes to the [Code of Ethics for Professional Accountants](#) (the Code) on 14 April 2015. In particular, the Code no longer permits auditors to provide certain prohibited non-assurance services to public interest entity (PIE) audit clients in emergency situations, or from assuming management responsibility when providing non-assurance services to audit clients. It also contains guidance clarifying the concept of "routine or mechanical" services relating to the preparation of accounting records and financial statements for audit clients that are not PIEs. The changes are effective April 15, 2016, with early adoption permitted. A [Basis for Conclusions](#) document was also published.

International Integrated Reporting Council (IIRC)

1. The IIRC published on 5 May 2015 an article discussing the publishing of a <IR> [Landscape Map](#) that has been prepared by eight of the world's most prominent organizations in corporate reporting and is designed to "provide a snapshot of a comparison of their frameworks, standards and related requirements through the lens of Integrated Reporting." These eight organizations are the CDP, CDSB, FASB, GRI, IASB, ISO, and SASB and are all members of the *Corporate Reporting Dialogue*,

established in 2014 to respond to market calls for greater coherence, consistency and comparability between frameworks, standards and related requirements.

2. The IIRC issued on 5 May 2015 its [April 2015 newsletter](#).
3. The IIRC issued on 1 April 2015 its [March 2015 newsletter](#).
4. The IIRC issued on 1 March 2015 its [February 2015 newsletter](#).

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. IFIAR published on 3 March 2015 its third annual [Report on 2014 Survey of Inspection Findings](#). It also produced an accompanying [Fact Sheet](#). The 2014 survey summarises the results of findings identified in members' respective inspections of audit firms, primarily those affiliated with the six largest international audit firm networks. IFIAR collected information from inspections of three categories of audit firm activities - audits of public interest entities listed on a national securities exchange (listed PIEs); audits of systemically important financial institutions (SIFIs), including global systemically important financial institutions (G-SIFIs); and overall quality control systems in place within the audit firms. Key overall findings included, largely consistent with the 2013 findings, that there were deficiencies in important aspects of audits and there was a basis for ongoing concerns with audit quality. Supporting these overall findings, were specific themes particular to the three categories of audit firm activities. IFIAR intends to use these results to continue to promote audit quality globally.
2. IFIAR issued a [press release](#) on 28 March 2015 of the results of its annual meeting on 21-23 April 2015 in Taipei, Taiwan. Key meeting outcomes included: an in-principle agreement on a multilateral memorandum of understanding (MMOU) to provide a framework for information sharing amongst IFIAR members who choose to sign the MMOU once it is finalised; discussion on co-ordinated multijurisdictional audit inspections being undertaken to assess practices in group audits; approval of a publication summarising the results of an enforcement working group survey; discussion on the IAASB's changes to the auditor's reports and audit committee reporting and discussion on the background paper prepared by IFIAR's Investor and Other Stakeholders Working Group and Global Public Policy Committee Working Group titled [Current Trends in the Audit Industry](#).

New Zealand

New Zealand Auditing and Assurance Standards Board (NZAuASB)

[Communique 3 issued on 26 February regarding meeting held on 18 February 2015](#)

Matters considered included:

1. Discussion of the IAASB's issuance of the auditor reporting suite in January 2015 and whether there are any compelling reasons for the NZAuASB to make changes to the new and revised auditing standards contained in the auditor reporting suite. In particular, the

NZAuASB considered extending the application of key audit matters (KAM) reporting to all entities, not just listed entities as required in the IAASB's standard. After careful consideration of the implications of this, the NZAuASB proposes that KAM reporting initially apply to listed issuers, with the same effective date as the IAASB and that it be extended to all other FMC reporting entities considered to have higher public accountability in 2018.

