

The Institute of Public Accountants



IPA INSTITUTE OF PUBLIC
ACCOUNTANTS®

27 August, 2016

The Chairperson
Merran Kelsall
Auditing and Assurance Standards Board
PO Box 204
Collins St West VIC 8007

Dear Merran

Proposed Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements

Introduction

The Institute of Public Accountants (IPA) welcomes the opportunity to comment on the Proposed Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements* (the ED).

We are of the opinion the proposed standard will provide audit firms with understanding regarding their obligations from the impact of revised changes to ASA 706 *Emphasis of Matter Paragraphs and Other Matter Paragraphs*, ASA 570 *Going Concern*, ASA 705 *Modifications to the Opinion in the Independent Auditor's Report*, ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* and ASA 720 *The Auditor's Responsibilities Related to Other Information* to the auditor's report on the summary financial statements.

In summary,

1. GS 001 *Concise Financial Reports Under the Corporations Act 2001* should be updated to reflect the necessary changes in this ED; and
2. Other Information – We support the changes made to paragraphs 14 and 15 of the ED resulting from ASA 720 (Revised) and the requirement for the auditor to 1) consider information accompanying or containing the summary financial statements; and 2) consider the impact on the auditor's report where a material inconsistency exists.

Our comments are contained in Appendix A attached.

If you would like to discuss our comments, please contact me or our technical advisers Sonya Sinclair (sonya@ecorac.com.au) or Colin Parker (colin@gaap.com.au), GAAP Consulting.

Yours faithfully



Vicki Stylianou
Executive General Manager, Advocacy & Technical
Institute of Public Accountants

Appendix A

Proposed Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements

Q1. Have applicable laws and regulations been appropriately addressed in the proposed standard?

Yes, we believe applicable laws and regulations have been appropriately addressed in the proposed ED.

Q2. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?

There are no matters we wish to raise.

Q3. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the requirements of this proposed standard? If there are significant costs, do these outweigh the benefits to the users of audit services?

We are of the opinion that the proposed standard will not significantly impact what auditors are currently doing in practise.

Q4. Are there any other significant public interest matters that constituents wish to raise?

There are no other matters we wish to raise other than those already mentioned.

Q5. Are Concise Reports prepared under Section 314 of the Corporations Act 2001, in accordance with Australian Accounting Standard AASB 1039 Concise Financial Reports, widely used in practice; or is another form of summary financial reports more widely used?

We are not aware of other forms of summary financial reports that are used other than Concise Reports prepared under Section 314 of the *Corporations Act 2001*, in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Q6. Is it more useful to include example Concise Auditor's Reports as illustrative examples within ASA 810; or would respondents prefer to retain the Guidance Statement GS 001 Concise Financial Reports under the Corporations Act 2001?

We suggest that the Concise Auditor's Reports illustrative example would be useful to be included within ASA 810 given the respective changes to the enhanced audit report.