



Agenda Item 2C

Comparison of ISA 720 (Revised), “The Auditor’s Responsibilities Relating to Other Information” and Extant AU-C section 720, “Other Information in Documents Containing Audited Financial Statements” to the Proposed Revised AU-C section 720

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
The Auditor’s Responsibilities Relating to Other Information	<i>Other Information in Documents Containing Audited Financial Statements</i>	The Auditor’s Responsibilities Relating to Other Information <u>Included in Annual Reports</u>	
Introduction	Introduction	Introduction	
Scope of this ISA	Scope of This Section	Scope of this ISA<u>SAS</u>	
1. This International Standard on Auditing (ISA) deals with the auditor’s responsibilities relating to other information, whether financial or non-financial information (other than financial statements and the auditor’s report thereon), included in	.01 This section addresses the auditor’s responsibility with respect to other information in documents containing audited financial statements and the auditor’s report thereon. In the absence of any separate requirement in the particular	1. This International Standard on Auditing (ISA) <u>Statement on Auditing Standards (SAS)</u> deals with <u>addresses</u> the auditor’s responsibilities relating to other information, whether financial or non-financial information (other than financial statements and the auditor’s report thereon), included in an entity’s annual	

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Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

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<p>an entity’s annual report. An entity’s annual report may be a single document or a combination of documents that serve the same purpose.</p>	<p>circumstances of the engagement, the auditor's opinion on the financial statements does not cover other information, and the auditor has no responsibility for determining whether such information is properly stated. This section establishes the requirement for the auditor to read the other information of which the auditor is aware because the credibility of the audited financial statements may be undermined by material inconsistencies between the audited financial statements and other information. (Ref: par. .A1–.A2)</p>	<p>report. An entity’s annual report may be a single document or a combination of documents that serve the same purpose.</p>	
	<p>.02 In this section, <i>documents containing audited financial statements</i> refers to annual reports (or similar documents) that are issued to owners (or similar stakeholders) and annual reports of governments and organizations for charitable or philanthropic purposes that are available to the public that contain audited financial statements and the auditor's report thereon. This section also may be applied, adapted as necessary in the circumstances, to other documents to which the auditor, at management's request, devotes attention. (Ref: par. A3-A5)</p>	<p>2. <u>This SAS also may be applied, adapted as necessary in the circumstances, to other documents to which the auditor, at management’s request, devotes attention.</u> (Ref: par. A1)</p>	<p>ASB directed that the language be consistent with extant (May 2017).</p>

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<p>2. This ISA is written in the context of an audit of financial statements by an independent auditor. Accordingly, the objectives of the auditor in this ISA are to be understood in the context of the overall objectives of the auditor as stated in paragraph 11 of ISA 200.^{fn 1} The requirements in the ISAs are designed to enable the auditor to achieve the objectives specified in the ISAs, and thereby the overall objectives of the auditor. The auditor’s opinion on the financial statements does not cover the other information, nor does this ISA require the auditor to obtain audit evidence beyond that required to form an opinion on the financial statements.</p> <p>^{fn 1} ISA 200, <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing.</i></p>		<p>23. This ISA-SAS is written in the context of an audit of financial statements by an independent auditor. Accordingly, the objectives of the auditor in this ISA-SAS are to be understood in the context of the overall objectives of the auditor as stated in paragraph 11-12 of ISA 200AU-C section 200.^{fn 1} The requirements in the ISAs-SASs are designed to enable the auditor to achieve the objectives specified in the ISAsSASs, and thereby the overall objectives of the auditor. The auditor’s opinion on the financial statements does not cover the other information, nor does this ISA-SAS require the auditor to obtain audit evidence beyond that required to form an opinion on the financial statements.</p> <p>^{fn 1} ISA 200, <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing.</i></p>	
<p>3. This ISA requires the auditor to read and consider the other information because other information that is materially inconsistent with the financial statements or the auditor’s knowledge obtained in the audit may indicate that there is a material misstatement of the financial statements or that a material misstatement of the other information exists,</p>		<p>34. This ISA-SAS requires the auditor to read and consider the other information because other information that is materially inconsistent with the financial statements or the auditor’s knowledge obtained in the audit may indicate that there is a material misstatement of the financial statements or that a material misstatement of the other information exists, either of which may undermine the credibility of the</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

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<p>either of which may undermine the credibility of the financial statements and the auditor’s report thereon. Such material misstatements may also inappropriately influence the economic decisions of the users for whom the auditor’s report is prepared.</p>		<p>financial statements and the auditor’s report thereon. Such material misstatements may also inappropriately influence the economic decisions of the users for whom the auditor’s report is prepared.</p>	
<p>4. This ISA may also assist the auditor in complying with relevant ethical requirements ^{fn 2} that require the auditor to avoid being knowingly associated with information that the auditor believes contains a materially false or misleading statement, statements or information furnished recklessly, or omits or obscures information required to be included where such omission or obscurity would be misleading.</p> <p>^{fn 2} See paragraph 110.2 of the International Ethics Standards Board for Accountants, <i>Code of Ethics for Professional Accountants</i> (IESBA Code).</p>		<p>4. This ISA may also assist the auditor in complying with relevant ethical requirements ^{fn 2} that require the auditor to avoid being knowingly associated with information that the auditor believes contains a materially false or misleading statement, statements or information furnished recklessly, or omits or obscures information required to be included where such omission or obscurity would be misleading.</p> <p>^{fn 2} See paragraph 110.2 of the International Ethics Standards Board for Accountants, <i>Code of Ethics for Professional Accountants</i> (IESBA Code).</p>	<p>The paragraph is not included as corresponding language is not included in the AICPA Code. AICPA Professional Ethics Team staff stated that the following Code paragraph is considered to incorporate the essence of the IESBA standard (emphasis added);</p> <p>1.100.001 Integrity and Objectivity Rule .01 In the performance of any <i>professional service</i>, a <i>member</i> shall maintain objectivity and integrity, shall be free of conflicts of interest, <i>and shall not</i></p>

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ASB Meeting, July 17-20, 2017

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			<i>knowingly misrepresent facts or subordinate his or her judgment to others.</i> [Prior reference: paragraph .01 of ET section 102]
5. Other information may include amounts or other items that are intended to be the same as, to summarize, or to provide greater detail, about amounts or other items in the financial statements, and other amounts or other items about which the auditor has obtained knowledge in the audit. Other information may also include other matters.		5. Other information may include amounts or other items that are intended to be the same as, to summarize, or to provide greater detail, about amounts or other items in the financial statements and other amounts or other items about which the auditor has obtained knowledge in the audit. Other information may also include other matters.	
6. The auditor’s responsibilities relating to other information (other than applicable reporting responsibilities) apply regardless of whether the other information is obtained by the auditor prior to, or after, the date of the auditor’s report.		6. The auditor’s responsibilities relating to other information <u>of which the auditor is aware</u> (other than applicable reporting responsibilities) apply regardless of whether the other information is obtained by the auditor prior to, or after, the date of the auditor’s report. <u>(Ref: par. A4)</u>	ASB directed the “of which the auditor is aware” language be added (May 2017).
7. This ISA does not apply to: (a) Preliminary announcements of financial information; or (b) Securities offering documents, including prospectuses.		7. This ISA does not apply to: (a) Preliminary announcements of financial information; or (b) Securities offering documents, including prospectuses.	
8. The auditor’s responsibilities under this ISA do not constitute an assurance engagement on other information or impose		8 7. The auditor’s responsibilities under this <u>ISA-SAS</u> do not constitute an assurance engagement on other information or impose an obligation on the auditor to	

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ASB Meeting, July 17-20, 2017

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an obligation on the auditor to obtain assurance about the other information.		obtain assurance about the other information.	
9. Law or regulation may impose additional obligations on the auditor in relation to other information that are beyond the scope of this ISA.		98. Law or regulation may impose additional obligations on the auditor in relation to other information that are beyond the scope of this ISASAS .	
		9. <u>This standard does not apply to supplemental information addressed by AU-C section 725, Supplementary Information in Relation to the Financial Statements as a Whole or required supplementary information addressed by AU-C section 730, Required Supplementary Information. (Ref: par. A3)</u>	
Effective Date	Effective Date	Effective Date	
10. This ISA is effective for audits of financial statements for periods ending on or after December 15, 2016.	.03 This section is effective for audits of financial statements for periods beginning on or after December 15, 2010. Early application is permitted.	10. This ISA-SAS is effective for audits of financial statements for periods ending on or after December 15, 2016 <u>201X</u> .	To coincide with the effective date of auditor reporting standards.
Objectives	Objective	Objectives	
11. The objectives of the auditor, having read the other information, are: (a) To consider whether there is a material inconsistency between the other information and the financial statements; (b) To consider whether there is a material inconsistency between the other information and the auditor's knowledge	.04 The objective of the auditor is to respond appropriately when the auditor becomes aware that documents containing audited financial statements and the auditor's report thereon include other information that could undermine the credibility of those financial statements and the auditor's report.	11. The objectives of the auditor, having read the other information, are: (a) To consider whether there is a material inconsistency between the other information and the financial statements; (b) To consider whether there is a material inconsistency between the other information and the auditor's knowledge obtained in the audit;	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

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<p>obtained in the audit;</p> <p>(c) To respond appropriately when the auditor identifies that such material inconsistencies appear to exist, or when the auditor otherwise becomes aware that other information appears to be materially misstated; and</p> <p>(d) To report in accordance with this ISA.</p>		<p>(c) To respond appropriately when the auditor identifies that such material inconsistencies appear to exist, or when the auditor otherwise becomes aware that other information appears to be materially misstated; and</p> <p>(d) To report in accordance with this ISASAS.</p>	
Definitions	Definitions	Definitions	
<p>12. For purposes of the ISAs, the following terms have the meanings attributed below:</p> <p>(a) Annual report – A document, or combination of documents, prepared typically on an annual basis by management or those charged with governance in accordance with law, regulation or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity’s operations and the entity’s financial results and financial position as set out in the financial statements. An annual report contains or accompanies the financial statements and the auditor’s report thereon and usually includes information about the entity’s</p>	<p>.05 For purposes of generally accepted auditing standards (GAAS), the following terms have the meanings attributed as follows:</p> <p>Inconsistency. Other information that conflicts with information contained in the audited financial statements. A material inconsistency may raise doubt about the audit conclusions drawn from audit evidence previously obtained and, possibly, about the basis for the auditor’s opinion on the financial statements.</p> <p>Misstatement of fact. Other information that is unrelated to matters appearing in the audited financial statements that is incorrectly stated or presented. A material</p>	<p>12. For purposes of the ISAs<u>SASs</u>, the following terms have the meanings attributed below:</p> <p>(a) Annual report. —A document, or combination of documents, prepared typically on an annual basis by management or those charged with governance in accordance with law, regulation or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity’s operations and the entity’s financial results and financial position as set out in the financial statements. An annual report contains, or <u>accompanies, or incorporates by reference</u> the financial statements and the auditor’s report thereon and usually includes information about the entity’s developments, its future outlook and risks and uncertainties, a statement by the entity’s governing body, and reports covering governance matters.</p>	<p>The definition of <i>annual report</i> is primarily from ISA 720 (Revised). Differences of note:</p> <p>1) The proposed SAS definition states that the annual report contains, accompanies, or <i>incorporates by reference</i> the financial statements and auditor’s report thereon. ISA 720 (Revised) does not include the “incorporates by</p>

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ASB Meeting, July 17-20, 2017

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<p>developments, its future outlook and risks and uncertainties, a statement by the entity’s governing body, and reports covering governance matters. (Ref: Para. A1–A5)</p> <p>(b) Misstatement of the other information – A misstatement of the other information exists when the other information is incorrectly stated or otherwise misleading (including because it omits or obscures information necessary for a proper understanding of a matter disclosed in the other</p>	<p>misstatement of fact may undermine the credibility of the document containing audited financial statements.</p> <p>Other information. Financial and nonfinancial information (other than the financial statements and the auditor’s report thereon) that is included in a document containing audited financial statements and the auditor’s report thereon <u>an entity’s annual report</u>, excluding required supplementary information.¹</p> <p>¹ Required supplementary information is defined in paragraph .04 of section 730, <i>Required Supplementary Information</i>.</p>	<p><u>Annual reports include annual reports of governments and organizations for charitable or philanthropic purposes that are available to the public.</u> (Ref: Parapar. A4A5–A5A10)</p> <p>(b) Misstatement of the other information. —A misstatement of the other information exists when the other information is incorrectly stated or otherwise misleading (including because it omits or obscures information necessary for a proper understanding of a matter disclosed in the other information). (Ref: Parapar. A6A11–A7A13)</p>	<p>reference” wording. <i>Incorporates by reference</i> is consistent with the proposed SAS, <i>Auditor Involvement with Exempt Offerings</i>.</p> <p>2) The SAS includes the concept of annual reports of governments and charitable organizations from extant AU-C section 720.</p>

