

The Auditor's Responsibilities Relating to Other Information

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IAASB Meeting
March, 2014

Topics For Discussion

- Objective and Work Effort (9.15-11.00)
- Reporting: (11.30-13.00)
 - Illustrative Report
 - Reporting implications for other information received after the date of the auditor's report
- Paragraph by paragraph (14.00-16.15)
- Conforming and Consequential Amendments (16.15-17.00)

Key Work Effort Paragraphs

12. *The auditor shall read the other information and shall:*
- (a) Consider whether there is an apparent material inconsistency between the other information and the financial statements;*
 - (b) Consider whether there is an apparent material inconsistency between the other information and the auditor's knowledge gained during the course of the audit; and*
 - (c) Remain alert for other indications that the other information is apparently materially incorrectly stated or is otherwise misleading.*

Key Work Effort Paragraphs

- 13. In fulfilling the requirement in paragraph 12(a), the auditor shall perform limited procedures to evaluate the consistency between the amounts or other items in the other information that are intended to be the same as, to summarize, or to provide greater detail about, the amounts or other items in the financial statements, with such amounts or other items in the financial statements.*

The objectives of the auditor, having read the other information, are:

- (a) To consider, through performing limited procedures, whether there is an apparent material inconsistency between the other information and the financial statements, because such an inconsistency may undermine the credibility of the financial statements and the auditor's report thereon;*
- (b) To consider whether there is an apparent material inconsistency between the other information and the auditor's knowledge gained during the course of the audit;*
- (c) To respond appropriately when the auditor identifies such apparent material inconsistencies, or when the auditor becomes aware that other information is apparently materially incorrectly stated or is otherwise misleading; and*
- (d) To report in accordance with this ISA.*

Matter for IAASB Consideration

Does the IAASB support the proposed objectives and work effort paragraphs?

Proposed Illustrative Statement in the Auditor's Report

Other Information [or another title if appropriate such as “Information other than the financial statements and auditor’s report thereon”]

The annual report contains the financial statements, this auditor’s report thereon, and other information.

Our responsibility is to read the other information and to consider, through performing limited procedures, whether there is an apparent material inconsistency between the other information and the financial statements.

Proposed Illustrative Statement in the Auditor's Report

In reading the other information, we also consider whether there is an apparent material inconsistency with our knowledge gained during the course of the audit and remain alert for other indications that the other information is apparently materially incorrectly stated or is otherwise misleading. If we determine that the other information is materially misstated we are required to report that fact. We have nothing to report in this regard.

However, we have not audited or reviewed the other information and accordingly do not express any form of assurance conclusion on it.

Matters for IAASB Consideration

Does the IAASB support the proposed illustrative statement?

Reporting on Other Information Obtained after the Date of the Auditor's Report

Option 1: Mandating the provision of a new or amended auditor's report

Option 2: Mandating identification of such other information in the auditor's report

Option 3: No reporting about such other information in the auditor's report

Matters for IAASB Consideration

What are the IAASB's views on the relative merits and practical challenges of the three options?

In light of those views, which option does the IAASB believe is most appropriate for inclusion in proposed ISA 720 (Revised)?

Proposed Conforming and Consequential Amendments

- ISA 210 – To include reference to other information in the example engagement letter, including the auditor’s new requirement to report on other information received prior to the date of the auditor’s report.
- ISA 230 – To clarify that amendments to the audit documentation may take place after the assembly of the final audit file has been completed if other information is obtained after the date of the auditor’s report.
- ISA 260 – To highlight that discussions with those charged with governance may include identifying the other information and the planned timing of its issuance.

Proposed Conforming and Consequential Amendments

- ISA 560 – To make clear that ISA 560 does not apply to other information, but that such other information may bring to light a subsequent event that would be within the scope of ISA 560.

New application material: To reference that ISA 720 (Revised) contains requirements and guidance with respect to the other information obtained after the date of the auditor's report.

- Also, updating of references/terminology in ISA 450, proposed ISA 700 (Revised), ISA 810, and the *Glossary of Terms*.

Matter for IAASB Consideration

Does the IAASB support the proposed conforming and consequential amendments proposed in Agenda Item 2-E?

Matter for IAASB Consideration

Does the IAASB agree with the Task Force that re-exposure of ISA 720 (Revised) is appropriate?

Does the IAASB believe that an exposure period be of 90 days would be appropriate?

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