



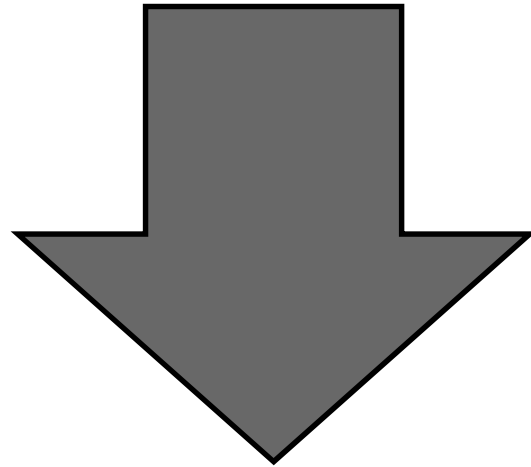
Draft

Auditors Reporting Standards
New insightful reporting

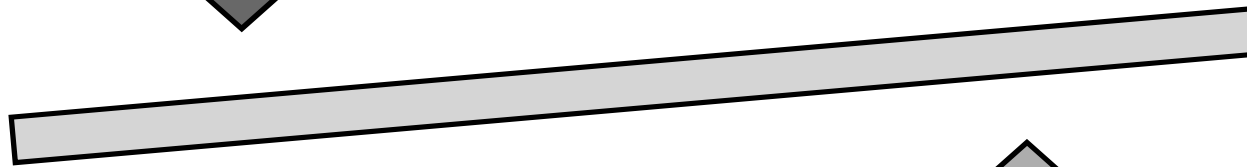
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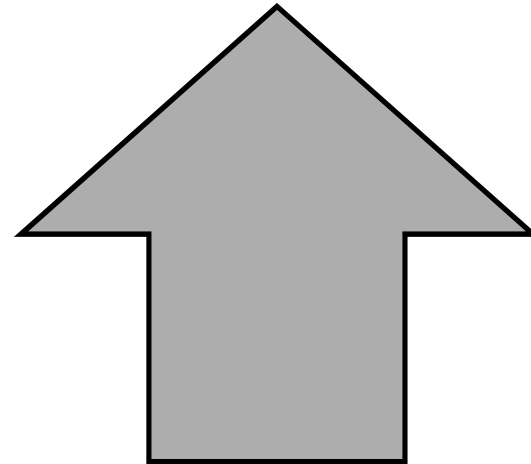
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**Fair
Presentation
Framework**



**Compliance
Framework**



Independent Auditor's Report -4*4*4



- IAR WITH CARO 2015 & CASH FLOW STATEMENT
- IAR WITHOUT CARO & CFS
- IAR WITHOUT CARO BUT WITH CFS
- IAR WITH CARO BUT W/OF CFS

Evolution in the audit reports- game changer

Financial Reporting Council (FRC) of UK – Sep. 2003 (critical judgment on key estimates)

Public Company Accounting Oversight Board (PCAOB) –August 2013

European Union directives (rotation, non-audit services)

IASB joint project with American Institute of CPA in 2006

► May 2011 issued consultation paper, draft on July 25, 2013 – January 15, 2015

IAI issued exposure draft on 03/12/2015. Comments invited latest by 18/01/2016

Reasons, Objectives & Benefits

Global financial crises (distrust in the management & auditors)
Demand for improved transparency, insights and trust
Transformation of audit report is critical to perceived value of FSs
Enhanced Communication – insights, relevance and transparent
Increased attention of key issues
Renewed focus of the Auditors
Continued relevance of auditing profession
Opportunities and challenges