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

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<p>information). (Ref: Para. A6–A7)</p> <p>(c) Other information – Financial or non-financial information (other than financial statements and the auditor’s report thereon) included in an entity’s annual report. (Ref: Para. A8–A10)</p>		<p>(e)–Other information. —Financial or non-financial information (other than financial statements and the auditor’s report thereon) included in an entity’s annual report, <u>excluding required supplementary information.</u>¹ (Ref: par. A14)</p> <p>¹ <u>Required supplementary information is defined in paragraph .04 of section 730, Required Supplementary Information.</u> .(Ref: Para. A8–A10)</p>	<p>The proposed SAS excludes RSI from the definition of OI as a separate AU-C section exists that deals with RSI.</p>
Requirements	Requirements	Requirements	
Obtaining the Other Information		Obtaining the Other Information	
<p>13. The auditor shall: (Ref: Para. A11–A22)</p> <p>(a) Determine, through discussion with management, which document(s) comprises the annual report, and the entity’s planned manner and timing of the issuance of such document(s);</p> <p>(b) Make appropriate arrangements with management to obtain in a timely manner and, if possible, prior to the date of the auditor’s report, the final version of the document(s) comprising the annual report; and</p>		<p>13. The auditor shall<u>should</u>: (Ref: Ppara. A11–A22<u>A15–A23</u>)</p> <p>(a) Determine, through discussion with management, <u>and obtain management’s written acknowledgement as to,</u> which document(s) comprises the annual report, and the entity’s planned manner and timing of the issuance of such document(s);</p> <p>(b) Make appropriate arrangements with management to obtain in a timely manner and, if possible, prior to the date of the auditor’s report, the final version of the document(s) comprising the annual report; and</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

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<p>(c) When some or all of the document(s) determined in (a) will not be available until after the date of the auditor’s report, request management to provide a written representation that the final version of the document(s) will be provided to the auditor when available, and prior to its issuance by the entity, such that the auditor can complete the procedures required by this ISA. (Ref: Para. A22)</p>		<p>(c) When some or all of the document(s) determined in (a) will not be available until after the date of the auditor’s report <u>on the financial statements</u>, request management to provide a written representation that the final version of the document(s) will be provided to the auditor when available, and prior to its issuance by the entity, such that the auditor can complete the procedures required by this <u>ISASAS</u>. (Ref: <u>Parapar. A22A24-A25</u>)</p>	
<p>Reading and Considering the Other Information</p>	<p>Reading Other Information</p>	<p>Reading and Considering the Other Information</p>	
<p>14. The auditor shall read the other information and, in doing so shall: (Ref: Para. A23–A24)</p> <p>(a) Consider whether there is a material inconsistency between the other information and the financial statements. As the basis for this consideration, the auditor shall, to evaluate their consistency, compare selected 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</p>	<p>.06 The auditor should read the other information of which the auditor is aware in order to identify material inconsistencies, if any, with the audited financial statements.</p>	<p>14. The auditor shall<u>should</u> read the other information and, in doing so shall<u>should</u>: (Ref: <u>Parapar. A23A26–A24A27</u>)</p> <p>(a) Consider whether there is a material inconsistency between the other information and the financial statements. As the basis for this consideration, the auditor shall<u>should</u>, to evaluate their consistency, compare selected 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; and (Ref: <u>Parapar. A25A28–A29A32</u>)</p> <p>(b) Consider whether there is a material inconsistency</p>	

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ASB Meeting, July 17-20, 2017

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<p>statements; and (Ref: Para. A25–A29)</p> <p>(b) Consider whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit, in the context of audit evidence obtained and conclusions reached in the audit. (Ref: Para. A30–A36)</p>		<p>between the other information and the auditor’s knowledge obtained in the audit, in the context of audit evidence obtained and conclusions reached in the audit. (Ref: Parapar. A30A33–A36A40)</p>	
	<p>.07 The auditor should make appropriate arrangements with management or those charged with governance to obtain the other information prior to the report release date.² If it is not possible to obtain all of the other information prior to the report release date, the auditor should read such other information as soon as practicable. (Ref: par. .A6)</p> <p>² See paragraph .06 of section 230, <i>Audit Documentation</i>, for the definition of <i>report release date</i>.</p>		
	<p>.08 The auditor should communicate with those charged with governance the auditor's responsibility with respect to the other information, any procedures performed relating to the other information, and the results.</p>		

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ASB Meeting, July 17-20, 2017

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15. While reading the other information in accordance with paragraph 14, the auditor shall remain alert for indications that the other information not related to the financial statements or the auditor’s knowledge obtained in the audit appears to be materially misstated. (Ref: Para. A37–A38)		15. While reading the other information in accordance with paragraph 14, the auditor shall <u>should</u> remain alert for indications that the other information not related to the financial statements or the auditor’s knowledge obtained in the audit appears to be materially misstated. (Ref: Parapar. A37A41–A38A42)	
Responding When a Material Inconsistency Appears to Exist or Other Information Appears to be Materially Misstated	Material Inconsistencies	Responding When a Material Inconsistency Appears to Exist or Other Information Appears to be Materially Misstated	
16. If the auditor identifies that a material inconsistency appears to exist (or becomes aware that the other information appears to be materially misstated), the auditor shall discuss the matter with management and, if necessary, perform other procedures to conclude whether: (Ref: Para. A39–A43) (a) A material misstatement of the other information exists; (b) A material misstatement of the financial statements exists; or (c) The auditor’s understanding of the entity and its environment needs to be updated.	.09 If, on reading the other information, the auditor identifies a material inconsistency, the auditor should determine whether the audited financial statements or the other information needs to be revised.	16. If the auditor identifies that a material inconsistency appears to exist (or becomes aware that the other information appears to be materially misstated), the auditor shall <u>should</u> discuss the matter with management and, if necessary, perform other procedures to conclude whether: (Ref: Parapar. A39A43–A43A47) (a) A material misstatement of the other information exists; (b) A material misstatement of the financial statements exists; or (c) The auditor’s understanding of the entity and its environment needs to be updated.	
Responding When the Auditor Concludes		Responding When the Auditor Concludes That a	

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That a Material Misstatement of the Other Information Exists		Material Misstatement of the Other Information Exists	
<p>17. If the auditor concludes that a material misstatement of the other information exists, the auditor shall request management to correct the other information. If management:</p> <p>(a) Agrees to make the correction, the auditor shall determine that the correction has been made; or</p> <p>(b) Refuses to make the correction, the auditor shall communicate the matter with those charged with governance and request that the correction be made.</p>		<p>17. If the auditor concludes that a material misstatement of the other information exists, the auditor shall<u>should</u> request management to correct the other information. If management:</p> <p>(a) Agrees to make the correction, the auditor shall<u>should</u> determine that the correction has been made; or</p> <p>(b) Refuses to make the correction, the auditor shall<u>should</u> communicate the matter with those charged with governance and request that the correction be made.</p>	
	<i>Material Inconsistencies Identified Prior to the Date of the Auditor's Report That Require Revision of the Audited Financial Statements</i>		
	<p>.10 When the auditor identifies a material inconsistency prior to the date of the auditor's report that requires revision of the audited financial statements and management refuses to make the revision, the auditor should modify the auditor's opinion in accordance with section 705, <i>Modifications to the Opinion in the Independent Auditor's Report</i>.</p>		

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ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	<i>Material Inconsistencies Identified After the Date of the Auditor's Report But Prior to the Report Release Date That Require Revision of the Audited Financial Statements</i>		
	<p>.11 When the auditor identifies a material inconsistency after the date of the auditor's report but prior to the report release date that requires revision of the audited financial statements, the auditor should apply the relevant requirements in section 560, <i>Subsequent Events and Subsequently Discovered Facts</i>.³</p> <p>³ Paragraphs .12–.14 of section 560, <i>Subsequent Events and Subsequently Discovered Facts</i>.</p>		
<p>18. If the auditor concludes that a material misstatement exists in other information obtained prior to the date of the auditor's report, and the other information is not corrected after communicating with those charged with governance, the auditor shall take appropriate action, including: (Ref: Para. A44)</p> <p>(a) Considering the implications for the auditor's report and communicating with those charged with governance about</p>	<p>.12 When the auditor identifies a material inconsistency prior to the report release date that requires revision of the other information and management refuses to make the revision, the auditor should communicate this matter to those charged with governance and (Ref: par. .A7–.A8)</p> <p>a. include in the auditor's report an other-matter paragraph describing the material inconsistency, in accordance with section 706,</p>	<p>18. If the auditor concludes that a material misstatement exists in other information obtained prior to the date of the auditor's report, and the other information is not corrected after communicating with those charged with governance, the auditor shall<u>should</u> take appropriate action, including: (Ref: Parapar. A44A48)</p> <p>(a) Considering the implications for the auditor's report and communicating with those charged with governance about how the auditor plans to address the material misstatement in the auditor's report (see paragraph 22(ed)(ii)); or (Ref: Parapar. A45A49)</p>	

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ASB Meeting, July 17-20, 2017

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<p>how the auditor plans to address the material misstatement in the auditor’s report (see paragraph 22(e)(ii)); or (Ref: Para. A45)</p> <p>(b) Withdrawing from the engagement, where withdrawal is possible under applicable law or regulation. (Ref: Para. A46–A47)</p>	<p><i>Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor’s Report;</i>⁴</p> <p>b. withhold the auditor’s report; or</p> <p>c. when withdrawal is possible under applicable law or regulation, withdraw from the engagement.</p> <p>⁴ Paragraph .08 of section 706, <i>Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor’s Report.</i></p>	<p><u>b. withholding the auditor’s report; (Ref: par. A51) or</u></p> <p>(b)—<u>c.</u> Withdrawing from the engagement, where withdrawal is possible under applicable law or regulation. (Ref: Parapar. A46A50–A47A51)</p>	<p>Included the option for the auditor to withhold the auditor’s report from extant AU-C section 720.</p>
	<p><i>Material Inconsistencies Identified Subsequent to the Report Release Date</i></p>		
	<p>.13 When revision of the audited financial statements is necessary as a result of a material inconsistency with other information and the auditor’s report on the financial statements has already been released, the auditor should apply the relevant requirements in section 560, <i>Subsequent Events and Subsequently Discovered Facts.</i>⁵</p> <p>⁵ Paragraphs .15–.18 of section 560, <i>Subsequent Events and Subsequently Discovered Facts.</i></p>		

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ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>19. If the auditor concludes that a material misstatement exists in other information obtained after the date of the auditor’s report, the auditor shall:</p> <p>(a) If the other information is corrected, perform the procedures necessary in the circumstances; or (Ref: Para. A48)</p> <p>(b) If the other information is not corrected after communicating with those charged with governance, take appropriate action considering the auditor’s legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom the auditor’s report is prepared. (Ref: Para. A49–A50)</p>	<p>.14 When revision of the other information is necessary after the report release date and management agrees to make the revision, the auditor should carry out the procedures necessary under the circumstances. (Ref: par. A9)</p> <p>.15 When revision of the other information is necessary after the report release date but management refuses to make the revision, the auditor should notify those charged with governance of the auditor’s concerns regarding the other information and take any further appropriate action. (Ref: par. .A10)</p>	<p>19. If the auditor concludes that a material misstatement exists in other information obtained after the date of the auditor’s report, the auditor shall<u>should</u>:</p> <p>(a) If the other information is corrected, perform the procedures necessary in the circumstances; or (Ref: Parapar. A48<u>A52</u>)</p> <p>(b) If the other information is not corrected after communicating with those charged with governance, take appropriate action considering the auditor’s legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of <u>known</u> users for whom of the auditor’s report is prepared. (Ref: Parapar. A49<u>A53–A50</u>A54)</p>	
<p>Responding When a Material Misstatement in the Financial Statements Exists or the Auditor’s Understanding of the Entity and Its Environment Needs to Be Updated</p>		<p>Responding When a Material Misstatement in the Financial Statements Exists or the Auditor’s Understanding of the Entity and Its Environment Needs to Be Updated</p>	
<p>20. If, as a result of performing the procedures in paragraphs 14–16, the auditor concludes that a material misstatement in the financial statements exists or the auditor’s understanding of the entity and its</p>		<p>20. If, as a result of performing the procedures in paragraphs 14–16, the auditor concludes that a material misstatement in the financial statements exists or the auditor’s understanding of the entity and its environment needs to be updated, the auditor shall</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
environment needs to be updated, the auditor shall respond appropriately in accordance with the other ISAs. (Ref: Para. A51)		<u>should</u> respond appropriately in accordance with the other <u>ISAsSAs</u> . (Ref: Parapar. <u>A51A55</u>)	
	Material Misstatements of Fact		
	.16 If, on reading the other information for the purpose of identifying material inconsistencies, the auditor becomes aware of an apparent material misstatement of fact, the auditor should discuss the matter with management. (Ref: par. .A11)		
	.17 When, following such discussions, the auditor still considers that there is an apparent material misstatement of fact, the auditor should request management to consult with a qualified third party, such as the entity's legal counsel, and the auditor should consider the advice received by the entity in determining whether such matter is a material misstatement of fact.		
	.18 When the auditor concludes that there is a material misstatement of fact in the other information that management refuses to correct, the auditor should notify those charged with governance of the auditor's concerns regarding the other information and take any further		

