

### Responding to Non-Compliance or Suspected Non-Compliance with Laws and Regulations (NOCLAR)—Issues and IAASB Staff Recommendations

#### Objectives of the IAASB Discussion

The objectives of the IAASB discussion at its March 2015 meeting are to:

- (a) Receive an presentation on the current direction of the International Ethics Standards Board for Accountants' (IESBA) NOCLAR project.
- (b) Consider the nature and extent of conforming changes that may be needed to IAASB standards to address actual or perceived inconsistencies with the proposed NOCLAR standard.
- (c) Agree the process for developing these potential conforming changes for exposure and the timeframe for doing so.

#### Proposed NOCLAR Response Framework

1. The proposed NOCLAR standard will apply to all categories of professional accountants, including auditors and professional accountants in public practice providing services other than audits of financial statements.
2. During the meeting, the Chair of the NOCLAR Task Force, Caroline Gardner, will brief the IAASB on the current direction of the NOCLAR project, including the proposed framework for professional accountants to respond to instances of identified or suspected NOCLAR. A schematic of the proposed framework is set out in Appendix 1 of this paper. The current draft of the NOCLAR proposals is included as **Agenda Item 9-B**.

#### Implications of IESBA's Proposed NOCLAR Standard for IAASB's International Standards

3. IAASB Staff understands that the proposed NOCLAR standard is intended to address professional accountants' *ethical* responsibilities when they face an instance of NOCLAR or suspected NOCLAR in the course of performing their engagements for their clients. In particular, the proposed standard is not intended to set any specific requirements with respect to the performance of an *audit* of the financial statements, nor interfere with or undermine the ISAs, in particular ISA 250.<sup>1</sup>
4. With this context in mind, Staff of both Boards have compiled on a preliminary basis a comparative analysis of the differences between the proposed standard and the IAASB's International Standards.<sup>2</sup> This preliminary analysis is included as **Agenda Item 9-C**. It is intended to explain why differences exists, particularly with respect to ISA 250. Importantly, it highlights areas where there may be actual or perceived inconsistencies

<sup>1</sup> ISA 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*

<sup>2</sup> The IAASB's International Standards comprise the ISAs, International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), International Standards on Related Services (ISRSs), and the International Standards on Quality Control (ISQCs).

between the proposed standard and the IAASB's International Standards, and that may therefore require IAASB consideration of appropriate action.

5. Broadly, the differences fall into the following categories:
  - (a) Differences that are understandable because of the different objectives of the proposed standard and the IAASB's International Standards.
  - (b) Differences in the level of granularity of the guidance in the proposed standard and in the IAASB's International Standards. These arise largely because of the different objectives of the proposed standard and the IAASB's International Standards.
  - (c) Actual or perceived inconsistencies between the proposed standard and the IAASB's International Standards.
6. **Appendix 2** of this paper outlines specific areas of the International Standards that Staff believes will require consideration, and is an extract of the preliminary staff analysis included as Agenda Item 9-C.
7. Clearly, it would not be in the public interest for confusion to arise between the IESBA Code and the IAASB's International Standards because of inconsistencies, actual or perceived, between the two sets of standards.

## IAASB Steering Committee Considerations

8. During its February 2015 teleconference, the Steering Committee considered the potential IAASB action needed and options for the process and timeframes for such action. There was strong support from the Steering Committee for the IAASB to coordinate action with the IESBA.
9. In light of an initial comparative analysis IESBA Staff had prepared, the Steering Committee agreed, subject to discussion with the IAASB, that potential inconsistencies between the two sets of standards could be addressed through conforming changes to the IAASB's International Standards.
10. The Steering Committee considered two options with respect to the IAASB process for dealing with such conforming changes:
  - (a) Option 1: Approve an exposure draft (ED) of the conforming changes in June 2015. This would be the ideal scenario as this ED would dovetail with the anticipated issuance of the NOCLAR re-ED in early May 2015. Both Boards would then be at the same stage in the development process and potentially be in a position to approve the final changes in close proximity (Q1-Q2 2016 timeframe). In addition, stakeholders would be able to review the IESBA and IAASB EDs side by side.
  - (b) Option 2: Wait until the IESBA finalizes the NOCLAR standard in Q1 2016 before issuing an ED of the conforming changes. This would be less ideal as it would not convey as good a sense of close coordination between the two Boards as the first option. Importantly, it may preclude crossover issues that may arise from responses to the IAASB ED from being considered by the IESBA.
11. The Steering Committee supported Option 1, subject to the IAASB being satisfied that the potential changes needed to its International Standards would be conforming in nature.

12. The Steering Committee agreed that an IAASB Working Group should be established to lead the development of an ED of the changes needed to the International Standards. This Working Group will be chaired by IAASB member Mr. Brendan Murtagh, supported by IAASB staff. The IAASB will be advised of the composition of the Working Group as soon as it has been established.
13. Subject to the IAASB discussion, the Working Group will study any refinements that the IESBA may make to its proposed NOCLAR standard when approving it for re-exposure in April 2015. The Working Group will then propose the relevant conforming changes to the IAASB's International Standards to address any inconsistencies. The Working Group may make use of the planned IAASB teleconference on April 29, 2015 to present its initial recommendations to the IAASB.