SET (NEW) REPORTING STDs – awaiting members' response

0 Forming an opinion and reporting on FSs

1 Communicating Key Audit Matters (KAM) in IAR

5 Modifications to the opinion in IAR

5 Emphasis of MP & OMP in IAR

0 The Auditors responsibilities relating to other information

0 Going Concern

0 Communication with those charged with the governance

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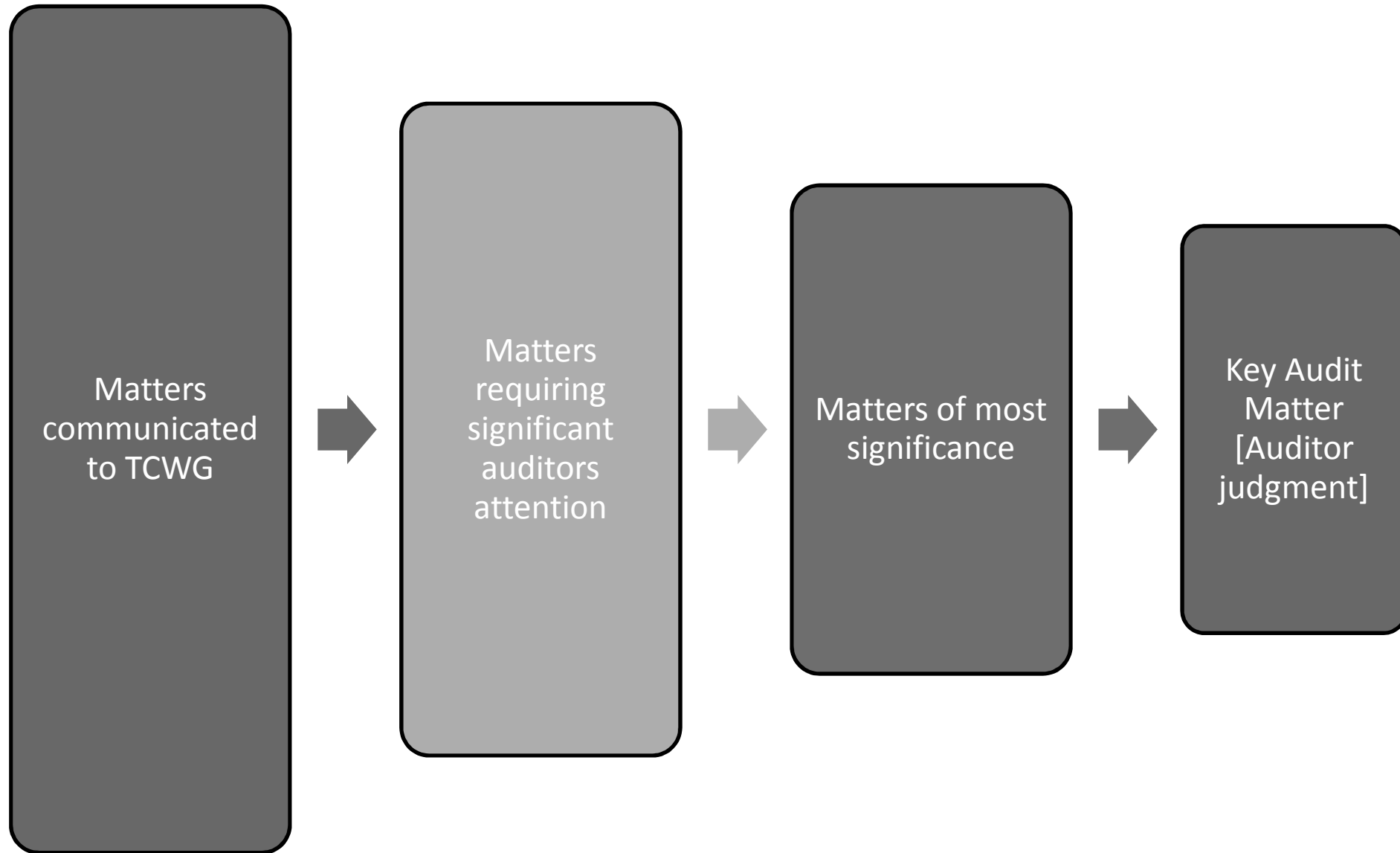
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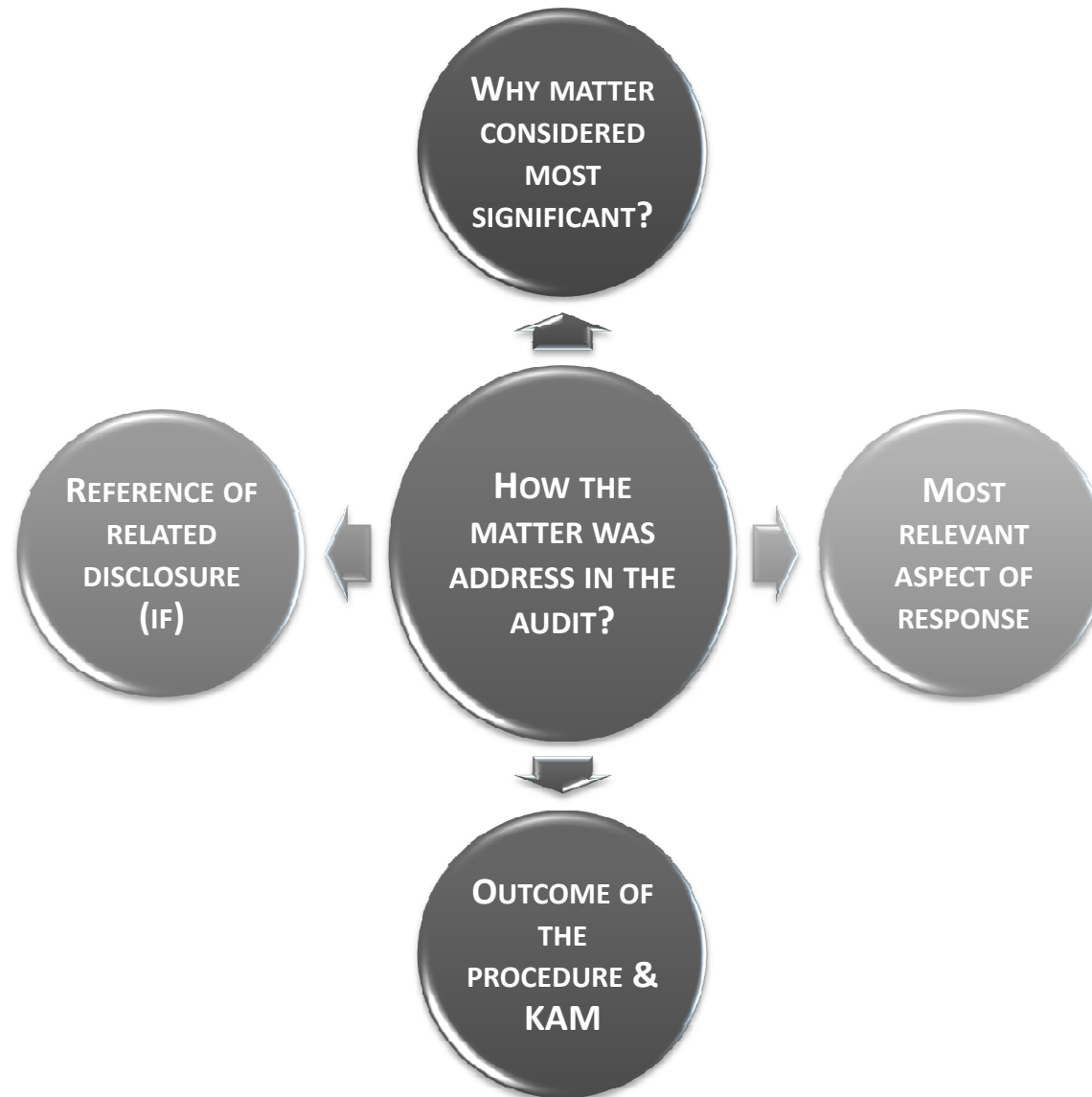
hancements (LISTED)

1. KEY AUDIT MATTERS -Mandatory
2. Name of the Engagement Partner [South Africa]
3. Identification when TCWG are separate from management

K A M



KAM



P.