2. Discussion on the IAASB's recent release of the Exposure Draft dealing with revisions to existing auditing standards ISA 800 *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and ISA 805 *Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* (comment period closes 22 April 2015). The NZAuASB will provide a submission to the IAASB on this Exposure Draft, once it has received its own submissions from its comparable Exposure Draft (closes 13 April 2015).
3. Discussion of the IESBA's approval of changes to the Code of Ethics with respect to non-assurance services provided by auditors. The NZAuASB identified no compelling reasons to make any changes to the equivalent New Zealand Code and will consider this for approval at the April 2015 meeting.
4. Discussion on proposed new assurance standard SAE 34XX *Assurance Engagements on Controls*. The NZAuASB plans to review a revised draft for approval at the June 2015 meeting.

Communique 6 issued on 9 May 2015 regarding the meeting held on 29 April 2015

Matters considered included:

1. Discussion of the IAASB's issuance of the auditor reporting suite in January 2015 and the NZAuASB's approval of its equivalent New Zealand Invitation to Comment (ITC) and Exposure Drafts (ED) on Auditor Reporting. The EDs include the new and revised auditing standards dealing with auditor's reporting, including the new standard dealing with key audit matters; proposed conforming amendments to auditing standards dealing with special purpose financial statement audit considerations and proposed revisions to the standard dealing with the auditor's responsibilities relating to other information.
2. Discussion of the statutory responsibilities of directors for the preparation of the financial statements, within the context of recent changes to the *Companies Act 1993* which refer to the company's responsibility rather than the directors' responsibility. Whilst the NZAuASB continues to deliberate whether any changes are necessary to the auditing standards, they consider that current references to the director's responsibility for the preparation of the financial statements remain appropriate.
3. Discussion of the IAASB's approval of ISA 720 Other Information revisions, and key changes made to the standard. The NZAuASB considers that there will likely be compelling reason amendments to the New Zealand equivalent of ISA 720 and will discuss the need to expose the Standard at its February 2015 meeting.
4. Discussion on the revision of assurance standard SAE 3100 *Compliance Engagements*, which the NZAuASB is performing in collaboration with the AUASB. The Exposure Draft of revised standard is expected to be ready for release in September 2015, with the standard to be finalised in mid-December 2015.

5. Discussion on the NZASB's development of a new service performance accounting standard, and an issues paper exploring the implications for assurance.

Communique 7 issued on 12 May 2015

The NZAuASB invites comment on the Exposure Draft of auditor reporting enhancements containing new and revised auditing standards dealing with auditor's reporting, including the new standard dealing with key audit matters; conforming amendments to auditing standards that deal with special purpose financial statement audit considerations and revisions to the standard dealing with the auditor's responsibilities relating to other information. The proposed operative date is consistent with the IAASB effective dates being for audits of financial statements for periods ending on or after 15 December 2016. Comments are invited by Monday 10 August 2015.

United Kingdom

UK Financial Reporting Council (UK FRC)

1. The UK FRC [released](#) on 2 March 2015 the findings of its survey [Extended auditor's reports: A review of experience in the first year.](#) In summary the findings found that auditors generally "appear not only to have met the new requirements but in many cases to have gone further and reported more widely than required."
2. The UK FRC published an [article](#) on 4 March 2015 discussing the findings of *IFIAR's 2014 Survey of Inspection Findings*. Refer IFIAR section for more detailed discussion of the findings.
3. The UK FRC published on 30 March 2015 its third annual [Transparency Reporting by Auditors of Public Interest Entities: Review of Mandatory Reports](#). The UK FRC noted that the quality of the reports continued to improve and that boilerplate statements appear to have been largely avoided; whilst encouraging firms improve the quality of disclosures in respect of their international networks; financial information, independence procedures; list of public interest entities.
4. The UK FRC issued on 12 March 2015 a link to the Department for Business Innovation and Skills Q&A regarding its December 2014 consultation paper [Auditor regulation: discussion document on the implications of the EU and wider reforms](#). Comments closed on 19 March 2015.
5. The UK FRC published an Exposure Draft on 14 May 2015 [Providing Assurance on Client Assets to the Financial Conduct Authority](#). The proposed new standard has been developed by the UK FRC auditor's required to report on regulated firms' compliance with the Financial Conduct Authority (FCA) client asset rules in respect of client assets and monies. The proposed effective date of the new assurance standard is for periods commencing on or after 1 January 2016. Comments are requested by 31 July 2015.
6. The UK FRC published on 18 May 2015 a [Feedback Statement](#) on its consultation activities related to how it best gives effect to specific responsibilities delegated to the UK FRC under the *Local Audit and Accountability Act 2014*.