#### **Approach to Potential Changes to the IAASB's International Standards**

14. For noting, the ISAs require compliance with "relevant ethical requirements", which ordinarily comprise Parts A and B of the IESBA Code related to an audit of financial statements together with national requirements that are more restrictive.<sup>3</sup> Guidance in ISA 200 refers to the fundamental principles of professional ethics within Part A of the IESBA Code with which the auditor is required to comply.
15. This construct of referring to "relevant ethical requirements" within the requirements in ISA 200 and linking such requirements to the IESBA Code in the application material was considered appropriate because (a) not all jurisdictions adopt the IESBA Code; and (b) some of those jurisdictions that adopt the IESBA Code rename the IESBA Code or add additional requirements to it. Similar constructions are used in other International Standards such as ISRE 2400 (Revised)<sup>4</sup> and ISRS 4410 (Revised).<sup>5,6</sup>
16. Therefore, IAASB Staff envisages that, in proposing potential conforming changes to the International Standards, the Working Group would continue this approach by referring to relevant requirements of the IESBA Code in the IAASB's application material where appropriate. Based on the preliminary comparative analysis, IAASB Staff does not believe that it will be necessary to make fundamental changes to the IAASB's International Standards, particularly ISA 250, that would call for a full revision.

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<sup>3</sup> See, for example, ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraphs 14 and A14–A17.

<sup>4</sup> ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*

<sup>5</sup> ISRS 4410 (Revised), *Compilation Engagements*

<sup>6</sup> A different construction is used in ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, as ISAE 3000 (Revised) can be used by more than just professional accountants. The equivalent requirement is included as paragraph 20 of ISAE 3000 (Revised), which states "The practitioner shall comply with Parts A and B of the [Code] related to assurance engagements, or other professional requirements imposed by law or regulation, that are at least as demanding."

### Matters for IAASB Consideration

1. IAASB members are asked whether they would concur, subject to the Working Group's analysis and recommendations, that the potential changes needed to the IAASB's International Standards would be conforming in nature (that is, less than the level of changes that would be involved in a full revision of ISA 250).
2. If so, do IAASB members agree with Option 1 above, as supported by the Steering Committee, regarding the process and timeframe for addressing such changes to the International Standards?

### Process to Effect Potential Conforming Changes

17. As noted in **Agenda Items 6 and 6-A**, IAASB Staff has proposed that circumstances requiring an accelerated response be addressed within the existing Due Process. IAASB Staff believes that the development of conforming changes to the International Standards to address potential inconsistencies with the proposed NOCLAR standard would be well-suited to such an accelerated response.
18. Paragraph 2 of Agenda Item 6-A lists five conditions that must be met in order to warrant the IAASB undertaking an accelerated response to a matter. These five conditions are listed in the table below, together with a brief statement on how a project to address the implications of the IESBA's NOCLAR proposals would meet with these conditions.

Condition	Application to Amendments to Address the Effects of the NOCLAR Proposals
The circumstances of an issue indicate different interpretations of an International Standard(s) that can lead to undesired inconsistencies in practice or the need to address matters of consistency generally, such as between the International Standard(s) and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).	<ul style="list-style-type: none"> <li>Addressing the implications of the NOCLAR proposals for the International Standards would be a matter of consistency and not a fundamental revision of any International Standard.</li> </ul>
It is in the public interest to clarify the IAASB's intent by amending the International Standard(s) rather than via a non-authoritative publication or other means.	<ul style="list-style-type: none"> <li>It is in the public interest to avoid inconsistencies with the IESBA Code (whether actual or perceived). A non-authoritative publication would not be an appropriate vehicle in this regard.</li> </ul>
A sufficiently precise project proposal can be prepared to address the issue such that the scope of the project and the issue to be addressed are clear.	<ul style="list-style-type: none"> <li>Such a project proposal can be prepared for IAASB consideration.</li> </ul>
The issue is not so complex nor the likely change(s) to an International Standard(s) so pervasive that it would be unreasonable for	<ul style="list-style-type: none"> <li>As noted above, and subject to the IAASB discussion, Staff believes that the potential changes needed to the</li> </ul>

Condition	Application to Amendments to Address the Effects of the NOCLAR Proposals
the IAASB to become adequately informed, and appropriately conclude, on the issue based on an expedited deliberation process.	<p>International Standards would be conforming in nature.</p> <ul style="list-style-type: none"> <li>Further, aligning the exposure period with the timing of IESBA's NOCLAR re-ED will provide a better opportunity for stakeholders to comment on both proposals at the same time.</li> </ul>
Adequate resources will be available, and prioritization of the project would be an effective and efficient use of the IAASB's resources, recognizing that the project may redirect resources from other priorities that were subject to public consultation.	<ul style="list-style-type: none"> <li>Adequate resources are available to address the project. IAASB Staff believes that addressing this project on an accelerated basis is the most efficient and effective way to address it.</li> </ul>

#### Matter for IAASB Consideration

- Does the IAASB agree that it would be appropriate to apply the accelerated response process outlined in **Agenda Item 6-A** to the circumstances set out above?

### Way Forward

- Recognizing the need to accelerate the early part of the project to align the exposure periods with that of IESBA, the table below gives an indication of the likely timeline for the project.

Date	Activity
April 2015	<ul style="list-style-type: none"> <li>Obtain Public Interest Oversight Board (PIOB) agreement on process.</li> <li>Draft project proposal and notice of intention to proceed in an accelerated manner posted on the IAASB website.</li> <li>Project proposal approved and initial issues discussed at IAASB teleconference.</li> </ul>
June 2015	<ul style="list-style-type: none"> <li>Consultation with CAG via teleconference on project proposal and proposed ED.</li> <li>IAASB asked to approve ED with a 90-day comment period.</li> </ul>
December 2015	<ul style="list-style-type: none"> <li>Presentation at IAASB meeting on the feedback on the IESBA's re-ED</li> </ul>
March 2016	<ul style="list-style-type: none"> <li>Consultation with CAG on the responses received on the IAASB's ED.</li> <li>Update from IESBA at the IAASB meeting and initial consideration of responses on IAASB's ED.</li> </ul>