- ❖ Higher assessed risk of material misstatements due to substantial estimation uncertainty
- ❖ Significant events and transactions –significant effects on FSs or Audit
- ❖ Complexity and subjectivity in the accounting policies
- ❖ The nature and extent of audit efforts to address the matter (experts)
- ❖ Difficulties in performing audit procedures & obtaining audit evidence
- ❖ Severe control deficiencies

hancements (ALL ENTITIES)

1. STRUCTURE SA 700
2. GOING CONCERN [MP] SA 570
3. OTHER INFORMATION [SA 720]
4. ENHANCED DESCRIPTION OF RESPONSIBILITIES OF M & A –
700

INDEPENDENT
AUDITORS' REPORT

- **Identification/Introduction;**
- **Opinion;**
- **Basis of opinion (for unmodified opinion);**
- **Material uncertainty relating to Going concern (though KAM) (not in all report);**
- **KAM;**
- **MP & OMP;**
- **Other information;**
- **Responsibilities of management for FSs (tailored);**
- **Auditors Responsibilities (tailored);**
- **Date, address, signature.**

Standards Governing Reporting

How many Standards govern reporting?

- 1. SA-700 Forming an opinion and reporting on FSs**
- 2. SA 705 Modifications to the opinion in IARs**
- 3. SA-706 Emphasis of Matter paragraphs and other matter paragraphs in Independent Auditors' Report**
- 4. SA-710 Comparative Information-Corresponding figures and comparative FSs**
- 5. SA -720 Auditors Responsibilities in relation to other information in documents containing AFSs**
- 6. SA 800- Special Considerations- Audit of FSs prepared in accordance with special purpose framework**

Standards Governing Reporting

How many Standards govern reporting-continue>>>>

- 7. SA-805 Special Considerations- Audit of Single FS and specific elements, accounts or items of a FS**
- 8. SA-810 Engagement to report on Summary FSs**
- 9. SRE -2400 Engagement to Review FSs**
- 10.SRE-2410 Review of Interim Financial Information performed by the Independent Auditor of the entity**
- 11.SAE 3400- The examination of prospective financial information**
- 12.SAE-3402 – Assurance Reports on controls at a service organization**

Standards Governing Reporting

How many Standards govern reporting-continue>>>>

13. SRS-4400- Engagement to perform agreed upon procedures regarding Financial Information

14. SRS-4410- Engagement to compile Financial Information

Statements/Guidance Notes governing Reporting

- 1. Statement on Reporting u/s 143 (1A) of the Companies Act, 2013;**
- 2. Statement on CARO 2015 u/s 143(11);**
- 3. GN on Independence of Auditors;**
- 4. GN on certificate issued under Acceptance of deposit Rules 1975;**
- 5. GN on Auditor report and certificates for special purpose;**
- 6. GN on Reports in Prospectus;**
- 7. GN on certificate on Corporate Governance;**
- 8. GN on section 143 (3) (f) & (h) of Companies Act 2013;**
- 9. GN on reports on Abridged FS;**
- 10. GN on Revised Auditor' Report;**
- 11. GN u/s 143(12) of the Companies Act 2013;**
- 12. GN on IFC-FR u/s 143(3) (i) of CA Act 2013.**

Audit and Reviews of Historical financial information

AUDIT

37 Standards on
Auditing (Series 100-
999) named as SAs

REVIEW

2 Standards on Review
Engagements (Series
2000-2699) named as
SRE

Assurance Engagement OTHER than Audit and Reviews of historical financial information

2 Standards on
Assurance
Engagements (Series
3000-3699) named as
SAEs

2 Standards on Related
Services)Series 4000-
4699) named as SRSs



Thank You