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	appropriate action. (Ref: par. .A12)		
Reporting		Reporting	
<p>21. The auditor’s report shall include a separate section with a heading “Other Information”, or other appropriate heading, when, at the date of the auditor’s report:</p> <p>(a) For an audit of financial statements of a listed entity, the auditor has obtained, or expects to obtain, the other information; or</p> <p>(b) For an audit of financial statements of an entity other than a listed entity, the auditor has obtained some or all of the other information. (Ref: Para. A52)</p>		<p>21. The auditor’s report shall <u>should</u> include an <u>other-matter paragraph –separate section</u> with a heading “Other Information”, or other appropriate heading, when, at the date of the auditor’s report: <u>the auditor has obtained some or all of the other information. (Ref: par. A56)</u></p> <p>(a) For an audit of financial statements of a listed entity, the auditor has obtained, or expects to obtain, the other information; or</p> <p>(b) For an audit of financial statements of an entity other than a listed entity, the auditor has obtained some or all of the other information. (Ref: Para. A52)</p>	No need to differentiate between reporting requirements for “listed” and “non-listed” entities.
<p>22. When the auditor’s report is required to include an Other Information section in accordance with paragraph 21, this section shall include: (Ref: Para. A53)</p> <p>(a) A statement that management is responsible for the other information;</p> <p>(b) An identification of:</p> <p>(i) Other information, if any, obtained by the auditor prior to the date of the auditor’s report; and</p>		<p>22. When the auditor’s report is required to include an <u>other matter paragraph in accordance with paragraph 21, Other Information section in accordance with paragraph 21, this section shall the paragraph should</u> include: (Ref: Parapar. A53<u>A57</u>)</p> <p>(a) A statement that management is responsible for the other information;</p> <p>(b) An identification of:</p> <p>(i) Other information, if any, obtained by the auditor prior to the date of the auditor’s report; and</p> <p>(ii) For an audit of financial statements of a listed entity, other information, if any, expected to be obtained after the date of the auditor’s report;</p>	

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>(ii) For an audit of financial statements of a listed entity, other information, if any, expected to be obtained after the date of the auditor’s report;</p> <p>(c) A statement that the auditor’s opinion does not cover the other information and, accordingly, that the auditor does not express (or will not express) an audit opinion or any form of assurance conclusion thereon;</p> <p>(d) A description of the auditor’s responsibilities relating to reading, considering and reporting on other information as required by this ISA; and</p> <p>(e) When other information has been obtained prior to the date of the auditor’s report, either:</p> <p>(i) A statement that the auditor has nothing to report; or</p> <p>(ii) If the auditor has concluded that there is an uncorrected material misstatement of the other</p>		<p>(c) <u>If applicable, A</u> statement that the auditor’s opinion does not cover the other information <u>(Ref: par. A58)</u></p> <p><u>(d) and, accordingly, A statement</u> that the auditor does not express (or will not express) an audit opinion or any form of assurance conclusion thereon <u>on the other information</u>;</p> <p>(d) A description of the auditor’s responsibilities relating to reading, considering and reporting on other information as required by this ISA <u>SAS</u>; <u>(Ref: par. A36)</u> and</p> <p>(e) When other information has been obtained prior to the date of the auditor’s report, e <u>Either:</u></p> <p>(i) A statement that the auditor has nothing to report; or</p> <p>(ii) If the auditor has concluded that there is an uncorrected material misstatement of the other information, a statement that describes the uncorrected material misstatement of the other information.</p>	<p>ASB directed that subparagraph (d) not refer to “a conclusion” (January 2017).</p>

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
information, a statement that describes the uncorrected material misstatement of the other information.			
<p>23. When the auditor expresses a qualified or adverse opinion in accordance with ISA 705 (Revised),³ the auditor shall consider the implications of the matter giving rise to the modification of opinion for the statement required in paragraph 22(e). (Ref: Para. A54–A58)</p> <p>³ ISA 705 (Revised), <i>Modifications to the Opinion in the Independent Auditor’s Report</i></p>		<p>23. When the auditor expresses a qualified or adverse opinion in accordance with ISA–AU-C section 705 (Revised),³ the auditor shall–should consider the implications of the matter giving rise to the modification of opinion for the statement required in paragraph 22(e). (Ref: Parapar. A54A59–A58A62)</p> <p>³ ISA–AU-C section 705 (Revised), <i>Modifications to the Opinion in the Independent Auditor’s Report</i></p>	
<i>Reporting Prescribed by Law or Regulation</i>		<i>Reporting Prescribed by Law or Regulation</i>	
<p>24. If the auditor is required by law or regulation of a specific jurisdiction to refer to the other information in the auditor’s report using a specific layout or wording, the auditor’s report shall refer to International Standards on Auditing only if the auditor’s report includes, at a minimum: (Ref: Para. A59)</p> <p>(a) Identification of the other information obtained by the auditor prior to the date of the auditor’s</p>		<p>24. If the auditor is required by law or regulation of a specific jurisdiction to refer to the other information in the auditor’s report using a specific layout or wording, the auditor’s report shall refer to International Standards on Auditing only if the auditor’s report includes, at a minimum: (Ref: Para. A59)</p> <p>(a) Identification of the other information obtained by the auditor prior to the date of the auditor’s report;</p> <p>(b) A description of the auditor’s responsibilities</p>	Not necessary for American auditors.

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>report;</p> <p>(b) A description of the auditor’s responsibilities with respect to the other information; and</p> <p>(c) An explicit statement addressing the outcome of the auditor’s work for this purpose.</p>		<p style="color: red;">with respect to the other information; and</p> <p style="color: red;">(c) An explicit statement addressing the outcome of the auditor’s work for this purpose.</p>	
Documentation		Documentation	
<p>25. In addressing the requirements of ISA 230⁴ as it applies to this ISA, the auditor shall include in the audit documentation:</p> <p>(a) Documentation of the procedures performed under this ISA; and</p> <p>(b) The final version of the other information on which the auditor has performed the work required under this ISA.</p> <p>⁴ ISA 230, <i>Audit Documentation</i>, paragraphs 8-11</p>		<p style="color: red;">25²⁴. In addressing the requirements of ISA—AU-C section 230⁴ as it applies to this ISASAS, the auditor shall <u>should</u> include in the audit documentation:</p> <p>(a) Documentation of the procedures performed under this ISASAS; and</p> <p>(b) The final version of the other information on which the auditor has performed the work required under this ISASAS.</p> <p>⁴ ISA—AU-C section 230, <i>Audit Documentation</i>, paragraphs 8-11</p>	
***		***	
Application and Other Explanatory Material	Application and Other Explanatory Material	Application and Other Explanatory Material	
	Scope of This Section (Ref: par. .01–.02)	<u>Scope of This SAS (Ref: par. 2 and 9)</u>	
	.A1 This section also addresses other information for which a designated	<u>.A1 In instances in which the auditor applies this section to other documents to which the auditor, at</u>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	<p>accounting standard setter⁶ has issued standards or guidance regarding the format to be used and content to be included when such information is voluntarily presented in a document containing the audited financial statements and the auditor's report thereon. The auditor's responsibility for other information presented in a document containing audited financial statements that is required to be included by a designated accounting standards setter is addressed in section 730, <i>Required Supplementary Information</i>.</p> <p>⁶ <i>Designated accounting standards setter</i> is defined in paragraph .04 of section 730.</p>	<p><u>management's request, devotes attention, all of the requirements of this section, including those standards regarding reporting, are applicable, adapted as necessary in the circumstances.</u></p> <p><u>.A2 Other AU-C sections provide requirements and guidance with respect to information in certain documents other than annual reports. For example, AU-C section 945, Auditor Involvement with Exempt Offering Documents and proposed AU-C section 703, Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA.</u></p> <p><u>.A3 This SAS also addresses other information for which a designated accounting standard setter⁶ has issued standards or guidance regarding the format to be used and content to be included when such information is voluntarily presented in an annual report – for example, Statement No. 44 of the Governmental Accounting Standards Board, Economic Condition Reporting: The Statistical Section.</u></p> <p><u>⁶ Designated accounting standards setter is defined in paragraph .04 of section 730.</u></p>	<p>ASB directed that the application paragraph be specific that other AU-C sections include procedures with respect to information included in documents other than annual reports and specifically reference AU-C sections 945 and 703 (May 2017).</p>
	<p>.A2 The auditor is not required to make reference to the other information in the auditor's report on the financial statements. However, the auditor may</p>		

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	<p>include an other-matter paragraph disclaiming an opinion on the other information. For example, an auditor may choose to include a disclaimer on the other information when the auditor believes that the auditor could be associated with the information and the user may infer a level of assurance that is not intended. Exhibit A, "Example of an Other-Matter Paragraph to Disclaim an Opinion on Other Information," has an example of how an auditor may word such a disclaimer of opinion on other information.</p>		
	<p>.A3 Other information may comprise the following:</p> <ul style="list-style-type: none"> • A report by management or those charged with governance on operations • Financial summaries or highlights • Employment data • Planned capital expenditures • Financial ratios 		<p>Examples of amounts or other items that may be included in other information are included in paragraph .A12 of the proposed revised SAS.</p>

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	<ul style="list-style-type: none"> • Names of officers and directors • Selected quarterly data 		
	<p>.A4 For purposes of GAAS, other information does not encompass, for example, the following:</p> <ul style="list-style-type: none"> • A press release or similar memorandum or cover letter accompanying the document containing audited financial statements and the auditor's report thereon. • Information contained in analyst briefings. • Information contained on the entity's website. Websites are a means of distributing information and are not, themselves, documents containing audited financial statements. 		Retained – moved to paragraph A11.
		<p><u>A4. There may be circumstances when, at the date of the auditor's report, the entity</u></p> <ul style="list-style-type: none"> • <u>has not decided to issue an annual report or</u> • <u>is considering the development of a document that may constitute or may be part of the entity's</u> 	Paragraph .A17 of ISA 720 (Revised). Moved pursuant to ASB directive (May 2017).