*IAASB Main Agenda (March 2015)*

Date	Activity
June 2016	<ul style="list-style-type: none"><li>IAASB asked to approve amendments to International Standards based on responses received and the final NOCLAR proposals expected to be approved by IESBA at its March 2016 meeting. These proposals would be intended to be effective at the same time as the final NOCLAR standard.</li></ul>

**Matter for IAASB Consideration**

4. Does the IAASB have any comments on the proposed timeline or the activities listed therein?

## Appendix 1

### NOCLAR—Proposed Response Framework

#### Objectives – All Categories of Professional Accountants (PAs)

In acting in the public interest:

- To comply with fundamental principles of integrity and professional behavior
- Through alerting management or, where appropriate, TCWG, to seek to:
  - Have them rectify, remediate or mitigate the consequences of identified or suspected NOCLAR
  - Deter the commission of NOCLAR where it has not yet occurred
- To take such further action as may be needed in the public interest

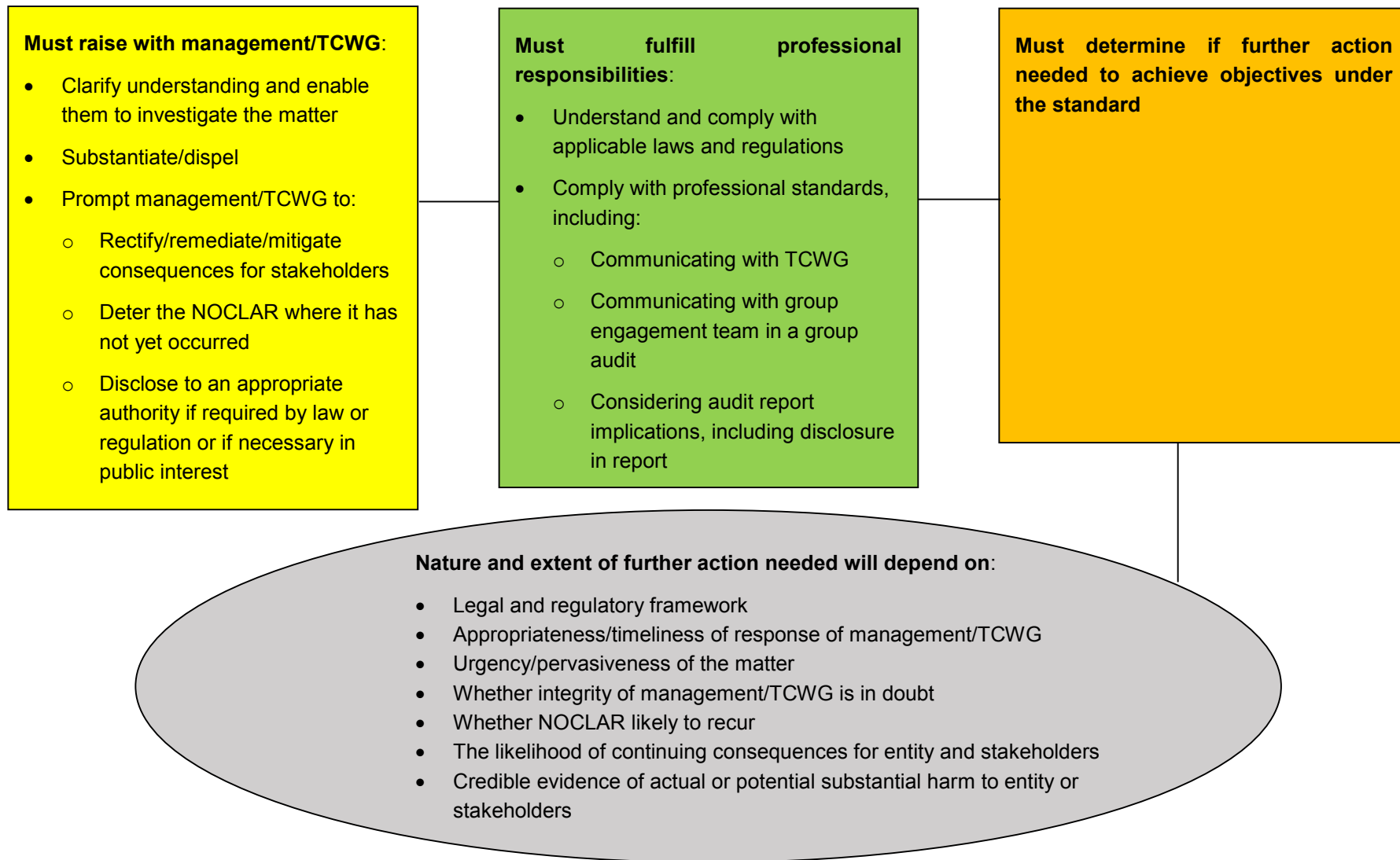
#### Scope – All PAs

- Laws and regulations to which ISA 250 applies:<sup>7</sup>
  - Laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements
  - Other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties
- No distinction between PIEs and non-PIEs