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.

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.

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 26 February 2015 to an article that appeared in the Journal of Accountancy titled [ASB issues attestation interpretation to agreed-upon procedures engagements standard](#). The article discusses a new attestation interpretation issued by the AICPA in respect of agreed-upon procedures related to particular third-party due diligence services performed by practitioners.
2. A link was published on 4 March 2015 to an article that appeared in the Journal of Accountancy titled [Root cause analysis can improve audits, regulators say](#). The article discusses the recently issued results of the 2014 IFIAR survey of inspection findings. Refer IFIAR section for more details.
3. A link was published on 28 March 2015 to an article that appeared in the Journal of Accountancy titled [How coordination enables compliance with the group audits standard](#). The article discusses the application of the group audits standard, AU-Section 600, *Special Considerations-Audits of Group Financial Statements (Including the Work of Component Auditors)* and highlights the key changes in the revised standard.
4. A link was published on 1 April 2015 to an article that appeared in the Journal of Accountancy titled [PCAOB reorganizes standards to follow flow of an audit](#). Pending SEC approval, the reorganisation will result in the PCAOB-issued standards and the AICPA ASB-issued standards being contained “to a single, topical structure with an integrated numbering system with a logical flow that generally follows the audit process.”
5. The AIPCA published on 14 May 2015 a document outlining a [Six-Point Plan to Improve Audits](#). This plan is designed to provide a roadmap to improve audit performance for financial statement audits for private companies, employee benefit plans and governmental entities in the United States. This plan is part of the AICPA’s *Enhancing Audit Quality* initiative.

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

1. The CAQ published on 30 March 2015 its [CAQ Snapshot March 2015 newsletter](#).
2. The CAQ published on 10 March 2015 a white paper titled [Intersecting Roles: Fostering Effective Working Relationships Among External Audit, Internal Audit, and the Audit Committee](#). The white paper was produced by the CAQ, IIA and the Audit Executive Centre and highlights the importance of developing a clear understanding of the roles and

responsibilities of internal audit, external audit, and audit committees and how these roles may interact with each other.

3. The CAQ published on 29 April 2015 its [CAQ Snapshot April 2015 newsletter](#).
4. The CAQ published on 10 December 2014 the annual [2014 Audit Committee Transparency Barometer](#) report prepared jointly by the CAQ and Audit Analytics. The report focuses on the audit committees' disclosures of oversight activities of companies within the S&P's 500 large-cap, S&P MidCap 400 and S&P SmallCap 600 within the proxy statement filed through to the end of June 2014. The report found that many companies are disclosing more than is required and that many of the disclosures in the proxy statement are either consolidated within the audit committee report or within a dedicated section.

Public Company Accounting Oversight Board (PCAOB)

1. The PCAOB [announced](#) on 31 March 2015 that it had approved the reorganization of its auditing standards to "help users navigate the standards more easily". The amendments, pending approval by the SEC, are to be effective 31 December 2016. The standards will be re-numbered, and grouped into 6 topical categories that generally follow the flow of the audit process:
 - ***General Auditing Standards***: standards on broad auditing principles, concepts, activities, and communications;
 - ***Audit Procedures***: standards for planning and performing audit procedures and for obtaining audit evidence;
 - ***Auditor Reporting***: standards for auditors' reports;
 - ***Matters Relating to Filings Under Federal Securities Laws***: standards on certain auditor responsibilities relating to U.S. Securities and Exchange Commission filings for securities offerings and reviews of interim financial information; and
 - ***Other Matters Associated with Audits***: standards for other work performed in conjunction with an audit."
2. The PCAOB [announced](#) on 16 April 2015 that it had entered into a co-operative agreement with the Hungarian Audit Regulator.
3. The PCAOB issued on 7 May 2015 a new report, [Audit Committee Dialogue](#). This report is intended to be the first in a series that provides PCAOB insights to audit committee members on the results of their inspections of public company auditors. In particular, the PCAOB highlights key areas of recurring concern in audits, as well as emerging audit risks.