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
		<p><u>annual report (for example, a voluntary report to stakeholders) but management is unable to confirm to the auditor the timing of such a document.</u></p> <p><u>In such instances, the report or document is not within the scope of this SAS.</u></p>	
Definitions		Definitions	
<i>Annual Report</i> (Ref: Para. 12(a))		<i>Annual Report</i> (Ref: Para par. 12)	
A1. Law, regulation or custom may define the content of an annual report, and the name by which it is to be referred, for entities in a particular jurisdiction; however, the content and the name may vary within a jurisdiction and from one jurisdiction to another.		A1A5. Law, regulation or custom may define the content of an annual report, and the name by which it is to be referred, for entities in a particular jurisdiction; however, the content and the name may vary within a jurisdiction and from one jurisdiction to another.	
A2. An annual report is typically prepared on an annual basis. However, when the financial statements being audited are prepared for a period less than or more than a year, an annual report may also be prepared that covers the same period as the financial statements.		A2. An annual report is typically prepared on an annual basis. However, when the financial statements being audited are prepared for a period less than or more than a year, an annual report may also be prepared that covers the same period as the financial statements.	Paragraph A2 from ISA 720 (Revised) was deleted as it was deemed to be unnecessarily confusing.
A3. In some cases, an entity’s annual report may be a single document and referred to by the title “annual report” or by some other title. In other cases, law, regulation or		A3A6. In some cases, an entity’s annual report may be a single document and referred to by the title “annual report” or by some other title. In other cases, law, regulation or custom may require the entity to report to	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>custom may require the entity to report to owners (or similar stakeholders) information on the entity’s operations and the entity’s financial results and financial position as set out in the financial statements (i.e., an annual report) by way of a single document, or by way of two or more separate documents that in combination serve the same purpose. For example, depending on law, regulation or custom in a particular jurisdiction, one or more of the following documents may form part of the annual report:</p> <ul style="list-style-type: none"> • Management report, management commentary, or operating and financial review or similar reports by those charged with governance (for example, a directors’ report). • Chairman’s statement. • Corporate governance statement. • Internal control and risk assessment reports. 		<p>owners (or similar stakeholders) information on the entity’s operations and the entity’s financial results and financial position as set out in the financial statements (i.e., an annual report) by way of a single document, or by way of two or more separate documents that in combination serve the same purpose. For example, depending on law, regulation or custom in a particular jurisdiction, one or more of the following documents may form part of the annual report:</p> <ul style="list-style-type: none"> • Management report, management commentary, or operating and financial review or similar reports by those charged with governance (for example, a directors’ report). • Chairman’s statement. • Corporate governance statement. • Internal control and risk assessment reports. 	<p>Examples of documents that may form part of the annual report moved to paragraph A12 (at the ASB’s direction – January 2017).</p>
<p>A4. An annual report may be made available to users in printed form, or electronically, including on the entity’s</p>		<p>A4A7. An annual report may be made available to users in printed form, or electronically, including on the entity’s website. A document (or combination of</p>	

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>website. A document (or combination of documents) may meet the definition of an annual report, irrespective of the manner in which it is made available to users.</p>		<p>documents) may meet the definition of an annual report, irrespective of the manner in which it is made available to users.</p>	
<p>A5. An annual report is different in nature, purpose and content from other reports, such as a report prepared to meet the information needs of a specific stakeholder group or a report prepared to comply with a specific regulatory reporting objective (even when such a report is required to be publicly available). Examples of reports that, when issued as standalone documents, are not typically part of the combination of documents that comprise an annual report (subject to law, regulation or custom), and that, therefore, are not other information within the scope of this ISA, include:</p> <ul style="list-style-type: none"> • Separate industry or regulatory reports (for example, capital adequacy reports), such as may be prepared in the banking, insurance, and pension industries. • Corporate social responsibility reports. 		<p>A5A8. An annual report is different in nature, purpose and content from other reports, such as a report prepared to meet the information needs of a specific stakeholder group or a report prepared to comply with a specific regulatory reporting objective (even when such a report is required to be publicly available). Examples of reports that, when issued as standalone documents, are not typically part of the combination of documents that comprise an annual report (subject to law, regulation or custom), and that, therefore, are not other information within the scope of this ISASAS, include:</p> <ul style="list-style-type: none"> • <u>IRS Form 990, Return of Organization Exempt From Income Tax</u> • <u>IRS Form 5500, Annual Return/Report of Employee Benefit Plan</u> • <u>Annual statement filed with National Association of Insurance Commissioners</u> <p>Separate industry or regulatory reports (for example, capital adequacy reports), such as may be prepared in the banking, insurance, and pension industries.</p> <ul style="list-style-type: none"> • Corporate social responsibility reports • Sustainability reports. • Diversity and equal opportunity reports. 	<p>Revisions made to examples pursuant to ASB directive (October 2016) to make the examples U.S. specific.</p> <p>ASB directed that a specific request for comment be included in the exposure draft that requests respondents to provide additional examples of documents that are not within the scope of the</p>

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<ul style="list-style-type: none"> • Sustainability reports. • Diversity and equal opportunity reports. • Product responsibility reports. • Labor practices and working conditions reports. • Human rights reports. 		<ul style="list-style-type: none"> • Product responsibility reports. • Labor practices and working conditions reports. • Human rights reports. 	proposed standard.
		<u>A9. While a document may be referred to as an annual report, such document may not meet the definition of annual report for purposes of this SAS. For example, often IRS Form 990 is referred to as a not-for-profit's "annual report."</u>	Paragraph added pursuant to an ASB request (August 2016).
	<i>Considerations Specific to Governmental Entities (Ref: par. .02)</i>	<u><i>Considerations Specific to Governmental Entities</i></u>	
	.A5 The term <i>annual reports of governments</i> is intended to include comprehensive annual reports or other annual financial reports that include the government's financial statements and the auditor's report thereon.	<u>A10. The term <i>annual reports of governments</i> is intended to include comprehensive annual financial reports or other annual financial reports that include the government's financial statements and the auditor's report thereon.</u>	
<i>Misstatement of the Other Information</i> (Ref: Para. 12(b))		<i>Misstatement of the Other Information</i> (Ref: Parapar. 12(b))	
A6. When a particular matter is disclosed in the other information, the other information may omit or obscure information that is		A6 A11. When a particular matter is disclosed in the other information, the other information may omit or obscure information that is necessary for a proper	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>necessary for a proper understanding of that matter. For example, if the other information purports to address the key performance indicators used by management, then omission of a key performance indicator used by management could indicate that the other information is misleading.</p>		<p>understanding of that matter <u>or, in light of the circumstances, to keep the other information from being misleading.</u> For example, <u>the omission may present a misleading impression of the entity’s financial position, results of operations, or cash flows</u>if the other information purports to address the key performance indicators used by management, then omission of a key performance indicator used by management could indicate that the other information is misleading. <u>The auditor is not responsible to search for omitted information or for the completeness of the other information.</u></p>	<p>Additional language added is from SEC Rule 10b-5.</p> <p>Language after “for example” added at the direction of the ASB (May 2017).</p> <p>Last sentence added at the direction of the ASB (January 2017).</p>
		<p><u>A12. Other information may be undermined by the inclusion of information that is not relevant or that obscures a proper understanding of the matters disclosed.</u></p>	<p>Added separate application paragraph directed toward information that obscures a proper understanding of the matter. Wording is taken from ISA <i>Addressing Disclosures in the Audits of Financial Statements</i></p>
<p>A7. The concept of materiality may be discussed in a framework applicable to the other information and, if so, such a framework may provide a frame of reference for the auditor in making judgments about materiality under this ISA. In many cases, however, there may be no applicable framework that includes a discussion of the concept of materiality as it</p>		<p>A7<u>A13</u>. The concept of materiality may be discussed in a framework applicable to the other information and, if so, such a framework may provide a frame of reference for the auditor in making judgments about materiality under this ISASAS. In many cases, however, there may be no applicable framework that includes a discussion of the concept of materiality as it applies to the other information. In such circumstances, the following characteristics provide the auditor with a frame of</p>	

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>applies to the other information. In such circumstances, the following characteristics provide the auditor with a frame of reference in determining if a misstatement of the other information is material:</p> <ul style="list-style-type: none"> • Materiality is considered in the context of the common information needs of users as a group. The users of the other information are expected to be the same as the users of the financial statements as such users may be expected to read the other information to provide context to the financial statements. • Judgments about materiality take into account the specific circumstances of the misstatement, considering whether users would be influenced by the effect of the uncorrected misstatement. Not all misstatements will influence the economic decisions of users. • Judgments about materiality involve both qualitative and quantitative considerations. Accordingly, such judgments may take into account the 		<p>reference in determining if a misstatement of the other information is material:</p> <ul style="list-style-type: none"> • Materiality is considered in the context of the common information needs of users as a group. The users of the other information are expected to be the same as the users of the financial statements as such users may be expected to read the other information to provide context to the financial statements. • Judgments about materiality take into account the specific circumstances of the misstatement, considering whether users would be influenced by the effect of the uncorrected misstatement. Not all misstatements will influence the economic decisions of users. • Judgments about materiality involve both qualitative and quantitative considerations. Accordingly, such judgments may take into account the nature or magnitude of the items that the other information addresses in the context of the entity’s annual report. 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
nature or magnitude of the items that the other information addresses in the context of the entity’s annual report.			
<i>Other Information</i> (Ref: Para. 12(c))		<i>Other Information</i> (Ref: Parapar. 12(e))	
A8. Appendix 1 contains examples of amounts or other items that may be included in the other information.		<p>A8. Appendix 1 contains examples of amounts or other items that may be included in the other information</p> <p><u>A14. The following are examples of amounts and other items that may be included in other information. This list is not intended to be exhaustive.</u></p> <ul style="list-style-type: none"> • <u>Management report, management commentary, or operating and financial review or similar reports by those charged with governance (for example, a directors’ report).</u> • <u>Chairman’s statement.</u> • <u>Corporate governance statement.</u> • <u>Management’s internal control and risk assessment reports.</u> • <u>Financial summaries or highlights</u> • <u>Employment data</u> • <u>Planned capital expenditures</u> • <u>Financial ratios</u> • <u>Names of officers and directors</u> • <u>Selected quarterly data</u> 	
A9. In some cases, the applicable financial reporting framework may require specific		A9. In some cases, the applicable financial reporting framework may require specific disclosures but permit	ASB directed (October