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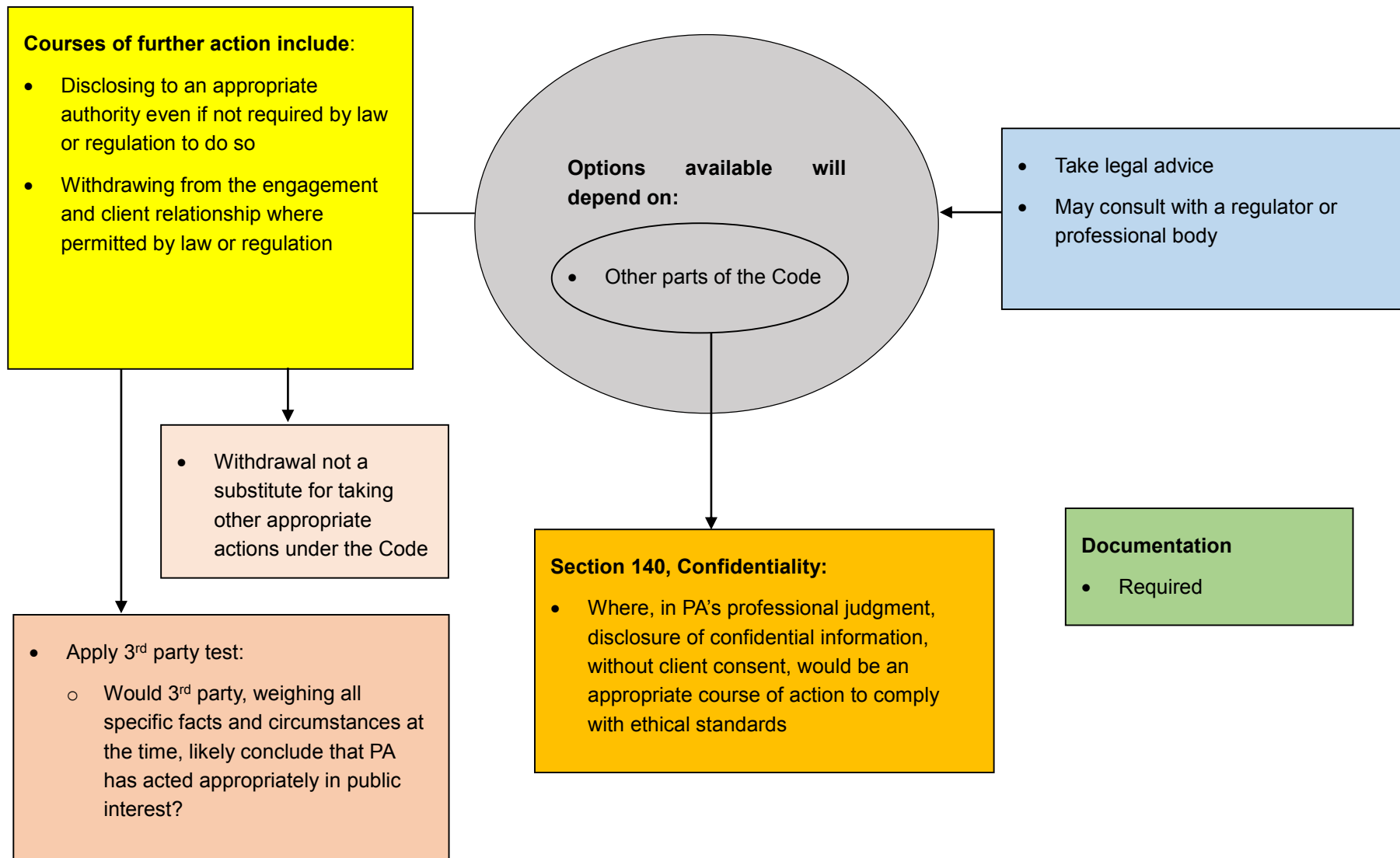
<sup>7</sup> ISA 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*

