



## Agenda Item 3

### Conforming Amendments to AU-C sections 930, 935, 940, 725, and 730

#### Objective of Agenda Item

To vote to ballot for exposure proposed SAS *Amendments to AU-C sections 725, 730, 930, 935, and 940 to Incorporate Changes From SAS No. 134 and SAS No. 137.*

This proposed SAS contains amendments to conform the following AU-C sections to SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Statements*:

- Section 930, *Interim Financial Information*
- Section 935, *Compliance Audits*
- Section 940, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*

The proposed SAS also contains amendments to conform the following AU-C sections to SAS No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*:

- AU-C section 725, *Supplementary Information in Relation to the Financial Statements as a Whole*
- AU-C section 730, *Required Supplementary Information*

#### Background

SAS No. 134 changed the form and content of the auditor's report. AU-C sections 930, 935, and 940 contain requirements for auditor's reports in the circumstances of the section, and accordingly amendments are necessary to conform those requirements to the requirements of SAS No. 134.

In addition, SAS No. 137 addresses the auditor's responsibilities relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in an entity's annual report. AU-C sections 725 and 730 include requirements for the auditor to report on the supplementary information or required supplementary information, as applicable. As supplementary information and required supplementary information are comparable to other information, it is proposed that AU-C sections 725 and 730 be amended to change the references to an other-matter paragraph to refer instead to a separate section in the auditor's report consistent with SAS No. 137. The ASB considered the proposed revisions at its meeting in July 2019 and had no issues with the proposals.

**Agenda Items Presented:**

- Agenda Item 3A      AU-C section 930, *Interim Financial Information*
- Item 3A (1), Issues Paper
  - Item 3A (2), Proposed conforming amendments to AU-C section 930 with comparison to relevant requirements from revised AU-C section 700 and PCAOB AS 4105
  - Item 3A (3), Proposed conforming amendments to AU-C sections 725, 730, and 930 including revisions to exhibits to AU-C section 930

Note: Mr. Glynn will use agenda item 3A (2) for the ASB discussion but will also refer to the illustrative reports in agenda item 3A (3)

- Agenda Item 3B      AU-C section 935, *Compliance Audits*
- Item 3B (1), Issues Paper
  - Item 3B (2), AU-C section 935, marked for proposed revisions
  - Item 3B (3), Proposed amendments to AU-C section 935
  - Item 3B (4), Clean Illustrative Combined Report

Note: Ms. Booker will use agenda items 3B (1) and 3B (2) for the ASB discussion.

- Agenda Item 3C      AU-C section 940, *An Audit of Internal Control Over Financial Reporting That is Integrated With an Audit of Financial Statements*
- Item 3C (1), Issues Paper
  - Item 3C (2), Proposed amendments to AU-C section 940, marked to reflect changes from the July 2019 ASB meeting

Note: Mr. Santay will use agenda items 3C (1) and 3C (2) for the ASB discussion

- Agenda Item 3D      Proposed Wrap Document