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>disclosures but permit them to be located outside of the financial statements.⁵ As such disclosures are required by the applicable financial reporting framework, they form part of the financial statements. Accordingly, they do not constitute other information for the purpose of this ISA.</p> <p>⁵ For example, IFRS 7, <i>Financial Instruments: Disclosures</i>, permits certain disclosures required by the IFRSs to either be given in the financial statements or incorporated by cross-reference from the financial statements to some other statement, such as a management commentary or risk report, that is available to users of the financial statements on the same terms as the financial statements and at the same time.</p>		<p>them to be located outside of the financial statements.⁵ As such disclosures are required by the applicable financial reporting framework, they form part of the financial statements. Accordingly, they do not constitute other information for the purpose of this ISA.</p> <p>⁵ For example, IFRS 7, <i>Financial Instruments: Disclosures</i>, permits certain disclosures required by the IFRSs to either be given in the financial statements or incorporated by cross reference from the financial statements to some other statement, such as a management commentary or risk report, that is available to users of the financial statements on the same terms as the financial statements and at the same time.</p>	<p>2016) that paragraphs A9-A10 from ISA 720 (Revised) are not needed in the proposed SAS.</p>
<p>A10. eXtensible Business Reporting Language (XBRL) tags do not represent other information as defined in this ISA.</p>		<p>A10. eXtensible Business Reporting Language (XBRL) tags do not represent other information as defined in this ISA.</p>	
<p>Obtaining the Other Information (Ref: Para. 13)</p>		<p>Obtaining the Other Information (Ref: Parapar. 13)</p>	
<p>A11. Determining the document(s) that is or comprises the annual report is often clear based on law, regulation or custom. In many cases, management or those charged with governance may have customarily issued a</p>		<p>A11A15. Determining the document(s) that is or comprises the annual report is often clear based on law, regulation or custom. In many cases, management or those charged with governance may have customarily issued a package of documents that together comprise</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>package of documents that together comprise the annual report, or may have committed to do so. In some cases, however, it may not be clear which document(s) is or comprises the annual report. In such cases, the timing and purpose of the documents (and for whom they are intended) are matters that may be relevant to the auditor’s determination of which document(s) is or comprises the annual report.</p>		<p>the annual report, or may have committed to do so. In some cases, however, it may not be clear which document(s) is or comprises the annual report. In such cases, the timing and purpose of the documents (and for whom they are intended) are matters that may be relevant to the auditor’s determination of which document(s) is the annual report.</p>	
<p>A12. When the annual report is translated into other languages pursuant to law or regulation (such as may occur when a jurisdiction has more than one official language), or when multiple “annual reports” are prepared under different legislation (for example, when an entity is listed in more than one jurisdiction), consideration may need to be given as to whether one, or more than one of the “annual reports” form part of the other information. Local law or regulation may provide further guidance in this respect.</p>		<p>A12. When the annual report is translated into other languages pursuant to law or regulation (such as may occur when a jurisdiction has more than one official language), or when multiple “annual reports” are prepared under different legislation (for example, when an entity is listed in more than one jurisdiction), consideration may need to be given as to whether one, or more than one of the “annual reports” form part of the other information. Local law or regulation may provide further guidance in this respect.</p>	<p>Paragraph A12 from ISA 720 (Revised) was deleted as the Task Force could not think of an example relevant for American auditors of nonissers.</p>
		<p><u>A16. Management’s written acknowledgement of the documents which constitute the annual report and the expected timing that such documents will be made available to the auditor may be included in the engagement letter, an amendment to the engagement</u></p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
		<u>letter, in a representation letter, or some other written communication.</u>	
<p>A13. Management, or those charged with governance, is responsible for preparing the annual report. The auditor may communicate with management or those charged with governance:</p> <ul style="list-style-type: none"> • The auditor’s expectations in relation to obtaining the final version of the annual report (including a combination of documents that together comprise the annual report) in a timely manner prior to the date of the auditor’s report such that the auditor can complete the procedures required by this ISA before the date of the auditor’s report, or if that is not possible, as soon as practicable and in any case prior to the entity’s issuance of such information. • The possible implications when the other information is obtained after the date of the auditor’s report. 		<p>A13<u>A17</u>. Management, or those charged with governance, is responsible for preparing the annual report. The auditor may communicate with management or those charged with governance:</p> <ul style="list-style-type: none"> • The auditor’s expectations in relation to obtaining the final version of the annual report (including a combination of documents that together comprise the annual report) in a timely manner prior to the date of the auditor’s report such that the auditor can complete the procedures required by this ISA-SAS before the date of the auditor’s report, or if that is not possible, as soon as practicable and in any case prior to the entity’s issuance of such information. • The possible implications when the other information is obtained after the date of the auditor’s report. 	
<p>A14. The communications referred to in paragraph A13 may be particularly appropriate for example:</p>		<p>A14<u>A18</u>. The communications referred to in paragraph A13<u>A15</u> may be particularly appropriate for example:</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<ul style="list-style-type: none"> • In an initial audit engagement. • When there has been a change in management or those charged with governance. • When other information is expected to be obtained after the date of the auditor's report. 		<ul style="list-style-type: none"> • In an initial audit engagement. • When there has been a change in management or those charged with governance. • When other information is expected to be obtained after the date of the auditor's report. 	
<p>A15. Where those charged with governance are to approve the other information prior to its issuance by the entity, the final version of such other information is the one that has been approved by those charged with governance for issuance.</p>		<p>A15<u>A19</u>. Where those charged with governance are to approve the other information prior to its issuance by the entity, the final version of such other information is the one that has been approved by those charged with governance for issuance.</p>	
<p>A16. In some cases, the entity's annual report may be a single document to be released, in accordance with law or regulation or the entity's reporting practice, shortly after the entity's financial reporting period such that it is available to the auditor prior to the date of the auditor's report. In other cases, such a document may not be required to be released until a later time, or at a time of the entity's choosing. There may also be circumstances when the entity's annual report is a combination of documents, each subject to different</p>		<p>A16<u>A20</u>. In some cases, the entity's annual report may be a single document to be released, in accordance with law or regulation or the entity's reporting practice, shortly after the entity's financial reporting period such that it is available to the auditor prior to the date of the auditor's report. In other cases, such a document may not be required to be released until a later time, or at a time of the entity's choosing. There may also be circumstances when the entity's annual report is a combination of documents, each subject to different requirements or reporting practice by the entity with respect to the timing of their release.</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
requirements or reporting practice by the entity with respect to the timing of their release.			
A17. There may be circumstances when, at the date of the auditor’s report, the entity is considering the development of a document that may be part of the entity’s annual report (for example, a voluntary report to stakeholders) but management is unable to confirm to the auditor the purpose or timing of such a document. If the auditor is unable to ascertain the purpose or timing of such a document, the document is not considered other information for purposes of this ISA.		A17. There may be circumstances when, at the date of the auditor’s report, the entity is considering the development of a document that may be part of the entity’s annual report (for example, a voluntary report to stakeholders) but management is unable to confirm to the auditor the purpose or timing of such a document. If the auditor is unable to ascertain the purpose or timing of such a document, the document is not considered other information for purposes of this ISA.	Retained – moved to paragraph A4 (per ASB directive – May 2017)
A18. Obtaining the other information in a timely manner prior to the date of the auditor’s report enables any revisions that are found to be necessary to be made to the financial statements, the auditor’s report, or the other information prior to their issuance. The audit engagement letter ⁶ may make reference to an agreement with management to make available to the auditor the other information in a timely manner, and if possible prior to the date of the auditor’s report. ⁶ ISA 210, <i>Agreeing the Terms of Audit Engagements</i> , paragraph A23		A18A21. Obtaining the other information in a timely manner prior to the date of the auditor’s report enables any revisions that are found to be necessary to be made to the financial statements, the auditor’s report, or the other information prior to their issuance. The audit engagement letter ⁶ may make reference to an agreement with management to make available to the auditor the other information in a timely manner, and if possible prior to the date of the auditor’s report. ⁶ ISA Paragraph 23 of AU-C section 210, <i>Agreeing the Terms of Audit Engagements</i>, paragraph A23	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>A19. When other information is only made available to users via the entity’s website, the version of the other information obtained from the entity, rather than directly from the entity’s website, is the relevant document on which the auditor would perform procedures in accordance with this ISA. The auditor has no responsibility under this ISA to search for other information, including other information that may be on the entity’s website, nor to perform any procedures to confirm that other information is appropriately displayed on the entity’s website or otherwise has been appropriately transmitted or displayed electronically.</p>		<p>A19<u>A22</u>. When other information is only made available to users via the entity’s website, the version of the other information obtained from the entity, rather than directly from the entity’s website, is the relevant document on which the auditor would perform procedures in accordance with this ISASAS. The auditor has no responsibility under this ISA<u>in accordance with this SAS</u> to search for other information, including other information that may be on the entity’s website, nor to perform any procedures to confirm that other information is appropriately displayed on the entity’s website or otherwise has been appropriately transmitted or displayed electronically. <u>However, the auditor may nevertheless consider comparing the other information obtained from the entity to the version that is made available to users via the entity’s website.</u></p>	
<p>A20. The auditor is not precluded from dating or issuing the auditor’s report if the auditor has not obtained some or all of the other information.</p>		<p>A20<u>A23</u>. The auditor is not precluded from dating or issuing the auditor’s report if the auditor has not obtained some or all of the other information.</p>	
<p>A21. When the other information is obtained after the date of the auditor’s report, the auditor is not required to update the procedures performed in accordance with paragraphs 6 and 7 of ISA 560.⁷</p> <p>⁷ ISA 560, <i>Subsequent Events</i></p>		<p>A21<u>A24</u>. When the other information is obtained after the date of the auditor’s report, the auditor is not required to update the procedures performed in accordance with paragraphs 6 and 7<u>.09-.11</u> of ISA-AU-C section 560, <i>Subsequent Events and Subsequently Discovered Facts</i>.⁷</p> <p>⁷ ISA 560, <i>Subsequent Events</i></p>	
<p>A22. ISA 580⁸ establishes requirements and</p>		<p>A22<u>A25</u>. ISA—AU-C section 580.⁸ <u>Written</u></p>	

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>provides guidance on the use of written representations. The written representation required to be requested by paragraph 13(c) regarding other information that will be available only after the date of the auditor’s report is intended to support the auditor’s ability to complete the procedures required by this ISA with respect to such information. In addition, the auditor may find it useful to request other written representations, for example, that:</p> <ul style="list-style-type: none"> • Management has informed the auditor of all the documents that it expects to issue that may comprise other information; • The financial statements and any other information obtained by the auditor prior to the date of the auditor’s report are consistent with one another, and the other information does not contain any material misstatements; and • With regard to other information that has not been obtained by the auditor prior to the date of the auditor’s report, that management intends to 		<p><u>Representations</u> establishes requirements and provides guidance on the use of written representations. The written representation required to be requested by paragraph 13(c) regarding other information that will be available only after the date of the auditor’s report is intended to support the auditor’s ability to complete the procedures required by this ISA-SAS with respect to such information. In addition, the auditor may find it useful to request other written representations, for example, that:</p> <ul style="list-style-type: none"> • Management has informed the auditor of all the documents that it expects to issue that may comprise other information; • The financial statements and any other information obtained by the auditor prior to the date of the auditor’s report are consistent with one another, and the other information does not contain any material misstatements; and • With regard to other information that has not been obtained by the auditor prior to the date of the auditor’s report, that management intends to prepare and issue such other information and the expected timing of such issuance. 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>prepare and issue such other information and the expected timing of such issuance.</p> <p>⁸ ISA 580, <i>Written Representations</i></p>			
<p>Reading and Considering the Other Information (Ref: Para. 14–15)</p>	<p>Reading Other Information (Ref: par. .07)</p>	<p>Reading and Considering the Other Information (Ref: Para. 14–15)</p>	
	<p>.A6 Obtaining the other information prior to the report release date enables the auditor to resolve possible material inconsistencies and apparent material misstatements of fact with management on a timely basis. An agreement with management regarding when other information will be available may be helpful. The auditor may delay the release of the auditor's report until management provides the other information to the auditor.</p>		
<p>A23. The auditor is required by ISA 200⁹ to plan and perform the audit with professional skepticism. Maintaining professional skepticism when reading and considering the other information includes, for example, recognizing that management may be overly optimistic about the success of its plans, and being alert to information that may be inconsistent with:</p>		<p>A23-A26. The auditor is required by ISA-AU-C section 200⁹ to plan and perform the audit with professional skepticism. Maintaining professional skepticism when reading and considering the other information includes, for example, recognizing that management may be overly optimistic about the success of its plans, and being alert to information that may be inconsistent with:</p> <p>(a) The financial statements; or</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>(a) The financial statements; or</p> <p>(b) The auditor’s knowledge obtained in the audit.</p> <p>⁹ ISA 200, paragraph 15</p>		<p>(b) The auditor’s knowledge obtained in the audit.</p> <p>⁹ ISA-AU-C section 200, paragraph 1517</p>	
<p>A24. In accordance with ISA 220,¹⁰ the engagement partner is required to take responsibility for the direction, supervision and performance of the audit engagement in compliance with professional standards and applicable legal and regulatory requirements. In the context of this ISA, factors that may be taken into account when determining the appropriate engagement team members to address the requirements of paragraphs 14–15, include:</p> <ul style="list-style-type: none"> • The relative experience of engagement team members. • Whether the engagement team members to be assigned the tasks have the relevant knowledge obtained in the audit to identify inconsistencies between the other information and that knowledge. 		<p>A24A27. In accordance with ISA-AU-C section 220,¹⁰ the engagement partner is required to take responsibility for the direction, supervision and performance of the audit engagement in compliance with professional standards and applicable legal and regulatory requirements. In the context of this ISASAS, factors that may be taken into account when determining the appropriate engagement team members to address the requirements of paragraphs 14–15, include:</p> <ul style="list-style-type: none"> • The relative experience of engagement team members. • Whether the engagement team members to be assigned the tasks have the relevant knowledge obtained in the audit to identify inconsistencies between the other information and that knowledge. • The degree of judgment involved in addressing the requirements of paragraph 14–15. For example, performing procedures to evaluate the 	

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<ul style="list-style-type: none"> • The degree of judgment involved in addressing the requirements of paragraph 14–15. For example, performing procedures to evaluate the consistency of amounts in the other information that are intended to be the same as amounts in the financial statements may be carried out by less experienced engagement team members. • Whether, in the case of a group audit, it is necessary to make inquiries of a component auditor in addressing the other information related to that component. 		<p>consistency of amounts in the other information that are intended to be the same as amounts in the financial statements may be carried out by less experienced engagement team members.</p> <ul style="list-style-type: none"> • Whether, in the case of a group audit, it is necessary to make inquiries of a component auditor in addressing the other information related to that component. 	
<p><i>Considering Whether There is a Material Inconsistency between the Other Information and the Financial Statements (Ref: Para. 14(a))</i></p>		<p><i>Considering Whether There is a Material Inconsistency between the Other Information and the Financial Statements (Ref: Parapar. 14(a))</i></p>	
<p>A25. Other information may include amounts or other items 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. Examples of such amounts or other items may include:</p> <ul style="list-style-type: none"> • Tables, charts or graphs containing 		<p>A25<u>A28</u>. Other information may include amounts or other items 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. Examples of such amounts or other items may include:</p> <ul style="list-style-type: none"> • Tables, charts or graphs containing extracts of the financial statements. 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>extracts of the financial statements.</p> <ul style="list-style-type: none"> • A disclosure providing greater detail about a balance or account shown in the financial statements, such as “Revenue for 20X1 comprised XXX million from product X and YYY million from product Y.” • Descriptions of the financial results, such as “Total research and development expense was XXX in 20X1.” 		<ul style="list-style-type: none"> • A disclosure providing greater detail about a balance or account shown in the financial statements, such as “Revenue for 20X1 comprised XXX million from product X and YYY million from product Y.” • Descriptions of the financial results, such as “Total research and development expense was XXX in 20X1.” 	
<p>A26. In evaluating the consistency of selected amounts or other items in the other information with the financial statements, the auditor is not required to compare all 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.</p>		<p>A26A29. In evaluating the consistency of selected amounts or other items in the other information with the financial statements, the auditor is not required to compare all 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.</p>	
<p>A27. Selecting the amounts or other items to compare is a matter of professional judgment. Factors relevant to this judgment include:</p>		<p>A27A30. Selecting the amounts or other items to compare is a matter of professional judgment. Factors relevant to this judgment include:</p> <ul style="list-style-type: none"> • The significance of the amount or other item in 	