**AUDITORS – RESPONSE FRAMEWORK WHEN COMING ACROSS NOCLAR OR SUSPECTED NOCLAR**

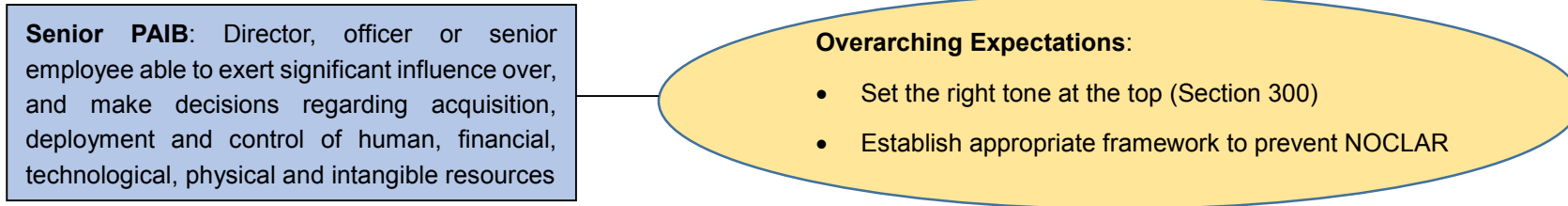




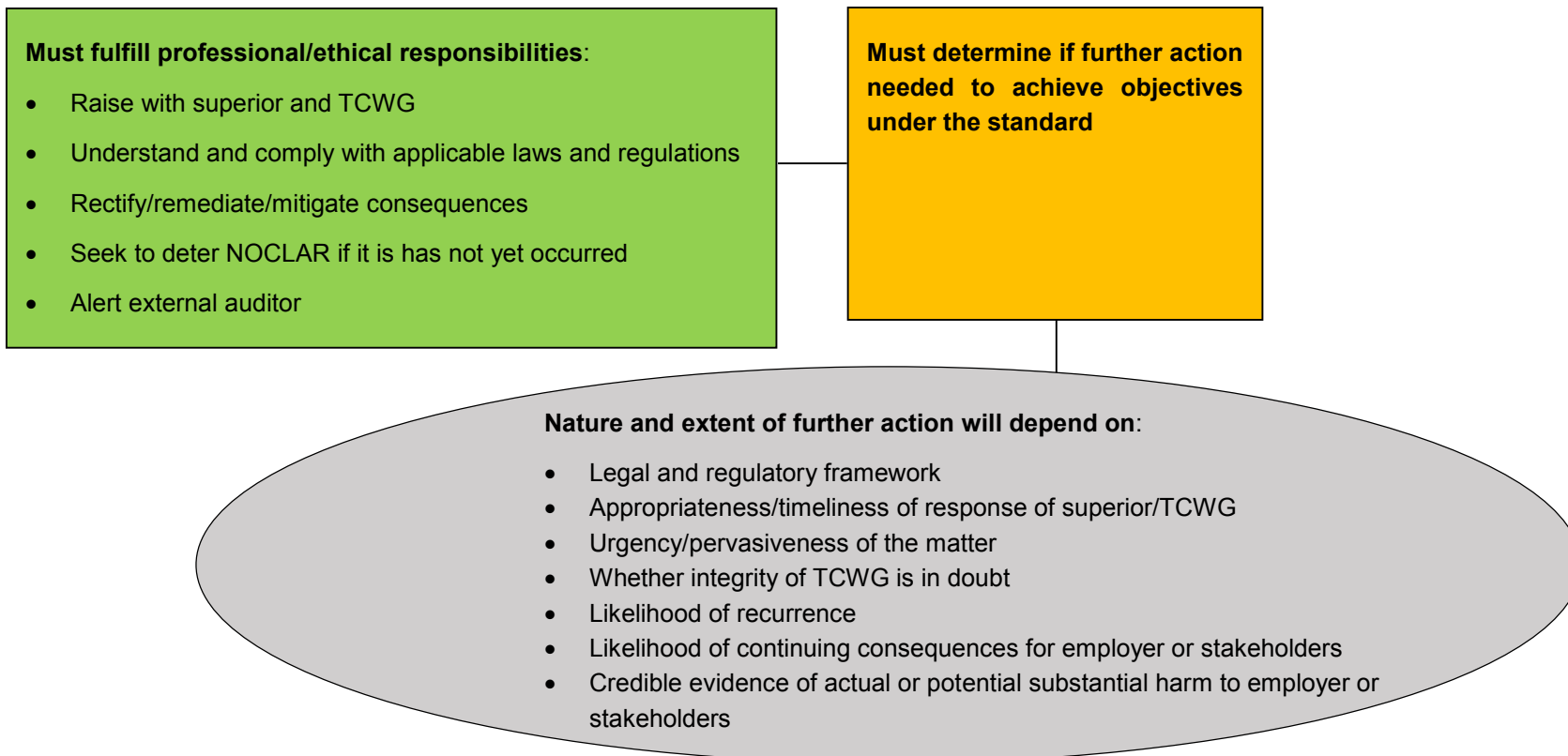
## **AUDITORS – DETERMINATION OF FURTHER ACTION NEEDED**



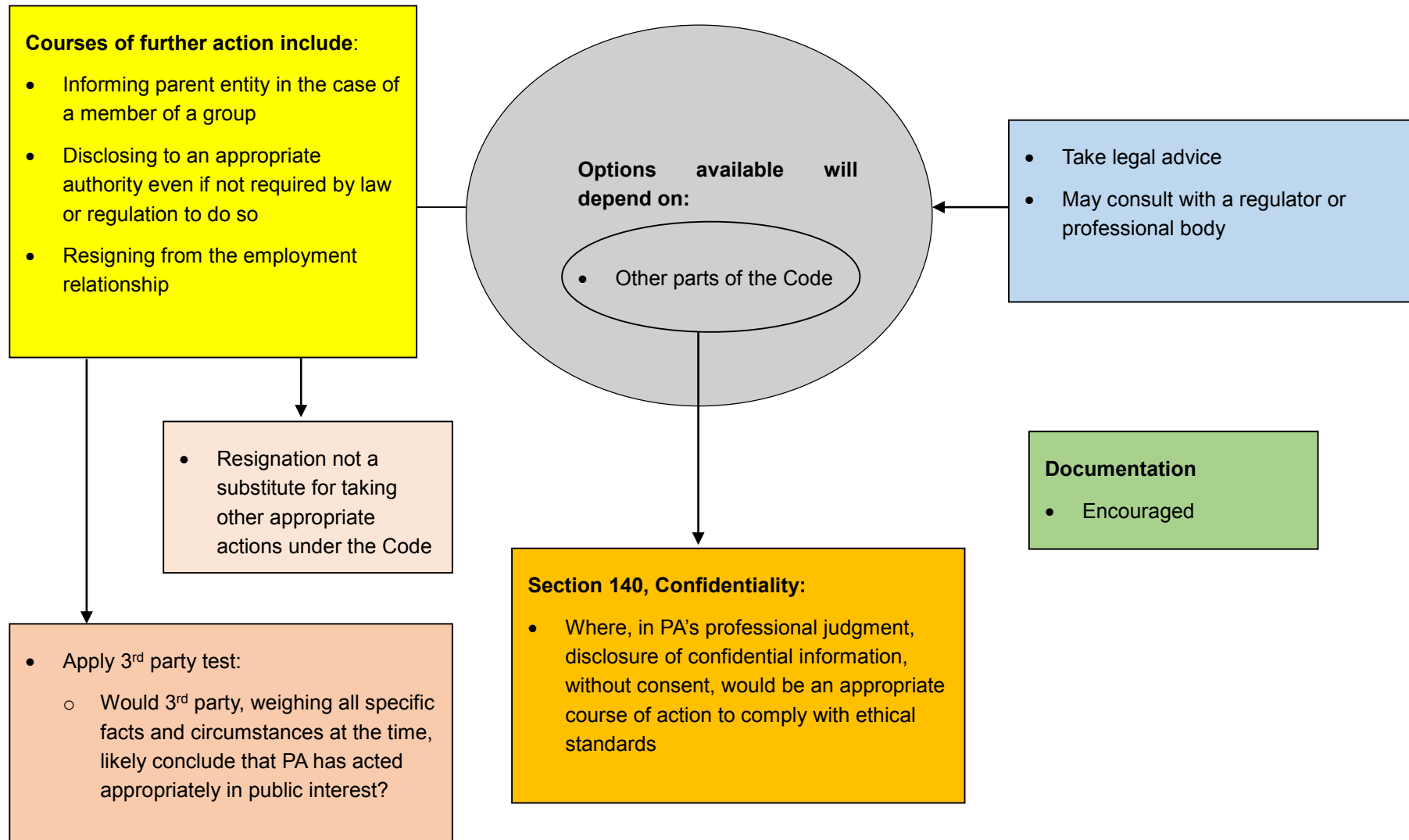
## **SENIOR PROFESSIONAL ACCOUNTANTS IN BUSINESS (PAIBs)**