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)

CAASB Related

[Decisions summary of 5 February 2015 meeting published on 11 February 2015](#)

Matters considered included:

1. Proposed limited amendments to Section 7150, *Auditor's Consent to the Use of a Report of the Auditor Included in an Offering Document* to allow an auditor to issue to a stock exchange a consent letter similar to that provided to a securities regulator, with appropriate caveats regarding the intended use of the consent. Remaining issues are to be discussed at the March 2015 meeting, with an Exposure Draft intended to be approved and issued shortly thereafter.
2. A draft standard intended to replace Sections 5800, *Special Reports — Introduction*, and 5815, *Special Reports — Audit Reports on Compliance with Agreements, Statutes and Regulations* and issues associated with the revisions. The AASB will continue its deliberations with a view to approving an exposure draft in the first half of 2015.
3. Approval of a re-exposure draft of a proposed Canadian Standard on Review Engagements (CSRE) 2400, *Engagements to Review Historical Financial Statements*, to replace existing standards for review engagements. The re-exposure draft is expected to be issued in May 2015 and will have a comment period end date of 10 July 2015.

[Decisions summary of 9-10 March 2015 meeting published on 30 March 2015](#)

Matters considered included:

1. Discussion of issues around the adopting in Canada of the IAASB's recent issuance of new and revised ISAs related to auditor reporting. The CAASB intends to adopt the revised ISAs but resolved to issue an Invitation to Comment (ITC) mid-2015 to Canadian stakeholders to canvas their views on these issues. The CAASB noted that the effective date of any revised standards would be later than the date selected by the IAASB.
2. Issues related to the IAASB's project on the audit of financial statement disclosures. The CAASB will discuss adoption of the revised standards affected by the project at its June 2015 meeting.
3. Issues related to the adoption of the IAASB's revised ISA 720 *The Auditor's Responsibilities Relating to Other Information*. The CAASB discussed issues around the scope and application of the standard in the Canadian legislative environment and tentatively resolved to limit the application to documents required by Canadian securities legislation to be filed concurrently with the financial statements and to provide guidance on which documents, particular to Canada, are within the scope of the standards. The CAASB resolved to re-expose the proposed ISA 720 given the amendments agreed, and that the CAASB would approve the re-exposure draft at its April 2015 meeting.
4. Approval of Section 7170, *Auditor's Consent to the Use of the Auditor's Report in Connection with Business Acquisition Reports*. The revised standard will replace existing Section 7170 *Auditor's Consent to the Use of the Auditor's Report in Connection with*

Designated Documents. The standard, when issued, will be effective for reports issued on or after 1 June 2016.

5. Approval of an exposure draft of proposed limited amendments to Section 7150 *Auditor Consent to the Use of the Auditor's Report included in an Offering Document*. The Exposure Draft is expected to be issued in March 2015.
6. A draft standard intended to replace Sections 5800, *Special Reports — Introduction*, and 5815, *Special Reports — Audit Reports on Compliance with Agreements, Statutes and Regulations* and issues associated with the revisions. The CAASB will continue its deliberations with a view to approving an exposure draft in the second quarter of 2015.
7. Approval of a re-exposure draft of a proposed Canadian Standard on Review Engagements (CSRE) 2400, *Engagements to Review Historical Financial Statements*, to replace existing standards for review engagements. The re-exposure draft is expected to be issued in May 2015 and will have a comment period end date of 10 July 2015.
8. Approval of revised assurance standards CSAE 3000 *Attestation Engagements Other than Auditors or Reviews of Historical Financial Information* and CASE 3100 *Direct Engagements*. The final standards will be effective for attestation and direct engagements where the assurance report is dated on or after 30 June 2017 and are expected to be issued in June 2015.
9. The process to be followed in drafting the CAASB's *Strategic Plan 2016-2021*.

