Extended auditor reporting: Segmental analysis of reporting of risks

Paul George, Executive Director of Corporate Governance & Reporting, Financial Reporting Council, gave a presentation on:

- A brief update on the UK experience following the introduction of extended auditor reports;
- How risks identified within auditors’ reports can support inspection activity (for example, to improve the focus of inspections);
- The risks identified in UK reports generally;
- Understanding the risks identified in UK reports generally; and
- Whether the risks identified are consistent with experience across other IFIAR Members.

Mr. George’s introductory presentation was followed by interactive discussions with IFIAR Members and Observers. These discussions focused on:

- How UK audit firms had adapted to the new reporting requirements and what the main difficulties they experienced were;
- The practical problems posed to UK inspection teams in assessing how firms interpreted the Standard;
- How other Members might evaluate the implementation of ISA 701 (communicating key audit matters in the independent auditor’s report) going forward.

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Established in 2006, the International Forum for Independent Audit Regulators (IFIAR) comprises independent audit regulators from 51 jurisdictions. Dedicated to serving the public interest and enhancing investor protection, IFIAR provides a platform for dialogue and information-sharing regarding audit quality matters and regulatory practices around the world, and promotes collaboration and consistency in regulatory activity. For more information about IFIAR and its members, please visit www.ifiar.org.