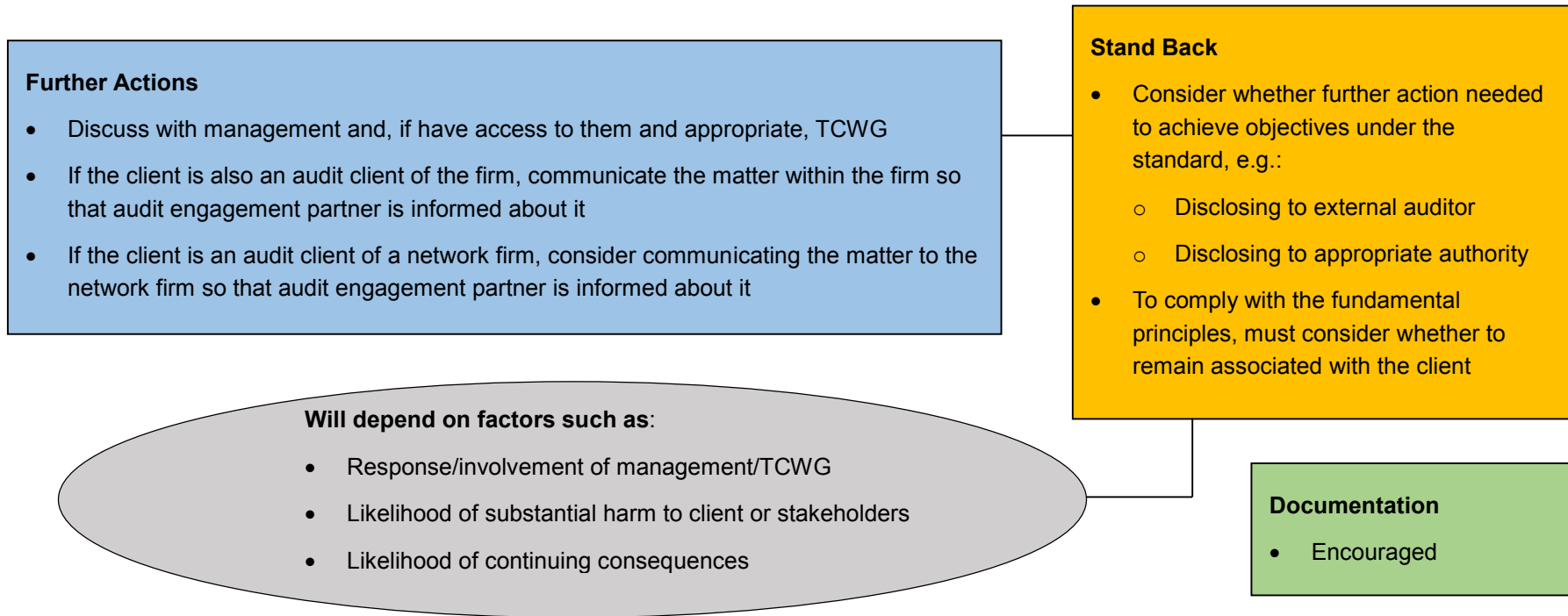
## **RESPONSE FRAMEWORK WHEN COMING ACROSS NOCLAR OR SUSPECTED NOCLAR**



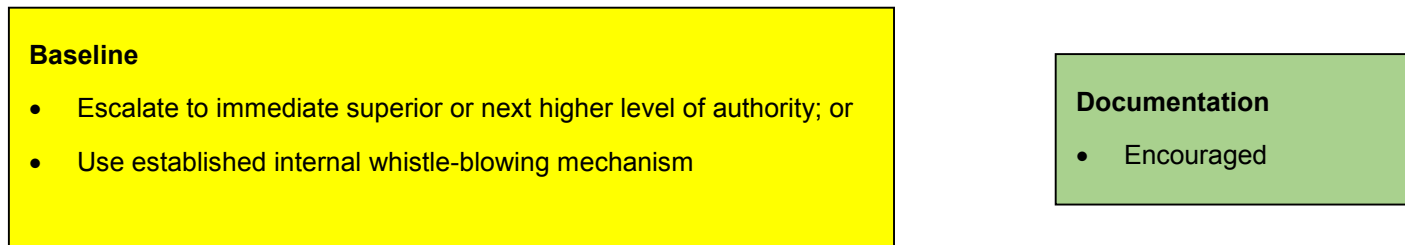
## **SENIOR PAIBs – DETERMINATION OF FURTHER ACTION NEEDED**



## **PAAs IN PUBLIC PRACTICE OTHER THAN AUDITORS – RESPONSE FRAMEWORK**



## **PAIBs OTHER THAN SENIOR PAIBs – RESPONSE FRAMEWORK**



## Appendix 2

### Outline of Paragraphs of the IAASB's International Standards that May Require Conforming Amendments

#### Proposed Section 210 vs. ISA 250

Proposed Section 225	ISA 250	Staff Preliminary Comments
<p>225.25 Further action may include:</p> <ul style="list-style-type: none"> <li>Disclosing the matter to an appropriate authority notwithstanding that there is no legal or regulatory requirement to do so.</li> </ul>	<p><i>Reporting Non-Compliance to Regulatory and Enforcement Authorities</i></p> <p>28. If the auditor has identified or suspects non-compliance with laws and regulations, the auditor shall determine whether the auditor has a responsibility to report the identified or suspected non-compliance to parties outside the entity. (Ref: Para. A19–A20)</p> <p>A19. The auditor's professional duty to maintain the confidentiality of client information may preclude reporting identified or suspected non-compliance with laws and regulations to a party outside the entity. However, the auditor's legal responsibilities vary by jurisdiction and, in certain circumstances, the duty of confidentiality may be overridden by statute, the law or courts of law. In some jurisdictions, the auditor of a financial institution has a statutory duty to report the occurrence, or suspected occurrence, of non-compliance with laws and regulations to supervisory authorities. Also, in some jurisdictions, the auditor has a duty to report misstatements to authorities in those cases</p>	<p><b>Consideration to be given to whether conforming changes are needed – first sentence of paragraph A19 could acknowledge that confidentiality can be overridden to disclose NOCLAR/suspected NOCLAR to an appropriate authority under certain circumstances (as per paragraph 30 of proposed Section 225).</b></p>

	<p>where management and, where applicable, those charged with governance fail to take corrective action. The auditor may consider it appropriate to obtain legal advice to determine the appropriate course of action.</p> <p>Considerations Specific to Public Sector Entities</p> <p><b>A20. A public sector auditor may be obliged to report on instances of non-compliance to the legislature or other governing body or to report them in the auditor's report.</b></p>	
225.30 If the professional accountant decides that disclosure of the matter to an appropriate authority would be an appropriate course of action in the circumstances, this would not be considered a breach of the duty of confidentiality under Section 140 of this Code. When making such disclosure, the professional accountant shall act in good faith and exercise caution when making statements and assertions. The professional accountant shall also consider whether it is appropriate to inform the client of the professional accountant's intentions before disclosing the matter	—	<p>Specific to Section 225.</p> <p><b>Consideration to be given to effect on application material throughout the IAASB's International Standards.</b></p>

#### Proposed Section 210 vs. ISA 300

Proposed Addition to Section 210	ISA 300	Comments
210.13 In the case of an audit of financial statements, a professional accountant shall request the existing accountant to provide known information regarding any facts or circumstances that, in the existing accountant's opinion, the proposed accountant needs to be aware of before deciding whether to accept the engagement. If the client consents to the	<p><b>Additional Considerations in Initial Audit Engagements</b></p> <p>13. The auditor shall undertake the following activities prior to starting an initial audit:</p> <p>(a) Performing procedures required by ISA 220 regarding the acceptance of the client</p>	<p>Addition to S210 complements communication requirement in ISA 300.</p> <p><b>No changes recommended.</b></p>