[Decisions summary of 14 April 2015 meeting published on 23 April 2015](#)

Matters considered included:

1. Approval of the Invitation to Comment (ITC) on implementation considerations related to the adopting of the ISAs on auditor reporting as CASs. The ITC is expected to be issued mid-2015.
2. Consideration of comments received on the CAASB's Exposure Draft *Reporting on Audited Financial Statements: Special Considerations*. The CAASB also discussed the proposed draft submission to the IAASB on their Exposure Draft of the same title.
3. Issues related to the adoption of ISA 720 *The Auditor's Responsibilities Relating to Other Information*. The CAASB will continue its deliberations and review an Exposure Draft of proposed CAS 720 at its June 2015 meeting with the aim of issuing later in 2015.
4. Approval of limited consequential amendments to CSAE 3416 *Reporting on Controls at a Service Organization* arising from recently revised and issued CSAE 3000 *Attestation Engagements Other than Auditors or Reviews of Historical Financial Information*. The amendments are expected to be issued in conjunction with the issuance of revised CSAE 3000 in June 2015.

Other matters

1. The CAASB issued on 9 March 2015 an Exposure Draft of a proposed new standard [Association](#) which is to replace existing standard, Section 5020 *Association*. Comments are due to the CAASB by 10 July 2015. Key changes include the redrafting of the standard in clarity format and making revisions to the scope and practitioner's responsibilities regarding matters relating to the use of a practitioner's name or report.

2. The CAASB issued on 27 March 2015 an Exposure Draft of proposed limited revisions to existing standards Section 7150 [Auditor's Consent to the Use of a Report of the Auditor Included in an Offering Document](#). Comments are requested by 1 May 2015.
3. The CAASB issued on 5 May 2015 the [Re-exposure draft on Engagements to Review Historical Financial Information](#). Comments are invited by 10 July 2015.

IAASB related

1. The CAASB issued on 2 March 2015 an [Exposure Draft – Reporting on Audited Financial Statements: Special Considerations](#). The Exposure Draft is based on the IAASB's Exposure Draft containing auditor reporting related amendments to existing Auditing Standards, ISA 800 (Revised), *Special Considerations — Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*; ISA 805 (Revised), *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*; as well as conforming amendments to other ISAs. Comments are due to the CAASB by 31 March 2015 to enable them to be considered in time for the AASB's submission to the IAASB (due by 22 April 2015.)

Canadian Public Accountability Board (CPAB)

1. The CPAB issued on 31 March 2015 its [2014 Annual Report Changing Expectations](#). The report contains a summary of 2014 audit firm inspection findings, key inspection themes and the CPAB's final thoughts. The CPAB noted an overall improvement in the results of firms inspected from 2013, largely due to the "effectiveness of action plans implemented by the Big Four firms beginning in 2012, and later on by the 10 other annually inspected firms." It also noted there were still improvements to make in audit quality, particularly in respect of the six largest regional firms whose results declined overall. Of the 174 engagement files reviewed by the CPAB, 32 were identified as containing significant deficiencies "in the application of generally accepted auditing standards related to a material financial balance or transaction stream where the audit firm must performed additional audit work to support the audit opinion and/or is required to make significant changes to its audit approach." Key inspection themes identified across all audit firms related to auditing in foreign jurisdictions, auditing complex accounting estimates, understanding and evaluating internal controls, applying professional judgment and executing professional scepticism. Additional inspection themes noted included journal entry testing; decommissioning obligations; use of management's experts and materiality.
2. The CPAB issued on 31 March 2015 highlights from its report [2014 Public Report on Inspections of the Quality of Audits in Canada](#) tailored for audit committees. Refer 1. Above for a summary of the reports' findings. The CPAB noted the important role audit committees can play in improving audit quality through enhanced oversight of the audit process including: effective communications with the auditor and management; questioning of the auditor's approach, including the effectiveness of the auditor/management relationship, and appropriate engagement with the external auditor and management.
3. The CPAB issued on 31 March 2015 a special report [Auditing in foreign jurisdictions](#). This report summarised the results of the CPAB's inspections of 30 audit files of reporting issuers (RIs) with operations in foreign jurisdictions, to assess their progress