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<ul style="list-style-type: none"> • The significance of the amount or other item in the context in which it is presented, which may affect the importance that users would attach to the amount or other item (for example, a key ratio or amount). • If quantitative, the relative size of the amount compared with accounts or items in the financial statements or the other information to which they relate. • The sensitivity of the particular amount or other item in the other information, for example, share based payments for senior management. 		<p>the context in which it is presented, which may affect the importance that users would attach to the amount or other item (for example, a key ratio or amount).</p> <ul style="list-style-type: none"> • If quantitative, the relative size of the amount compared with accounts or items in the financial statements or the other information to which they relate. • The sensitivity of the particular amount or other item in the other information, for example, share based payments for senior management. 	
<p>A28. Determining the nature and extent of procedures to address the requirement in paragraph 14(a) is a matter of professional judgment, recognizing that the auditor’s responsibilities under this ISA do not constitute an assurance engagement on the other information or impose an obligation to obtain assurance about the other information. Examples of such procedures include:</p>		<p>A28<u>A31</u>. Determining the nature and extent of procedures to address the requirement in paragraph 14(a) is a matter of professional judgment, recognizing that the auditor’s responsibilities under this ISA-SAS do not constitute an assurance engagement on the other information or impose an obligation to obtain assurance about the other information. Examples of such procedures include:</p> <ul style="list-style-type: none"> • For information that is intended to be the same 	

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<ul style="list-style-type: none"> • For information that is intended to be the same as information in the financial statements, comparing the information to the financial statements. • For information intended to convey the same meaning as disclosures in the financial statements, comparing the words used and considering the significance of differences in wording used and whether such differences imply different meanings. • Obtaining a reconciliation between an amount within the other information and the financial statements from management and: <ul style="list-style-type: none"> ○ Comparing items in the reconciliation to the financial statements and the other information; and ○ Checking whether the calculations within the reconciliation are arithmetically 		<p>as information in the financial statements, comparing the information to the financial statements.</p> <ul style="list-style-type: none"> • For information intended to convey the same meaning as disclosures in the financial statements, comparing the words used and considering the significance of differences in wording used and whether such differences imply different meanings. • Obtaining a reconciliation between an amount within the other information and the financial statements from management and: <ul style="list-style-type: none"> ○ Comparing items in the reconciliation to the financial statements and the other information; and ○ Checking whether the calculations within the reconciliation are arithmetically accurate. 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
accurate.			
A29. Evaluating the consistency of selected amounts or other items in the other information with the financial statements includes, when relevant given the nature of the other information, the manner of their presentation compared to the financial statements.		A29 <u>A32</u> . Evaluating the consistency of selected amounts or other items in the other information with the financial statements includes, when relevant given the nature of the other information, the manner of their presentation compared to the financial statements.	
<i>Considering Whether There Is a Material Inconsistency between the Other Information and the Auditor’s Knowledge Obtained in the Audit</i> (Ref: Para. 14(b))		<i>Considering Whether There Is a Material Inconsistency between the Other Information and the Auditor’s Knowledge Obtained in the Audit</i> (Ref: Parapar. <u>14(b) and par. 22(d)</u>)	
A30. Other information may include amounts or items that are related to the auditor’s knowledge obtained in the audit (other than those in paragraph 14(a)). Examples of such amounts or items may include: <ul style="list-style-type: none"> • A disclosure of the units produced, or a table summarizing such production by geographical region. • A statement that “The company introduced product X and product Y during the year.” 		A30 <u>A33</u> . Other information may include amounts or items that are related to the auditor’s knowledge obtained in the audit (other than those in paragraph 14(a)). Examples of such amounts or items may include: <ul style="list-style-type: none"> • A disclosure of the units produced, or a table summarizing such production by geographical region. • A statement that “The company introduced product X and product Y during the year.” • A summary of the locations of the entity’s major operations, such as “the entity’s major center of operation is in country X, and there are also 	

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<ul style="list-style-type: none"> • A summary of the locations of the entity’s major operations, such as “the entity’s major center of operation is in country X, and there are also operations in countries Y and Z.” 		<p>operations in countries Y and Z.”</p>	
<p>A31. The auditor’s knowledge obtained in the audit includes the auditor’s understanding of the entity and its environment, including the entity’s internal control, obtained in accordance with ISA 315 (Revised).¹¹ ISA 315 (Revised) sets out the auditor’s required understanding, which includes such matters as obtaining an understanding of:</p> <ul style="list-style-type: none"> (a) The relevant industry, regulatory, and other external factors; (b) The nature of the entity; (c) The entity’s selection and application of accounting policies; (d) The entity’s objectives and strategies; (e) The measurement and review of the entity’s financial performance; and 		<p>A31A34. The auditor’s knowledge obtained in the audit includes the auditor’s understanding of the entity and its environment, including the entity’s internal control, obtained in accordance with ISA 315 (Revised)AU-C section 315.¹¹ ISA 315 (Revised)AU-C section 315 sets out the auditor’s required understanding, which includes such matters as obtaining an understanding of:</p> <ul style="list-style-type: none"> (a) The relevant industry, regulatory, and other external factors; (b) The nature of the entity; (c) The entity’s selection and application of accounting policies; (d) The entity’s objectives and strategies; (e) The measurement and review of the entity’s financial performance; and (f) The entity’s internal control. 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>(f) The entity’s internal control.</p> <p>¹¹ ISA 315 (Revised), <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i>, paragraphs 11-12.</p>		<p>¹¹ ISA 315 (Revised) <u>AU-C section 315, <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>, paragraphs 11-12-1213.</u></p>	
<p>A32. The auditor’s knowledge obtained in the audit may also include matters that are prospective in nature. Such matters may include, for example, business prospects and future cash flows that the auditor considered when evaluating the assumptions used by management in performing impairment tests on intangible assets such as goodwill, or when evaluating management’s assessment of the entity’s ability to continue as a going concern.</p>		<p>A32<u>A35.</u> The auditor’s knowledge obtained in the audit may also include matters that are prospective in nature. Such matters may include, for example, business prospects and future cash flows that the auditor considered when evaluating the assumptions used by management in performing impairment tests on intangible assets such as goodwill, or when evaluating management’s assessment of the entity’s ability to continue as a going concern.</p>	
		<p>A36. <u>In the case of a group audit, while the group auditor is required to read the entirety of the other information if . , in accordance with paragraph .24 of AU-C section 600, the group auditor decides to make reference to a component auditor in the auditor’s report on the group financial statements, the group auditor’s knowledge does not extend beyond that obtained during the audit of the group financial statements.</u></p>	
<p>A33. In considering whether there is a material inconsistency between the other</p>		<p>A33<u>A37.</u> In considering whether there is a material inconsistency between the other information and the</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>information and the auditor’s knowledge obtained in the audit, the auditor may focus on those matters in the other information that are of sufficient importance that a misstatement of the other information in relation to that matter could be material.</p>		<p>auditor’s knowledge obtained in the audit, the auditor may focus on those matters in the other information that are of sufficient importance that a misstatement of the other information in relation to that matter could be material.</p>	
<p>A34. In relation to many matters in the other information, the auditor’s recollection of the audit evidence obtained and conclusions reached in the audit may be sufficient to enable the auditor to consider whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit. The more experienced and the more familiar with the key aspects of the audit the auditor is, the more likely it is that the auditor’s recollection of relevant matters will be sufficient. For example, the auditor may be able to consider whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit in light of the auditor’s recollection of discussions held with management or those charged with governance or findings from procedures carried out during the audit such as the reading of board minutes, without the need to take further action.</p>		<p>A34<u>A38</u>. In relation to many matters in the other information, the auditor’s recollection of the audit evidence obtained and conclusions reached in the audit may be sufficient to enable the auditor to consider whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit. The more experienced and the more familiar with the key aspects of the audit the auditor is, the more likely it is that the auditor’s recollection of relevant matters will be sufficient. For example, the auditor may be able to consider whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit in light of the auditor’s recollection of discussions held with management or those charged with governance or findings from procedures carried out during the audit such as the reading of board minutes, without the need to take further action.</p>	
<p>A35. The auditor may determine that</p>		<p>A35<u>A39</u>. The auditor may determine that referring to</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>referring to relevant audit documentation or making inquiries of relevant members of the engagement team or relevant component auditors is appropriate as a basis for the auditor’s consideration of whether a material inconsistency exists. For example:</p> <ul style="list-style-type: none"> • When the other information describes the planned cessation of a major product line and, although the auditor is aware of the planned cessation, the auditor may make inquiries of the relevant engagement team member who performed the audit procedures in this area to support the auditor’s consideration of whether the description is materially inconsistent with the auditor’s knowledge obtained during the audit. • When the other information describes important details of a lawsuit addressed in the audit, but the auditor cannot recall them adequately, it may be necessary to refer to the audit documentation where such details are summarized to support the auditor’s recollection. 		<p>relevant audit documentation or making inquiries of relevant members of the engagement team or relevant component auditors <u>(when the auditor assumes responsibility for the work of component auditors)</u> is appropriate as a basis for the auditor’s consideration of whether a material inconsistency exists. For example:</p> <ul style="list-style-type: none"> • When the other information describes the planned cessation of a major product line and, although the auditor is aware of the planned cessation, the auditor may make inquiries of the relevant engagement team member who performed the audit procedures in this area to support the auditor’s consideration of whether the description is materially inconsistent with the auditor’s knowledge obtained during the audit. • When the other information describes important details of a lawsuit addressed in the audit, but the auditor cannot recall them adequately, it may be necessary to refer to the audit documentation where such details are summarized to support the auditor’s recollection. 	
A36. Whether, and if so the extent to which,		A36 A40. Whether, and if so the extent to which, the	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
the auditor refers to relevant audit documentation, or makes inquiries of relevant members of the engagement team or relevant component auditors is a matter of professional judgment. However, it may not be necessary for the auditor to refer to relevant audit documentation, or to make inquiries of relevant members of the engagement team or relevant component auditors about any matter included in the other information.		auditor refers to relevant audit documentation, or makes inquiries of relevant members of the engagement team or relevant component auditors <u>(when the auditor assumes responsibility for the work of component auditors)</u> is a matter of professional judgment. However, it may not be necessary for the auditor to refer to relevant audit documentation, or to make inquiries of relevant members of the engagement team or relevant component auditors about any matter included in the other information.	
<i>Remaining Alert for Other Indications that the Other Information Appears to Be Materially Misstated</i> (Ref: Para. 15)		<i>Remaining Alert for Other Indications that the Other Information Appears to Be Materially Misstated</i> (Ref: Parapar. 15)	
A37. Other information may include discussion of matters that are not related to the financial statements and may also extend beyond the auditor’s knowledge obtained in the audit. For example, the other information may include statements about the entity’s greenhouse gas emissions.		A37A41. Other information may include discussion of matters that are not related to the financial statements and may also extend beyond the auditor’s knowledge obtained in the audit. For example, the other information may include statements about the entity’s greenhouse gas emissions.	
A38. Remaining alert for other indications that the other information not related to the financial statements or the auditor’s knowledge obtained in the audit appears to be materially misstated assists the auditor in complying with relevant ethical requirements that require the auditor to avoid being knowingly associated with other		A38A42. Remaining alert for other indications that the other information not related to the financial statements or the auditor’s knowledge obtained in the audit appears to be materially misstated assists the auditor in complying with relevant ethical requirements that require the auditor to avoid being knowingly associated with other information that the auditor believes contains a materially false or misleading statement, a statement	The first sentence of paragraph A38 from ISA 720 (Revised) is not retained as the AICPA Code of Professional Conduct does not include a corresponding requirement.