Proposed Addition to Section 210	ISA 300	Comments
<p>existing accountant disclosing any such facts or circumstances to the proposed accountant, the existing accountant shall provide the information honestly and unambiguously. If the client fails or refuses to grant the existing accountant permission to discuss the client's affairs with the proposed accountant, the existing accountant shall disclose this fact to the proposed accountant, who shall carefully consider such failure or refusal when determining whether or not to accept the appointment.</p>	<p>relationship and the specific audit engagement;<sup>8</sup> and</p> <p>(b) Communicating with the predecessor auditor, where there has been a change of auditors, in compliance with relevant ethical requirements. (Ref: Para. A20)</p>	

<sup>8</sup> ISA 220, paragraphs 12–13

## Proposed Section 210<sup>9</sup> vs. Other International Standards

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
225.30 If the professional accountant decides that disclosure of the matter to an appropriate authority would be an appropriate course of action in the circumstances, this would not be considered a breach of the duty of confidentiality under Section 140 of this Code. When making such disclosure, the professional accountant shall act in good faith and exercise caution when making statements and assertions. The professional accountant shall also consider whether it is appropriate to inform the client of the professional accountant's intentions before disclosing the matter	<p><u>ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></u></p> <p>A56. Relevant ethical requirements establish an obligation for the firm's personnel to observe at all times the confidentiality of information contained in engagement documentation, unless specific client authority has been given to disclose information, or there is a legal or professional duty to do so. Specific laws or regulations may impose additional obligations on the firm's personnel to maintain client confidentiality, particularly where data of a personal nature are concerned.</p>	<b>Consideration to be given to whether conforming changes are needed based on permission to override confidentiality granted under Section 225.30.</b>
<i>Section 225.30 as listed above</i>	<p><u>ISA 240, <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i></u></p> <p>43. If the auditor has identified or suspects a fraud, the auditor shall determine whether there is a responsibility to report the occurrence or suspicion to a party outside</p>	<b>Consideration to be given to whether conforming changes are needed based on permission to override confidentiality granted under Section 225.30.</b>

<sup>9</sup> Based on draft tabled at November 2014 TF meeting



Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
	<p>the entity. Although the auditor's professional duty to maintain the confidentiality of client information may preclude such reporting, the auditor's legal responsibilities may override the duty of confidentiality in some circumstances. (Ref: Para. A65–A67)</p> <p>A65. The auditor's professional duty to maintain the confidentiality of client information may preclude reporting fraud to a party outside the client entity. However, the auditor's legal responsibilities vary by country and, in certain circumstances, the duty of confidentiality may be overridden by statute, the law or courts of law. In some countries, the auditor of a financial institution has a statutory duty to report the occurrence of fraud to supervisory authorities. Also, in some countries the auditor has a duty to report misstatements to authorities in those cases where management and those charged with governance fail to take corrective action.</p> <p>A66. The auditor may consider it appropriate to obtain legal advice to determine the appropriate course of action in the circumstances, the purpose of which is to</p>	