since the last inspections in 2011. The CPAB noted general improvements in the quality of the audits as compared to those of 2011. Areas of attention that were identified as requiring improvement were: identifying and responding to country specific risks; understanding laws and regulations and addressing the risk of fraud; determining the appropriate use of the work of component auditors; and CPAB access to component auditor working papers.

4. The CPAB issued on 20 February 2015 a [summary](#) of the 2014 Audit Quality Symposium held in November 2014. The symposium brought together directors, business leaders, policy makers, audit firm leaders; regulators and academics from Canada and around the world to discuss audit quality related issues. Key discussions included international reforms (changing regulatory landscape); auditor reporting changes announced by the IAASB, particular key audit matters; the evolving role of audit committees; the PCAOB's audit quality indicators (AQI) initiative, a case study of an audit committees comprehensive review of the external auditor; the relevance and value of the audit and current trends in the audit industry.
5. The CPAB issued on 2 April 2015 a publication, [Comprehensive Review of the Auditor: What Audit Committees are Saying](#). This has been drafted based on CPAB research conducted with audit committee chairs about their observations about planning or performing comprehensive review of the external auditor. The comprehensive review was recommended to be performed at least every five years by the *Enhancing Audit Quality* initiative, a joint undertaking of the CPA Canada and the Canadian Public Accountability Board (CPAB).

Federation of European Accountants (FEE)

1. FEE issued on 23 February 2015 a briefing paper titled [Recent Developments in Auditor Communication](#) related to the EU audit reform measures published on 27 May 2014. The paper provides an overview and comparison of recent changes in EU law and the IAASB auditing standards in the area of auditor communication. The paper concludes that the European and IAASB auditing standards requirements related to auditor communications are compatible, meaning that an audit report prepared under the new EU law also complies with the standards of the IAASB. FEE also published an accompanying [news release](#).
2. FEE issued [number 22 of its monthly e-newsletter](#) on 27 February 2015.
3. FEE announced on 27 March 2015 a new project *Getting involved in public sector assurance* and issued an [Introduction Paper](#) which it hopes will start the conversation on this important area. The paper covers both financial statement audit and other assurance services. FEE notes that the paper will be followed by a related compliance audit paper.
4. FEE issued [number 23 of its monthly e-newsletter](#) on 27 March 2015.
5. FEE issued on 16 April 2015 a new publication [Overview of the ISA adoption in the EU](#). FEE notes that 25 of the 28 EU member states have adopted the ISAs (France, Germany and Portugal are listed as "awaiting EC adoption"). The publication also discusses the extent of compliance with the ISAs, including what modifications member states have made ("carve-outs", limitations or "add-ons") to the ISAs, whether they have adopted the standard ISQC 1 (quality control); whether they have issued an guidance on the proportionate application of the ISAs and how application is enforced. Of the 25 member

states that have adopted the ISAs, 15 made modifications, mostly related to compliance with national legal or regulatory requirements or company/commercial code requirements (related to additional auditor reporting requirements; audit scope or supplementary guidance.). Additionally it was identified that only three member states have not adopted ISQC 1.

6. FEE issued [number 24 of its monthly e-newsletter](#) on 24 April 2015. Of audit significance is FEE's discussion of its new publication *Overview of the ISA adoption in the EU* and the ongoing discussion from FEE's 2014 release of a discussion paper on the future of audit and assurance.

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.