

## TASK FORCE EAR FORMED

**Business Mirror Debit Credit**



Joel L. Tan-Torres

**DEBIT CREDIT**

Just as we use our ears in listening and being updated on developments on the ground, the Board of Accountancy (BoA) has formed Task Force EAR. EAR stands for the Expanded Auditors Report that our CPA external auditors will be preparing and submitting to their clients during this Financial Statement (FS) preparation and tax filing period for businesses. The procedures for the preparation of the EAR have undergone major changes that will take effect for the audit reporting for FS ended as of December 15, 2015 and subsequent periods.

The BoA recently implemented a number of major auditing standards and procedures pursuant to BoA Resolution 125-2016 dated May 23, 2016. Among others, these include PSA 700 (Revised), Forming an Opinion and Reporting on Financial Statements; PSA 701 (Revised), Communicating Key Audit Matters in the Independent Auditor's Report; PSA 705 (Revised), Modifications to the Opinion in the Independent Auditor's Report; PSA 706 (Revised), Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report; PSA 720 (Revised), The Auditor's Responsibilities Relating to Other Information and, PSA 570 (Revised) Going Concern.

Task Force EAR was formed by the BoA in order that the stakeholders, who will be affected by these standards and procedures, are aware of these and should be able to implement and adopt these properly.

This Task Force EAR shall be mandated to do the following to help in the dissemination of information and implementation of the new standards and procedures:

1. Establish a virtual "Help Desk" that will accept and respond queries
2. Maintain website that will provide information and links to established resources
3. Conduct briefings to stakeholders
4. Produce materials (flyers, video, etc.) for dissemination
5. Address implementation and interpretation issues and prescribe resolutions to the BoA for their final action
6. Monitor the awareness and implementation by online surveys; getting feedback from stakeholder groups during their events and the CPD events ; etc.

7. Handle other matters, including the revision of audit thresholds, the study of the integrated reporting and engagement with key stakeholders
8. Submit a final report to BoA by May 30, 2017

Representatives from the auditing firms and the sectoral organizations are members of Task Force EAR. I, as BoA Chairman, is the chairman of the Task Force. The members of the Task Force EAR and their affiliations are:

1. Belinda Fernando Reyes Tacandong & Co.
2. Rico Baluyut R.G. Manabat & Co.
3. Lucy Chan Sycip Gorres Velayo & Co.
4. Leonardo Cuaresma Punongbayan & Araullo
5. Maria Cecilia Ortiz Navarro Amper & Co.
6. Antonio Dayag National Association of CPAs in Education
7. Marco Ng PICPA QAR Committee
8. Karlo Tablizo BoA consultant
9. Nhorie Paguio Ramon F. Garcia & Co.
10. Michelle Guelas Sison Corillo Parone & Co.
11. Ma. Lois Abad Association of Certified Public Accountants in Public Practice
12. John Patrick Lim Isla Lipana & Co.
13. Concordio Quisao Board of Accountancy, Vice-chair

The Task Force had its organizational meeting last January 17, 2017. To date, the Task Force EAR has prepared its work plan to attain its mandates and have issued several materials on the new audit reporting measures. These can be accessed in the various stakeholders websites and Face Book accounts. The website of the BoA has a section on these at <http://boa.com.ph/expanded-auditors-report-task-force-ear/>.

Communication to the task force can be emailed to [taskforceear@gmail.com](mailto:taskforceear@gmail.com).

To the many stakeholders of the accountancy profession, happy listening to these major developments.

***Chairman Joel L. Tan-Torres is the chairman of the Professional Regulatory Board of Accountancy. He is a Certified Public Accountant who placed No. 1 in the May 1979 CPA Board Examinations. He is concurrently a tax partner of Reyes Tacandong & Co., CPAs. He was the former Commissioner of the Bureau of Internal Revenue from 2009 to 2010.***

***This column accepts contributions from accountants, especially articles that are of interest to the accountancy profession, in particular, and to the business community, in general. These can be e-mailed to [boa.secretariat@gmail.com](mailto:boa.secretariat@gmail.com)***