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>information that the auditor believes contains a materially false or misleading statement, a statement furnished recklessly, or omits or obscures necessary information such that the other information is misleading.¹² Remaining alert for other indications that the other information appears to be materially misstated could potentially result in the auditor identifying such matters as:</p> <ul style="list-style-type: none"> • Differences between the other information and the general knowledge, apart from the knowledge obtained in the audit, of the engagement team member reading the other information that lead the auditor to believe that the other information appears to be materially misstated; or • An internal inconsistency in the other information that leads the auditor to believe that the other information appears to be materially misstated. <p>¹² International Ethics Standards Board for Accountants' (IESBA) <i>Code of Ethics for</i></p>		<p>furnished recklessly, or omits or obscures necessary information such that the other information is misleading.¹² Remaining alert for other indications that the other information appears to be materially misstated could potentially result in the auditor identifying such matters as:</p> <ul style="list-style-type: none"> • Differences between the other information and the general knowledge, apart from the knowledge obtained in the audit, of the engagement team member reading the other information that lead the auditor to believe that the other information appears to be materially misstated; or • An internal inconsistency in the other information that leads the auditor to believe that the other information appears to be materially misstated. <p>¹² International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants, paragraph 110.2</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<i>Professional Accountants</i> , paragraph 110.2			
Responding When a Material Inconsistency Appears to Exist or Other Information Appears to Be Materially Misstated (Ref: Para. 16)		Responding When a Material Inconsistency Appears to Exist or Other Information Appears to Be Materially Misstated (Ref: Parapar . 16)	
A39. The auditor’s discussion with management about a material inconsistency (or other information that appears to be materially misstated) may include requesting management to provide support for the basis of management’s statements in the other information. Based on management’s further information or explanations, the auditor may be satisfied that the other information is not materially misstated. For example, management explanations may indicate reasonable and sufficient grounds for valid differences of judgment.		A39 <u>A43</u> . The auditor’s discussion with management about a material inconsistency (or other information that appears to be materially misstated) may include requesting management to provide support for the basis of management’s statements in the other information. Based on management’s further information or explanations, the auditor may be satisfied that the other information is not materially misstated. For example, management explanations may indicate reasonable and sufficient grounds for valid differences of judgment.	
A40. Conversely, the discussion with management may provide further information that supports the auditor’s conclusion that a material misstatement of the other information exists.		A40 <u>A44</u> . Conversely, the discussion with management may provide further information that supports the auditor’s conclusion that a material misstatement of the other information exists.	
A41. It may be more difficult for the auditor to challenge management on matters of judgment than on those of a more factual nature. However, there may be circumstances where the auditor concludes		A41 <u>A45</u> . It may be more difficult for the auditor to challenge management on matters of judgment than on those of a more factual nature. However, there may be circumstances where the auditor concludes that the other information contains a statement that is not consistent	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
that the other information contains a statement that is not consistent with the financial statements or the auditor’s knowledge obtained in the audit. These circumstances may raise doubt about the other information, the financial statements, or the auditor’s knowledge obtained in the audit.		with the financial statements or the auditor’s knowledge obtained in the audit. These circumstances may raise doubt about the other information, the financial statements, or the auditor’s knowledge obtained in the audit.	
A42. As there is a wide range of possible material misstatements of the other information, the nature and extent of other procedures the auditor may perform to conclude whether a material misstatement of the other information exists are matters of the auditor’s professional judgment in the circumstances.		A42 <u>A46</u> . As there is a wide range of possible material misstatements of the other information, the nature and extent of other procedures the auditor may perform to conclude whether a material misstatement of the other information exists are matters of the auditor’s professional judgment in the circumstances.	
A43. When a matter is unrelated to the financial statements or the auditor’s knowledge obtained in the audit, the auditor may not be able to fully assess management’s responses to the auditor’s inquiries. Nevertheless, based on management’s further information or explanations, or following changes made by management to the other information, the auditor may be satisfied that a material inconsistency no longer appears to exist or that the other information no longer appears to be materially misstated.		A43 <u>A47</u> . When a matter is unrelated to the financial statements or the auditor’s knowledge obtained in the audit, the auditor may not be able to fully assess management’s responses to the auditor’s inquiries. Nevertheless, based on management’s further information or explanations, or following changes made by management to the other information, the auditor may be satisfied that a material inconsistency no longer appears to exist or that the other information no longer appears to be materially misstated. When the auditor is unable to conclude that a material inconsistency no longer appears to exist or that the other information no longer appears to be materially misstated, the auditor	

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>When the auditor is unable to conclude that a material inconsistency no longer appears to exist or that the other information no longer appears to be materially misstated, the auditor may request management to consult with a qualified third party (for example, a management’s expert or legal counsel). In certain cases, after considering the responses from management’s consultation, the auditor may not be able to conclude whether or not a material misstatement of the other information exists. Actions the auditor may then take include one or more of the following:</p> <ul style="list-style-type: none"> • Obtaining advice from the auditor’s legal counsel; • Considering the implications for the auditor’s report for example, whether to describe the circumstances when there is a limitation imposed by management; or • Withdrawing from the audit, where withdrawal is possible under applicable law or regulation. 		<p>may request management to consult with a qualified third party (for example, a management’s expert or legal counsel). In certain cases, after considering the responses from management’s consultation, the auditor may not be able to conclude whether or not a material misstatement of the other information exists. Actions the auditor may then take include one or more of the following:</p> <ul style="list-style-type: none"> • Obtaining advice from the auditor’s legal counsel; • Considering the implications for the auditor’s report for example, whether to describe the circumstances when there is a limitation imposed by management; or • Withdrawing from the audit, where withdrawal is possible under applicable law or regulation. 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
Responding When the Auditor Concludes That a Material Misstatement of the Other Information Exists	Material Inconsistencies	Responding When the Auditor Concludes That a Material Misstatement of the Other Information Exists	
<i>Responding When the Auditor Concludes That a Material Misstatement Exists in Other Information Obtained Prior to the Date of the Auditor's Report</i> (Ref: Para. 18)	Material Inconsistencies Identified Prior to the Report Release Date (Ref: par. .11)	<i>Responding When the Auditor Concludes That a Material Misstatement Exists in Other Information Obtained Prior to the Date of the Auditor's Report</i> (Ref: P para. 18)	
A44. The actions the auditor takes if the other information is not corrected after communicating with those charged with governance are a matter of the auditor's professional judgment. The auditor may take into account whether the rationale given by management and those charged with governance for not making the correction raises doubt about the integrity or honesty of management or those charged with governance, such as when the auditor suspects an intention to mislead. The auditor may also consider it appropriate to seek legal advice. In some cases, the auditor may be required by law, regulation or other professional standards to communicate the matter to a regulator or relevant professional body.	.A7 When management refuses to revise the other information, the auditor may base any decision on what further action to take on advice from the auditor's legal counsel.	A44.-A48. The actions the auditor takes if the other information is not corrected after communicating with those charged with governance are a matter of the auditor's professional judgment. The auditor may take into account whether the rationale given by management and those charged with governance for not making the correction raises doubt about the integrity or honesty of management or those charged with governance, such as when the auditor suspects an intention to mislead. The auditor may also consider it appropriate to seek legal advice. In some cases, the auditor may be required by law, regulation or other professional standards to communicate the matter to a regulator or relevant professional body.	
Reporting Implications (Ref: Para. 18(a))		Reporting Implications (Ref: Parapar. 18(a))	
A45. In rare circumstances, a disclaimer of opinion on the financial statements may be appropriate when the refusal to correct the		A45A49. In rare circumstances, a disclaimer of opinion on the financial statements may be appropriate when the refusal to correct the material misstatement of the other	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
material misstatement of the other information casts such doubt on the integrity of management and those charged with governance as to call into question the reliability of audit evidence in general.		information casts such doubt on the integrity of management and those charged with governance as to call into question the reliability of audit evidence in general.	
Withdrawal from the Engagement (Ref: Para. 18(b))		Withdrawal from the Engagement (Ref: Parapar. 18(bc))	
A46. Withdrawal from the engagement, where withdrawal is possible under applicable law or regulation, may be appropriate when the circumstances surrounding the refusal to correct the material misstatement of the other information cast such doubt on the integrity of management and those charged with governance as to call into question the reliability of representations obtained from them during the audit.		A46 <u>A50</u> . Withdrawal from the engagement, where withdrawal is possible under applicable law or regulation, may be appropriate when the circumstances surrounding the refusal to correct the material misstatement of the other information cast such doubt on the integrity of management and those charged with governance as to call into question the reliability of representations obtained from them during the audit.	
Considerations specific to public sector entities (Ref: Para. 18(b))		Considerations specific to public sector entities (Ref: Para. 18(b))	
A47. In the public sector, withdrawal from the engagement may not be possible. In such cases, the auditor may issue a report to the legislature providing details of the matter or may take other appropriate actions.		A47. In the public sector, withdrawal from the engagement may not be possible. In such cases, the auditor may issue a report to the legislature providing details of the matter or may take other appropriate actions.	
	<i>Considerations Specific to Governmental Entities (Ref: par. .11)</i>	<u><i>Considerations Specific to Governmental Entities</i></u>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	.A8 In audits of governmental entities, withdrawal from the engagement or withholding the auditor's report may not be possible under law or regulation. In such cases, the auditor may issue a report to those charged with governance and the appropriate statutory body, if applicable, giving details of the inconsistency.	<u>.A51 In audits of governmental entities, withdrawal from the engagement or withholding the auditor's report may not be possible under law or regulation. In such cases, the auditor may issue a report or written communication to those charged with governance and the appropriate statutory body, if applicable, giving details of the inconsistency.</u>	Added “or written communication” to wording from paragraph .A8 of AU-C section 720.
<i>Responding When the Auditor Concludes That a Material Misstatement Exists in Other Information Obtained after the Date of the Auditor’s Report</i> (Ref: Para. 19)	<i>Material Inconsistencies Identified Subsequent to the Report Release Date</i> (Ref: par. .13–.14)	<i>Responding When the Auditor Concludes That a Material Misstatement Exists in Other Information Obtained after the Date of the Auditor’s Report</i> (Ref: Parapar. 19)	
A48. If the auditor concludes that a material misstatement exists in other information obtained after the date of the auditor’s report, and such a material misstatement has been corrected, the auditor’s procedures necessary in the circumstances include determining that the correction has been made (in accordance with paragraph 17(a)) and may include reviewing the steps taken by management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision.	.A9 When revision of other information is necessary after the report release date and management agrees to make the revision, the auditor's procedures may include reviewing the steps taken by management to ensure that individuals in receipt of the previously issued financial statements, the auditor's report thereon, and the other information are informed of the need for revision.	A48 <u>A52</u> . If the auditor concludes that a material misstatement exists in other information obtained after the date of the auditor’s report, and such a material misstatement has been corrected, the auditor’s procedures necessary in the circumstances include determining that the correction has been made (in accordance with paragraph 17(a)) and may include reviewing the steps taken by management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision.	
A49. If those charged with governance do not agree to revise the other information, taking appropriate action to seek to have the uncorrected misstatement appropriately	.A10 When revision of other information is necessary after the report release date but management refuses to make the revision, appropriate further actions by the	A49 <u>A53</u> . If those charged with governance do not agree to revise the other information, taking appropriate action to seek to have the uncorrected misstatement appropriately brought to the attention of <u>known</u> users for	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>brought to the attention of users for whom the auditor’s report is prepared requires the exercise of professional judgment, and may be affected by relevant law or regulation in the jurisdiction. Accordingly, the auditor may consider it appropriate to seek legal advice about the auditor’s legal rights and obligations.</p>	<p>auditor may include obtaining legal advice.</p>	<p>whom the auditor’s report is prepared requires the exercise of professional judgment, and may be affected by relevant law or regulation in the jurisdiction. Accordingly, the auditor may consider it appropriate to seek legal advice about the auditor’s legal rights and obligations.</p>	
<p>A50. When a material misstatement of the other information remains uncorrected, appropriate actions that the auditor may take to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom the auditor’s report is prepared, when permitted by law or regulation, include, for example:</p> <ul style="list-style-type: none"> • Providing a new or amended auditor’s report to management including a modified section in accordance with paragraph 22, and requesting management to provide this new or amended auditor’s report to users for whom the auditor’s report is prepared. In doing so, the auditor may need to consider the effect, if any, on the date of the new or amended auditor’s report, in view of the requirements of the ISAs or 		<p>A50A54. When a material misstatement of the other information remains uncorrected, appropriate actions that the auditor may take to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom the auditor’s report is prepared, when permitted by law or regulation, include, for example:</p> <ul style="list-style-type: none"> • Providing a new or amended auditor’s report to management including a modified section in accordance with paragraph 22, and requesting management to provide this new or amended auditor’s report to <u>known</u> users <u>of the auditor’s report</u>for whom the auditor’s report is prepared. In doing so, the auditor may need to consider the effect, if any, on the date of the new or amended auditor’s report, in view of the requirements of the ISAs-SASs or applicable law or regulation. The auditor may also review the steps taken by management to provide the new or amended auditor’s report to such users; 	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>applicable law or regulation. The auditor may also review the steps taken by management to provide the new or amended auditor’s report to such users;</p> <ul style="list-style-type: none"> • Bringing the material misstatement of the other information to the attention of the users for whom the auditor’s report is prepared (for example, by addressing the matter in a general meeting of shareholders); • Communicating with a regulator or relevant professional body about the uncorrected material misstatement; or • Considering the implications for engagement continuance (see also paragraph A46). 		<ul style="list-style-type: none"> • Bringing the material misstatement of the other information to the attention of the <u>known</u> users for whom of the auditor’s report is prepared (for example, by addressing the matter in a general meeting of shareholders); • Communicating with a regulator or relevant professional body about the uncorrected material misstatement; or • Considering the implications for engagement continuance (see also paragraph A46<u>A50</u>). 	
<p>Responding When a Material Misstatement in the Financial Statements Exists or the Auditor’s Understanding of the Entity and Its Environment Needs to Be Updated (Ref: Para. 20)</p>		<p>Responding When a Material Misstatement in the Financial Statements Exists or the Auditor’s Understanding of the Entity and Its Environment Needs to Be Updated (Ref: Parapar<u>Parapar</u>, 20)</p>	
<p>A51. In reading the other information, the auditor may become aware of new</p>		<p>A51<u>A55</u>. In reading the other information, the auditor may become aware of new information that has</p>	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>information that has implications for:</p> <ul style="list-style-type: none"> • The auditor’s understanding of the entity and its environment and, accordingly, may indicate the need to revise the auditor’s risk assessment.¹³ • The auditor’s responsibility to evaluate the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements.¹⁴ • The auditor’s responsibilities relating to subsequent events.¹⁵ <p>¹³ ISA 315 (Revised), paragraphs 11, 31, and A1</p> <p>¹⁴ ISA 450, <i>Evaluation of Misstatements Identified during the Audit</i></p> <p>¹⁵ ISA 560, paragraphs 10 and 14</p>		<p>implications for:</p> <ul style="list-style-type: none"> • The auditor’s understanding of the entity and its environment and, accordingly, may indicate the need to revise the auditor’s risk assessment.¹³ • The auditor’s responsibility to evaluate the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements.¹⁴ • The auditor’s responsibilities relating to subsequent events.¹⁵ <p>¹³ ISA-AU-C section 315 (Revised), paragraphs 11, 31, and A1</p> <p>¹⁴ ISA-AU-C section 450, <i>Evaluation of Misstatements Identified during the Audit</i></p> <p>¹⁵ ISA-AU-C section 560, paragraphs 10 and 14</p>	
	Material Misstatements of Fact (Ref: par. .15-.17)		
	.A11 When discussing an apparent material misstatement of fact with management, the auditor may not be able		

