

IAASB Exposure Draft Proposed International Standard on  
Auditing (ISA) 720 (Revised)

- *The Auditor's Responsibilities Relating to Other Information*
- *Proposed Consequential and Conforming Amendments to Other ISAs*

## **response to exposure draft**

17 July 2014

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/ 140717 SC0210

James Gunn  
Technical Director  
International Auditing and Assurance Standards Board  
545 Fifth Avenue, 14th Floor  
New York, New York  
10017 USA  
Submitted electronically

July 2014

Dear James Gunn

**IAASB Exposure Draft Proposed International Standard on Auditing (ISA) 720 (Revised)**

- ***The Auditor's Responsibilities Relating to Other Information***
- ***Proposed Consequential and Conforming Amendments to Other ISAs***

CIPFA is pleased to present its response to this exposure draft, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

**General comment**

CIPFA responded to the Board's previous exposure draft on this topic in February 2013. In that response we generally applauded those aspects of the proposals which were updating the standard to reflect changes to the reporting environment. However, our response also suggested that care needed to be taken to avoid overly expanding the responsibilities of auditors in a manner which might be onerous, particularly for public sector auditors. Our response also commented on the unhelpful use of unclear terminology.

We are glad to see that the relevant issues have been considered in the light of the comments from CIPFA and other stakeholders.

**Response to specific questions**

Observations on the specific matters for comment are provided in the attached Annex.

I hope this is a helpful contribution to the development of the Board's guidance in this area. If you have any questions about this response, please contact Steven Cain (e:steven.cain@cipfa.org, t:+44(0)20 7543 5794).

Yours sincerely

Alison Scott  
Assistant Director, Policy and Technical  
CIPFA  
3, Robert St, London, WC2N 6RL  
Tel: 01604 889451  
e:alison.scott@cipfa.org  
www.cipfa.org

**Requests for Comment**

<p>Request for Comment 1:</p> <p>Whether, in your view, the stated objectives, the scope and definitions, and the requirements addressing the auditor’s work effort (together with related introductory, application and other explanatory material) in the proposed ISA adequately describe and set forth appropriate responsibilities for the auditor in relation to other information.</p>
<p>In CIPFA’s view the revised proposals for the objectives, scope and definitions are an improvement, particularly the changes which the Board has made to the definitions of inconsistencies and misstatements. We have no comments to make on the specific requirements</p>
<p>Request for Comment 2:</p> <p>Whether, in your view, the proposals in the ISA are capable of being consistently interpreted and applied.</p>
<p>In CIPFA’s view the proposals in the ISA are capable of being consistently interpreted and applied.</p>
<p>Request for Comment 3:</p> <p>Whether, in your view, the proposed auditor reporting requirements result in effective communication to users about the auditor’s work relating to other information.</p>
<p>CIPFA is content with the proposed auditor reporting requirements.</p>
<p>Request for Comment 4:</p> <p>Whether you agree with the IAASB’s conclusion to require the auditor to read and consider other information only obtained after the date of the auditor’s report, but not to require identification of such other information in the auditor’s report or subsequent reporting on such other information.</p>
<p>CIPFA is content with this proposal.</p>

Other Matters

CIPFA has no comments to make in respect of Preparers and users (including Regulators), Developing Nations, Translations or Effective Date