

15 August 2016

Merran Kelsall FCA
The Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne
Victoria 8007

Submission via AUASB website

Dear Merran

**Submission on Exposure Draft 03/16: Proposed Auditing Standard ASA 810
Engagements to Report on Summary Financial Statements**

Chartered Accountants Australia and New Zealand welcomes the opportunity to comment on the Exposure Draft (“the ED”). Information about us located in the Appendix to this submission.

We support consideration of how the new and revised Auditor Reporting standards affect other standards, including ASA 810. We agree with the principle that any amendments to ASA 810 should be limited and conforming, and should not substantively change the premise of an ASA 810 engagement.

Aligning the layout of the ASA 810 illustrative auditor’s reports in a manner consistent with those in ASA 700, to demonstrate the preferred ordering but without mandating it, is a sensible approach.

In our view, expanding paragraph 19 of proposed ASA 810 is an appropriate response to address circumstances in which the auditor’s report on the audited financial statements includes:

- *A Material Uncertainty Related to Going Concern* section;
- Communication of key audit matters; or
- A statement that describes an uncorrected material misstatement of the other information.

Illustration 1 in the appendix provides an example of the statement required by proposed paragraph 19 when the auditor’s report on the audited financial statements includes a *Material Uncertainty Related to Going Concern* section and communication of key audit matters. It provides useful application guidance, therefore, we believe it would be well received.

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Section 314 of the *Corporations Act 2001* provides for the preparation of concise financial reports (concise reports). Our understanding is that while concise reports are becoming less common, they are still being produced. Therefore it is appropriate that guidance is provided for auditors of concise reports. As the incidence of concise reports declines, and auditors have less exposure to them, the more important guidance may become. We believe that the illustrative auditor's report in the appendix is useful but it would not provide enough guidance on its own. On this basis we recommend that GS 001 *Concise Financial Reports under the Corporations Act 2001* is retained.

If you have any questions regarding this submission, please contact Liz Stamford (Audit and Insolvency Leader) via email; liz.stamford@charteredaccountantsanz.com

Yours sincerely



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Appendix: About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 115,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international capital markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.