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
	to evaluate the validity of some disclosures included within the other information and management's responses to the auditor's inquiries and may conclude that valid differences of judgment or opinion exist.		
	.A12 When the auditor concludes that there is a material misstatement of fact that management refuses to correct, appropriate further actions by the auditor may include obtaining legal advice, withholding the auditor's report if such report has not been released, or withdrawing from the engagement.		
Reporting (Ref: Para. 21–24)		Reporting (Ref: Parapar. 21–2423)	
A52. For an audit of financial statements of an entity other than a listed entity, the auditor may consider that the identification in the auditor's report of other information that the auditor expects to obtain after the date of the auditor's report would be appropriate in order to provide additional transparency about the other information that is subject to the auditor's responsibilities under this ISA. The auditor may consider it appropriate to do so, for example, when management is able to represent to the auditor that such other information will be issued after the date of		A52A56. For an audit of financial statements of an entity other than a listed entity, While not required, the auditor may consider that the identification in the auditor's report of other information that the auditor expects to obtain after the date of the auditor's report would be appropriate in order to provide additional transparency about the other information that is subject to the auditor's responsibilities under this ISASAS . The auditor may consider it appropriate to do so, for example, when management is able to represent to the auditor that such other information will be issued after the date of the auditor's report.	No need to differentiate between reporting requirements for "listed" and "non-listed" entities.

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
the auditor’s report.			
<i>Illustrative Statements</i> (Ref: Para. 21–22)		<i>Illustrative Statements</i> (Ref: Para. 21–22)	
A53. Illustrative examples of the “Other Information” section of the auditor's report are included in Appendix 2.		A53 A57. Illustrative examples of the “Other Information” section of the auditor's report are included in Appendix 2	
		A58. The statement required by paragraph 22(c) is not applicable if the auditor disclaims an opinion on the financial statements.	
<i>Reporting Implications When the Auditor’s Opinion on the Financial Statements Is Qualified or Adverse</i> (Ref: Para. 23)		<i>Reporting Implications When the Auditor’s Opinion on the Financial Statements Is Qualified or Adverse</i> (Ref: Parapar. 23)	
A54. A qualified or adverse auditor’s opinion on the financial statements may not have an impact on the statement required by paragraph 22(e) if the matter in respect of which the auditor’s opinion has been modified is not included or otherwise addressed in the other information and the matter does not affect any part of the other information. For example, a qualified opinion on the financial statements because of non-disclosure of directors’ remuneration as required by the applicable financial reporting framework may have no implications for the reporting required under this ISA. In other circumstances, there may be implications for such reporting as described in paragraphs A55–A58.		A54 A59. A qualified or adverse auditor’s opinion on the financial statements may not have an impact on the statement required by paragraph 22(ed) if the matter in respect of which the auditor’s opinion has been modified is not included or otherwise addressed in the other information and the matter does not affect any part of the other information. For example, a qualified opinion on the financial statements because of non-disclosure of directors’ remuneration as required by the applicable financial reporting framework may have no implications for the reporting required under this ISASAS . In other circumstances, there may be implications for such reporting as described in paragraphs A55A59–A58A62 .	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
Qualified Opinion Due to a Material Misstatement in the Financial Statements		Qualified Opinion Due to a Material Misstatement in the Financial Statements	
A55. In circumstances when the auditor’s opinion is qualified, consideration may be given as to whether the other information is also materially misstated for the same matter as, or a related matter to, the matter giving rise to the qualified opinion on the financial statements.		A55 A60. In circumstances when the auditor’s opinion is qualified, consideration may be given as to whether the other information is also materially misstated for the same matter as, or a related matter to, the matter giving rise to the qualified opinion on the financial statements.	
Qualified Opinion Due to Limitation of Scope		Qualified Opinion Due to Limitation of Scope	
A56. When there is a limitation of scope with respect to a material item in the financial statements, the auditor will not have obtained sufficient appropriate audit evidence about that matter. In these circumstances, the auditor may be unable to conclude whether or not the amounts or other items in the other information related to this matter result in a material misstatement of the other information. Accordingly, the auditor may need to modify the statement required by paragraph 22(e) to refer to the auditor’s inability to consider management’s description of the matter in the other information in respect of which the auditor’s opinion on the financial statements has been qualified as explained in the Basis for Qualified Opinion		A56 A61. When there is a limitation of scope with respect to a material item in the financial statements, the auditor will not have obtained sufficient appropriate audit evidence about that matter. In these circumstances, the auditor may be unable to conclude whether or not the amounts or other items in the other information related to this matter result in a material misstatement of the other information. Accordingly, the auditor may need to modify the statement required by paragraph 22(ed) to refer to the auditor’s inability to consider management’s description of the matter in the other information in respect of which the auditor’s opinion on the financial statements has been qualified as explained in the Basis for Qualified Opinion paragraph. The auditor is nevertheless required to report any other uncorrected material misstatements of the other information that have been identified.	

Mapping Document – ISA 720/Extant AU-C 720 to proposed revised AU-C section 720
ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
paragraph. The auditor is nevertheless required to report any other uncorrected material misstatements of the other information that have been identified.			
Adverse Opinion		Adverse Opinion	
A57. An adverse opinion on the financial statements relating to a specific matter(s) described in the Basis for Adverse Opinion paragraph does not justify the omission of reporting of material misstatements of the other information that the auditor has identified in the auditor’s report in accordance with paragraph 22(e)(ii). When an adverse opinion has been expressed on the financial statements, the auditor may need to appropriately modify the statement required by paragraph 22(e) for example, to indicate that amounts or items in the other information is materially misstated for the same matter as, or a related matter to, the matter giving rise to the adverse opinion on the financial statements.		A57A62. An adverse opinion on the financial statements relating to a specific matter(s) described in the Basis for Adverse Opinion paragraph does not justify the omission of reporting of material misstatements of the other information that the auditor has identified in the auditor’s report in accordance with paragraph 22(ed)(ii). When an adverse opinion has been expressed on the financial statements, the auditor may need to appropriately modify the statement required by paragraph 22(e) for example, to indicate that amounts or items in the other information is materially misstated for the same matter as, or a related matter to, the matter giving rise to the adverse opinion on the financial statements.	
Disclaimer of Opinion		Disclaimer of Opinion	
A58. When the auditor disclaims an opinion on the financial statements, providing further details about the audit, including a section to address other information may overshadow the disclaimer of opinion on the financial statements as a whole.		A58. When the auditor disclaims an opinion on the financial statements, providing further details about the audit, including a section to address other information may overshadow the disclaimer of opinion on the financial statements as a whole. Accordingly, in those circumstances, as required by ISA 705 (Revised), the	

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ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
Accordingly, in those circumstances, as required by ISA 705 (Revised), the auditor’s report does not include a section addressing the reporting requirements under this ISA.		auditor’s report does not include a section addressing the reporting requirements under this ISA.	
<i>Reporting Prescribed by Law or Regulation</i> (Ref: Para. 24)		<i>Reporting Prescribed by Law or Regulation</i> (Ref: Para. 24)	
A59. ISA 200 ¹⁶ explains that the auditor may be required to comply with legal or regulatory requirements in addition to the ISAs. Where this is the case, the auditor may be obliged to use a specific layout or wording in the auditor’s report that differs from that described in this ISA. Consistency in the auditor’s report, when the audit has been conducted in accordance with ISAs, promotes credibility in the global marketplace by making more readily identifiable those audits that have been conducted in accordance with globally recognized standards. When the differences between the legal or regulatory requirements to report with respect to the other information and this ISA relate only to the layout and wording in the auditor’s report and, at a minimum, each of the elements identified in paragraph 24 is included in the auditor’s report, the auditor’s report may refer to International Standards on Auditing. Accordingly, in such circumstances the		A59. ISA 200¹⁶ explains that the auditor may be required to comply with legal or regulatory requirements in addition to the ISAs. Where this is the case, the auditor may be obliged to use a specific layout or wording in the auditor’s report that differs from that described in this ISA. Consistency in the auditor’s report, when the audit has been conducted in accordance with ISAs, promotes credibility in the global marketplace by making more readily identifiable those audits that have been conducted in accordance with globally recognized standards. When the differences between the legal or regulatory requirements to report with respect to the other information and this ISA relate only to the layout and wording in the auditor’s report and, at a minimum, each of the elements identified in paragraph 24 is included in the auditor’s report, the auditor’s report may refer to International Standards on Auditing. Accordingly, in such circumstances the auditor is considered to have complied with the requirements of this ISA, even when the layout and wording used in the auditor’s report are specified by legal or regulatory reporting requirements.	

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ASB Meeting, July 17-20, 2017

ISA 720 (Revised) ¹	Extant AU-C section 720	Proposed Revised AU-C section 720 (ISA 720 (Revised) as base) ²	Notes
<p>auditor is considered to have complied with the requirements of this ISA, even when the layout and wording used in the auditor’s report are specified by legal or regulatory reporting requirements.</p> <p>¹⁶ ISA 200, paragraph A55</p>		<p>¹⁶ISA 200, paragraph A55</p>	