



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. 9(b)
Meeting Date: 28 October 2013
Subject: Auditor Reporting – IAASB’s Exposure Draft
Date Prepared: 21 October 2013

Action Required

For Information Purposes Only

Agenda Item Objectives

To summarise the main points raised at the recent AUASB roundtables and forums—to enable discussion about the AUASB’s submission to the IAASB.

Background

The exposure draft is the IAASB’s response to calls for the auditor’s report to be more informative, in particular, for auditors to provide more relevant information to users based on the audit that was performed.

The exposure draft is the culmination of extensive deliberations, research and consultations which included:

- (a) May 2011 Consultation Paper: *Enhancing the Value of Auditor Reporting: Exploring Options for Change*; and
- (b) June 2012 Invitation to Comment (ITC): *Improving the Auditor’s Report*.

The exposure draft proposes:

- (a) A new standard: ISA 701, *Communicating Key Audit Matters in the Independent Auditor’s Report*; and
- (b) Conforming amendments to several other relevant standards.

Dates

Submissions to the IAASB exposure draft:	22 November 2013
Final IAASB standards expected to be issued:	Fourth quarter of 2014
Expected effective date (IAASB) will be for audits of financial statements for periods beginning on or after:	15 December 2015

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.

Consultation

In October 2013, the AUASB ran the following consultation events:

- **Practitioners:**
 - Melbourne 7 October 2013 (morning)
 - Sydney 15 October 2013 (morning)
- **Preparers, Audit Committee Members, Investors and Analysts:**
 - Sydney 15 October 2013 (afternoon) Sponsored by ICAA
 - Melbourne 16 October 2013 (morning) Sponsored by CPA Australia

In addition:

- 19 September 2013: An AUASB member of staff attended a meeting held by the G100 to discuss the IAASB's ED
- 23 October 2013: The Chairman and staff attended a teleconference facilitated by the ICAA

Matters to Consider

The AUASB is asked to:

- Consider the main points raised through the consultations [see Agenda Item 9(b).1];
- Discuss and determine the matters that that the Board wants expressed in the submission; and
- Agree on an out-of-session timetable for approval of the Board's submission to the IAASB.

AUASB Technical Group Recommendations

No suggestions at this stage.

Material Presented

Agenda Item 9(b)	AUASB Board Meeting Summary Paper
Agenda Item 9(b).1	Attachment to AUASB Board Meeting Summary Paper

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Consider the IAASB's ED on Auditor Reporting	Points for submissions to IAASB	AUASB and NZAuASB	10 Sept 2013	√
2.	Discuss main points raised at the consultation meetings. Determine matters to be included in the submission. Agree to a finalisation timetable.	Points for submissions to IAASB Agreed timetable	AUASB	28 October 2013	 o/s o/s