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
	ascertain the steps necessary in considering the public interest aspects of identified fraud.	
Section 225.30 as listed above	<p><u>ISA 260 (Revised), Communication with Those Charged with Governance</u></p> <p>7. Law or regulation may restrict the auditor's communication of certain matters with those charged with governance. For example, laws or regulations may specifically prohibit a communication, or other action, that might prejudice an investigation by an appropriate authority into an actual, or suspected, illegal act. In some circumstances, potential conflicts between the auditor's obligations of confidentiality and obligations to communicate may be complex. In such cases, the auditor may consider obtaining legal advice.</p>	Consideration to be given to whether conforming changes are needed based on permission to override confidentiality granted under Section 225.30.
<p><b>Responsibilities of Professional Accountants Performing Audits of Financial Statements</b></p> <p><i>Complying with Applicable Laws and Regulations</i></p> <p>225.10 In some jurisdictions, there are legal or regulatory provisions governing how professional accountants should address non-compliance or suspected</p>	<p><u>ISA 450, Evaluation of Misstatements Identified During the Audit</u></p> <p>A8. Law or regulation may restrict the auditor's communication of certain misstatements to management, or others, within the entity. For example, laws or regulations may specifically prohibit a communication, or other action, that might prejudice an investigation by an</p>	Consideration to be given to whether conforming changes are needed.

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
<p>non-compliance with laws and regulations. The professional accountant shall obtain an understanding of those provisions and comply with them, including any prohibitions on alerting (“tipping-off”) the client prior to making any disclosure, for example, pursuant to anti-money laundering legislation.</p>	<p>appropriate authority into an actual, or suspected, illegal act. In some circumstances, potential conflicts between the auditor’s obligations of confidentiality and obligations to communicate may be complex. In such cases, the auditor may consider seeking legal advice.</p>	
<p><i>Section 225.30 as listed above</i></p>	<p><u>ISA 600, <i>Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)</i></u></p> <p>48. A component auditor may be required by statute, regulation or for another reason, to express an audit opinion on the financial statements of a component. In that case, the group engagement team shall request group management to inform component management of any matter of which the group engagement team becomes aware that may be significant to the financial statements of the component, but of which component management may be unaware. If group management refuses to communicate the matter to component management, the group engagement team shall discuss the matter with those charged with governance of the group. If the matter remains unresolved, the group</p>	<p><b>Consideration to be given to whether conforming changes are needed based on permission to override confidentiality granted under Section 225.30.</b></p>

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
	engagement team, subject to legal and professional confidentiality considerations, shall consider whether to advise the component auditor not to issue the auditor's report on the financial statements of the component until the matter is resolved. (Ref: Para. A65)	
Section 225.30 as listed above	<p><u>ISA 620, Using the Work of an Auditor's Expert</u></p> <p>11. The auditor shall agree, in writing when appropriate, on the following matters with the auditor's expert: (Ref: Para. A23–A26)</p> <ul style="list-style-type: none"> <li>(a) The nature, scope and objectives of that expert's work; (Ref: Para. A27)</li> <li>(b) The respective roles and responsibilities of the auditor and that expert; (Ref: Para. A28–A29)</li> <li>(c) The nature, timing and extent of communication between the auditor and that expert, including the form of any report to be provided by that expert; and (Ref: Para. A30)</li> <li>(d) The need for the auditor's expert to observe confidentiality requirements. (Ref: Para. A31)</li> </ul>	

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
	<p>A31. It is necessary for the confidentiality provisions of relevant ethical requirements that apply to the auditor also to apply to the auditor's expert. Additional requirements may be imposed by law or regulation. The entity may also have requested that specific confidentiality provisions be agreed with auditor's external experts.</p> <p><i>Appendix</i></p> <p>...</p> <p>Confidentiality</p> <ul style="list-style-type: none"> <li>• The need for the auditor's expert to observe confidentiality requirements, including: <ul style="list-style-type: none"> <li>○ The confidentiality provisions of relevant ethical requirements that apply to the auditor.</li> <li>○ Additional requirements that may be imposed by law or regulation, if any.</li> </ul> </li> </ul> <p>Specific confidentiality provisions requested by the entity, if any.</p>	

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
<p><i>Section 225.30 as listed above</i></p>	<p><u>ISA 706 (Revised), <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i></u></p> <p>A15. The content of an Other Matter paragraph reflects clearly that such other matter is not required to be presented and disclosed in the financial statements. An Other Matter paragraph does not include information that the auditor is prohibited from providing by law, regulation or other professional standards, for example, ethical standards relating to confidentiality of information. An Other Matter paragraph also does not include information that is required to be provided by management.</p>	<p><b>Consideration to be given to whether conforming changes are needed based on permission to override confidentiality granted under Section 225.30.</b></p>
<p><i>Section 225.30 as listed above</i></p>	<p><u>ISAE 3410, <i>Assurance Engagements on Greenhouse Gas Statements</i></u></p> <p>A152. An Other Matter paragraph does not include information that the practitioner is prohibited from providing by laws, regulations or other professional standards, for example, ethical standards relating to confidentiality of information. An Other Matter paragraph also does not include information that is</p>	<p><b>Consideration to be given to whether conforming changes are needed based on permission to override confidentiality granted under Section 225.30.</b></p>

Proposed Addition to Section 210	International Standard	Staff Preliminary Comments
	required to be provided by management.	