*Proposed International Standard on Auditing (ISA) 720 (Revised)*

The Auditor's Responsibilities Relating to Other Information

**Question 1**

**Whether, in your view, the stated objectives, the scope and definitions, and the requirements addressing the auditor’s work effort (together with related introductory, application and other explanatory material) in the proposed ISA adequately describe and set forth appropriate responsibilities for the auditor in relation to other information.**

FRC welcomed the proposals made by IAASB on the responsibilities for the auditor in relation to other information. FRC is of the view that ‘illustrative statements’ in the application and other explanatory material give appropriate guidance to auditors.

**Question 2**

**Whether, in your view, the proposals in the ISA are capable of being consistently interpreted and applied.**

Yes

The Standards Review Panel acknowledged that all the possible scenarios have been addressed in the proposed ISA in order to avoid discrepancies in practices.

However, paragraph A 47 of the illustrative statements on Reporting states that ‘When the auditor has not obtained the final version of the other information prior to the date of the auditor’s report, the proposed ISA 720 does not require the auditor to include a section in the auditor’s report addressing other information.

Provision has to be made of how the auditor should report when the audit client does not provide final version of the other information before the audit report is issued.

**Question 3**

**Whether, in your view, the proposed auditor reporting requirements result in effective communication to users about the auditor’s work relating to other information.**

The Standards Review Panel opined that a statement of the auditors’ responsibility towards the ‘other information’ in the audit report bridges the expectation gap between the users of Financial statements and the auditor.

**Question 4**

**Whether you agree with the IAASB’s conclusion to require the auditor to read and consider other information only obtained after the date of the auditor’s report, but not to require identification of such other information in the auditor’s report or subsequent reporting on such other information.**

The FRC is of the view that other information should be addressed only in cases where the ‘other information’ could have a significant impact on the financial statements.